



annual report 2011





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# GENOLIER

*Swiss Medical Network*

## Genolier Swiss Medical Network SA

Genolier Swiss Medical Network SA (GSMN) is the second largest network of private clinics in Switzerland, present in the three linguistic regions. GSMN's main aim is to offer first class hospital care to Swiss and foreign patients.

The distinctive features of GSMN include its high quality services, its excellent care and hotel infrastructure and a pleasant environment. With facilities equipped with the latest medical technology, Genolier Swiss Medical Network is synonymous with reliability, knowledge and well-being.

GSMN's growth strategy focuses on the creation of a national network through the acquisition of clinics and the restructuring of their operations. GSMN currently operates 10 private establishments in Switzerland (Clinique de Genolier, Privatlinik Bethanien, Clinica Sant'Anna, Ars Medica Clinic, Clinique Générale, Privatlinik Obach, Clinique de Montchoisi, Clinique Valmont, Centre médico-chirurgical des Eaux-Vives and Les Hauts de Genolier), with almost 1'000 admitting physicians and 2'000 employees. In addition, GSMN holds a participation of 49% in Klinik Lindberg AG and provides management services to this clinic. GSMN is also affiliated with Klinik Pyramide am See AG, which operates two private clinics in Zurich: Klinik Pyramide am See and Klinik Pyramide Schwerzenbach. The Group is listed on the Domestic Standard of the SIX Swiss Exchange (GSMN:SW).



### Key Figures at 31 December 2011

1'000	Admitting physicians
2'000	Employees
800	Beds
30'000	Surgical interventions
2'000	Deliveries
CHF 24.03 million	EBITDA 2011
CHF 200.8 million	Turnover 2011
4.4%	Year-on-Year turnover growth

[www.gsmn.ch](http://www.gsmn.ch)





letters to  
the **SHAREHOLDERS**



## Beautiful is not small anymore...

Dear shareholders,

2011 was a turning point: following a year that was severely affected by exceptional events, 2011 allowed GSMN to restore confidence, return to positive results and resume its expansion. Our results are in line with our road map and confirm our strategy of long-term growth, prioritising the sustainability and profitability of the company over the long term rather than short-term gains. Our vision remains unchanged: to create a major player in the healthcare sector in Switzerland, bringing together a network of private clinics established in the majority of cantons, based on a liberal approach to medicine and healthcare. We know that this goal is ambitious, but we are convinced that the existence of organisations that are independent of the state is an indispensable element for the survival of private medicine in our country, for the provision of free choice of doctor for patients and for guaranteeing the quality of care provided by independent doctors.

The challenge is not inconsiderable: the demand for medical care is on the increase, patients are increasingly well-informed and demanding, but also tend to be older, and progress in medical research and technological innovation is leading to improved treatments but also increasing costs. In order to keep costs under control, the response should have been to place public and private institutions in competition while maintaining the high quality of care. This was, in any case, the spirit behind the health insurance revision (LAMal 2012), which came into force at the beginning of this year and brought in a certain number of innovations, including a state contribution to the financing of private hospitals, the introduction of DRGs and the free movement of patients from one canton to another. The implementation at the legislative level by the cantons and at the contractual level by the insurance companies is chaotic, and the interpretation of the law as well as the adjustment of rates will often end up with cases being brought before the federal price supervisor and in court. This crisis, which we hope is only temporary, is at the expense of the patient, who can at times see his insurance coverage put in doubt. GSMN does not see the present situation only in terms of risks to our health system but also in terms of opportunities. In addition to accelerating the process of consolidation in the private clinic sector, it could also be the start of a new culture of dialogue, negotiation and collaboration between the principal players in the system: the cantonal public health departments, the public hospitals and private clinics, the doctors and the insurance companies. In defence of patients' interests, including basic policyholders as well as those with complementary insurance, our Group is actively promoting this dialogue and proposing original solutions. In this context, the expansion of our network is a priority, both in terms of the number of establishments, our turnover and our geographic distribution amongst the different cantons. The greater our critical mass, the better our group will be able to position itself in a credible way as a partner at the national level. Beautiful is not small anymore...



In this respect, 2011 will be seen as a critical milestone for GSMN. The extensive negotiations which took place throughout the year enabled us to take on minority shareholdings in two clinics in the Canton of Zurich and to acquire three new clinics, one in the Canton of Solothurn and two in Ticino. Today we are present in six cantons, which is a good start but still insufficient. On the other hand, we are the only group of private clinics to be established in all three linguistic regions of the country, which in itself is an undeniable asset for our future development and political influence. Even if the Board of Directors performs a pragmatic analysis of the situation of each of its clinics – clinic by clinic and canton by canton – it intends to discuss and negotiate with its partners as a group of national scope that can propose innovative solutions that benefit patients, while taking into consideration the demands of quality, cost effectiveness, efficiency and profitability.

GSMN can now depend on a solid group of shareholders, which not only gives its full support to the vision and strategy of the Board of Directors, but which actively contributes to their formulation. This cohesion and determination within GSMN is indispensable in the tempestuous phase that Swiss health policy is traversing.

In 2011, we clearly achieved our main objectives of improving our profitability as well as pursuing our development through acquisitions and partnerships. We would like to thank everyone involved in GSMN – shareholders, collaborators, doctors and employees, without whom none of this would have been possible. Together, we are on track to weather the storm that is battering the Swiss health system, and we are pursuing with determination and vision a strategy of constructive development that is looking very promising!

To help realise this vision, Ermanno Sarra was to have joined our Board of Directors as the majority shareholder of the Gruppo Ospedaliero Ars Medica. A tragic accident took Sarra from his family and deprived us of his friendship and experience. On behalf of the Board of Directors, I would like to take this opportunity to pay him a heartfelt tribute.

**Raymond Loretan**

Executive Chairman of the Board



## Size does matter...

Dear shareholders,

2011 has proven to have been a key year. GSMN strongly increased its profitability and consolidated its position. On a like-for-like basis, GSMN achieved turnover of over CHF 200 million, up by 4.4%, and EBITDA has risen by 58.6% to CHF 24.03 million, representing 12% of turnover. These results confirm the significant potential of our various entities, which have made good overall progress. Our long-term EBITDA target is 18%, representing a level of profitability that will ensure the sustainability of the business and the maintenance of high-quality installations and equipment, through a policy of consistent investment, with a regular and stable return on investment for our shareholders. This target, consistent with industry norms, reflects our business's significant potential for further development and value creation.

In 2011, GSMN continued its strategy of growth and consolidation, taking various minority holdings and concluding several acquisition agreements. With the recent acquisition of the Obach, Sant'Anna and Ars Medica clinics, our group has expanded by 50%. We have sought to optimise shareholder value by means of a mixed financing structure that combines a limited increase in capital with external financing. The Obach, Sant'Anna and Ars Medica clinics were integrated into GSMN in January and February 2012 and will be consolidated as of 1 January 2012, bringing our turnover to over CHF 300 million in 2012. From a Swiss perspective, the addition of Ticino and Solothurn gives GSMN a national footprint, making the second largest Swiss group of private clinics an essential partner for the major insurance companies.

In the canton of Zurich in particular, a minority holding in the Privatlinik Lindberg (49%) and our cooperation with Pyramide am See have, together with Privatlinik Bethanien, enabled a coordinated approach to insurers and the local cantonal authorities. Zurich is an important market, both nationally and internationally. The canton probably offers the largest medical offering in Switzerland, with the Zurich University Hospital and the private cantonal clinics, including our three institutions. It represents an important strategic positioning for Genolier Swiss Medical Network within the framework of our international service offering. Significant investments are being made in our Zurich clinic, aimed at positioning Bethanien among the leading European institutions, and the collaborations with Lindberg and Pyramide am See will also be further intensified in the future.

Maintaining this significant growth clearly involves exceptional costs and sizeable capital requirements. Our management has been considerably strengthened, and our teams have acquired a degree of expertise unparalleled in the difficult Swiss healthcare market. The recent negotiations concerning the coming into force of the new healthcare legislation and the DRGs have nonetheless demonstrated the appropriateness of our strategy, enabling us to position ourselves as essential partners of choice for the political and social authorities. Other players, smaller or independent, are gradually becoming aware of the challenges and constraints that will confront our sector in the future, and we observe a growing interest on their part in our vision and strategy. This will be borne out in the months ahead as other institutions join Genolier Swiss Medical Network, and we will be well positioned to integrate them, benefitting from our expertise and reinforcing our position in the market. Size does matter!

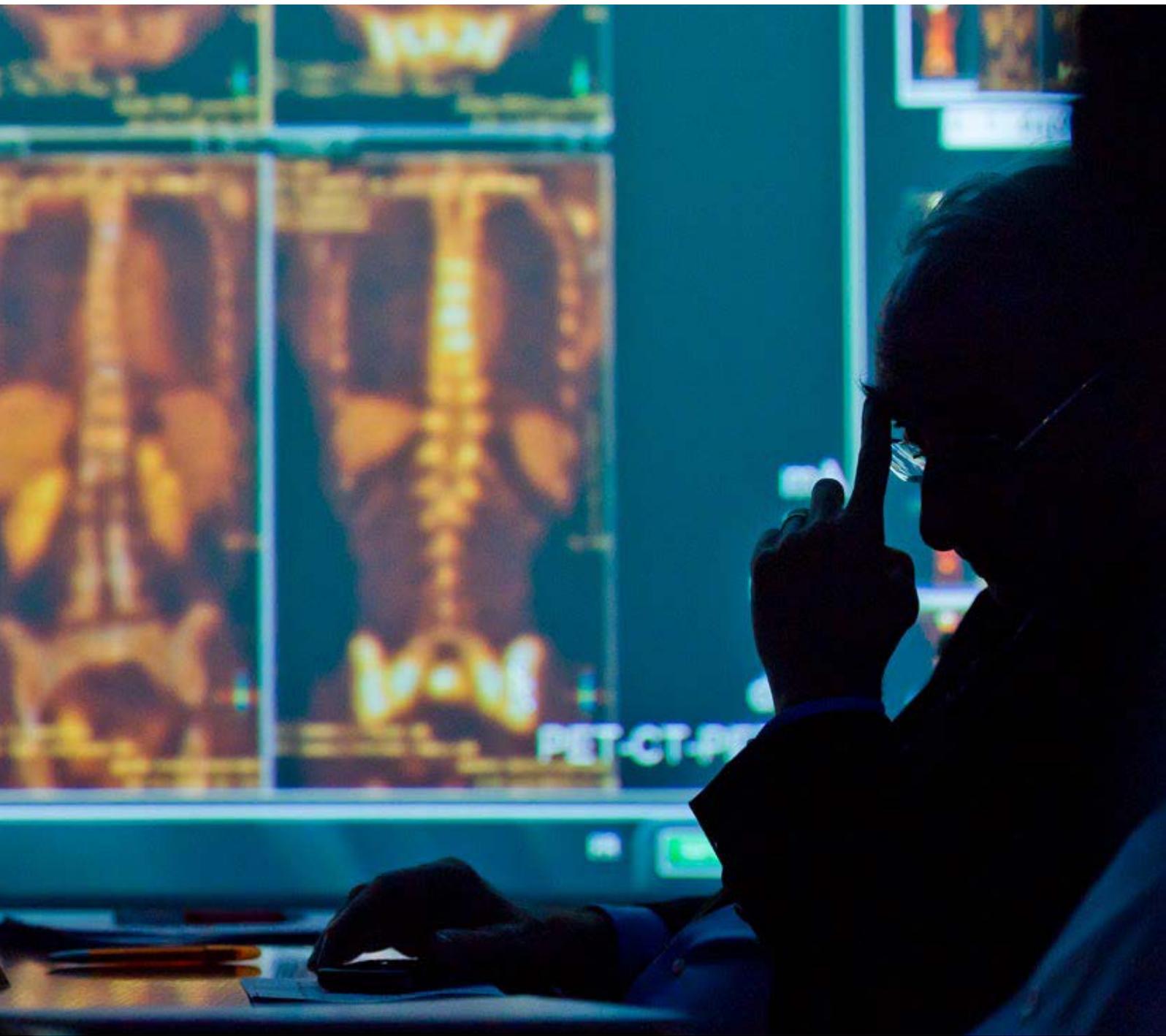
**Antoine Hubert**

Managing Director





operating  
REPORT



## Operational Report

In 2011, Genolier Swiss Medical Network achieved a turnover of CHF 200.82 million, an increase of 4.4% compared to 2010. As there were no acquisitions, this increase is due solely to our organic growth and the optimisation measures we set up in our different establishments. EBITDA increased by 58.6% to CHF 24.03 million, reflecting an improvement in our operational profitability. Exceptional factors in conjunction with the introduction of the SwissDRGs (Swiss Diagnosis Related Groups), as well as the loss of our minority stake in Privatlinik Lindberg, currently being restructured, have impacted our net profit, which remains low. Our operational cash flow has increased by 53% to CHF 17.9 million.

During 2011, management of the Group and the clinics focused on the revision of LAMal 2012 legislation and fees, and was strengthened in order to integrate the new clinics. Major investments were made in the IT infrastructure to handle the different linguistic regions.

Our group pursued its expansion strategy and in December carried out a capital increase. With these new funds, we were able at the beginning of 2012 to proceed with the purchase of the Privatlinik Obach in the canton of Solothurn as well as the Sant'Anna and Ars Medica clinics in Ticino. GSMN is now the only Swiss actor to be present in the three different linguistic areas, and is expected to achieve a turnover of CHF 300 million in 2012.

### Clinique de Genolier

Clinique de Genolier achieved a turnover of CHF 76.05 million, representing a growth of 4.6%. The establishment reinforces its position as flagship of the Group with nearly 40% of the total turnover. In 2011, Genolier clearly met its objectives after a difficult 2010. EBITDA rose to CHF 14.07 million, an improvement of 19.2% compared to the previous year. The new operating theatres became operational in July 2011, and work proceeded with the renovation of recovery, continuing care and intensive care units. The hire of new doctors in 2011 further helped the growth of the clinic. Genolier believes in its potential and continues investing to increase the security and comfort of its patients as well as its doctors. Genolier is expected to achieve a turnover of CHF 80 million in 2012 and plans to expand its development to local and international markets thanks to a reinforced management team.

### Privatlinik Bethanien

Penalised by on-going infrastructure work, Privatlinik Bethanien contributed CHF 47.30 million to the turnover and CHF 6.66 million to the EBITDA of the Group. Despite a decrease in revenue, Bethanien was able to improve the efficiency of its operations, allowing it to become more profitable. An upgrade of the hotel and medical structures and improved access to the clinic should contribute to the growth of the establishment in 2012.

Bethanien, which has enjoyed an excellent medical reputation for many years, has now gained considerable development potential, especially with an international clientele. Bethanien is GSMN's bridgehead in German-speaking Switzerland and the development platform for the Group in the Zurich area. Bethanien expects to achieve a turnover of CHF 50 million in 2012.

### Clinique de Montchoisi

With the launch of a radiology department in early 2011, Clinique de Montchoisi saw its turnover increase to CHF 20.02 million (+6.2% compared to 2010). EBITDA in 2011 was CHF 2.14 million. Montchoisi possesses all the necessary assets to benefit from the exceptional growth developing in the Lausanne area: a cutting-edge radiology centre, a first-class hotel structure and an underground car park. Although ophthalmology remains the key expertise of the clinic, Montchoisi is also focusing its development on other specialties such as orthopaedics and gynaecology. The new radiology department, offering innovative diagnostic and therapeutic technologies, will eventually generate nearly 20% of the clinic's business. In 2012, Montchoisi is expected to achieve a turnover of more than CHF 24 million.

### Clinique Générale

Clinique Générale in Fribourg showed an increase in turnover of 3.5% to CHF 27.95 million. This increase is due in particular to a cantonal plan, effective October 1st, 2011, that granted Clinique Générale exclusivity in orthopaedics, emphasising the quality and excellence of its services. EBITDA showed a marked decrease to CHF 2.40 million as a result of increased staffing, in anticipation of an increase in activity. It should improve substantially in 2012 with the introduction of the SwissDRGs and more equitable fees for basic insurance. Clinique Générale forecasts a turnover exceeding CHF 30 million in 2012.

### Clinique Valmont

After a difficult 2010, Valmont continued its evolution and increased its turnover by 20.4% to CHF 12.76 million. Focusing exclusively on neurological and orthopaedic rehabilitation, Valmont increased its EBITDA nearly fourfold to CHF 1.75 million in 2011. However, profit will drop considerably in 2012 following the decision to remove shared wards. The private rehabilitation clinic will now focus only on private and semi-private business, international customers and the development of a centre of excellence for the treatment of neurological diseases such as Parkinson's and Alzheimer's. Valmont is expected to see a drop in turnover to CHF 10 million in 2012, but it possesses significant growth potential for the future.

### Centre médico-chirurgical des Eaux-Vives

The Centre médico-chirurgical des Eaux-Vives, a private centre that focuses exclusively on cancer treatment, achieved an excellent turnover of CHF 9.65 million in 2011, an increase of 22.8% compared to 2010. By strengthening its team of specialists, the centre can now offer a multidisciplinary approach to oncology, including radiotherapy products, making it a key player in the Geneva area and across the border.

### Les Hauts de Genolier

Les Hauts de Genolier, a secured medical residence associated with Clinique de Genolier, achieved a turnover of CHF 4.50 million in 2011. In order to offer its residents an outstanding level of service, Les Hauts de Genolier significantly strengthened its teams and broadened its services. Les Hauts de Genolier is having growing success and attracting an international clientele. It should eventually achieve a turnover exceeding CHF 12 million.

### Development of the Group

After the recent acquisitions of Obach, Ars Medica and Sant'Anna, GSMN has become the second largest network of Swiss private clinics and the only one to be established in all three different linguistic regions. The Group continues its growth strategy based on the acquisition of clinics and the restructuring of their operations. Important medical and economic synergies are expected, which will strengthen the position of the GSMN clinics.

GSMN signed agreements for the acquisition of minority stakes in the Lindberg and Pyramide am See clinics, strengthening its Zurich pole and contributing to the realisation of its strategy. We have on-going contacts with all the key players in the private clinic sector, and our Group is continuously looking for acquisition or collaboration opportunities that fit the scope of our vision.

We continue to optimise processes and look for synergies in order to increase and sustain the profitability of our establishments. The path to maturity for our business is still long, but our efforts since the creation of Genolier Swiss Medical Network are now starting to bear fruit and are reflected in our results.

### Beat Röthlisberger

CEO

### Valérie Dubois-Héquet

General Manager

	REVENUES		EBITDA	
	2011	2010	2011	2010
Clinique de Genolier	76'050	72'681	14'067	11'822
Clinique de Montchoisi	20'017	18'973	2'143	3'083
Clinique Générale	27'945	26'994	2'400	2'870
Clinique Valmont	12'759	10'594	1'753	442
Centre médico-chirurgical des Eaux-Vives	9'649	7'859	35	240
Les Hauts de Genolier	4'502	2'793	(890)	(1'546)
Privatklinik Bethanien	47'298	52'111	6'656	6'170
Operational	198'220	192'005	26'166	23'081
Corporate	2'598	372	(2'140)	(7'932)
<b>Total</b>	<b>200'818</b>	<b>192'377</b>	<b>24'026</b>	<b>15'149</b>





CORPORATE  
governance



*From left to right : Cédric A.George, Philippe Glasson, Christian Le Dorze, Raymond Loretan, Antoine Hubert, Michel Reybier and Antoine Kohler.*

## Corporate Governance report of Genolier Swiss Medical Network SA

This section on Corporate Governance has been prepared in compliance with the requirements of the Directive on Information relating to Corporate Governance (Corporate Governance Directive) produced by the SIX Swiss Exchange, which came into force on 1 July 2009.

### 1 Group Structure

#### 1.1 Group structure

Genolier Swiss Medical Network SA (GSMN SA), the Group's parent company (hereinafter "the Company"), is a listed corporation headquartered at Route du Muids 3, Case Postale 100, 1272 Genolier (Switzerland). The Company's shares are listed on the Domestic Standard of SIX Swiss Exchange (ISIN CH0012488190). As at 31 December 2011, its market capitalisation stood at CHF 140.15 million. The Genolier Swiss Medical Group (hereinafter "the Group") is active as a healthcare provider.

As at 31 December 2011, the Group had following subsidiaries, none of which are listed :

Name	Registered office	Activity	Share capital (in thousands CHF)	%
GSMN Vaud SA	Genolier	Clinics	10'000	100.0
Clinique Générale - Ste-Anne SA	Fribourg	Clinic	1'500	100.0
Les Hauts de Genolier SA	Genolier	Medicalised residence	200	100.0
Centre Médico-Chirurgical des Eaux-Vives SA	Geneva	Day clinic	400	100.0
Privatklinik Bethanien AG	Zurich	Clinic	500	100.0
Klinik Lindberg AG	Winterthur	Clinic	3'084	49.0
Centre suisse de prévention du vieillissement SA	Geneva	Cosmetics	166	13.3
NESCENS SA	Geneva	Preventive medicine	300	33.0
Publications Financières LSI SA (dormant company)	Geneva	Publishing	100	100.0
AGEFI, Société de l'Agence Economique et Financière S.A.	Lausanne	Publishing	665	49.0
Agefi Com SA	Geneva	Publishing	200	49.0
Academy & Finance SA	Geneva	Organisation of seminars	250	22.5
Piscine de Bassins SA	Bassins	Public swimming pool	500	20.0

GSMN Vaud SA holds Clinique de Genolier, Clinique de Montchoisi and Clinique Valmont.

Centre suisse de prévention du vieillissement SA is commercialising cosmetic products developed at Nescens-Laboratoires Genolier.

NESCENS SA manages and promotes the brand "NESCENS" by running preventive medicine centres and by licensing the "Nescens" brand to third parties such as spas, aesthetic and beauty care centres, etc. EMER Holding SA, a company owned and controlled by Director Michel Reybier, also owns 33% in NESCENS SA, while the remaining 34% are split among several smaller shareholders.

On 9 January 2012, GSMN acquired Privatlinik Obach Genossenschaft (the cooperative company holding Privatlinik Obach), which was transformed into an AG.

In February 2012, GSMN increased its position in Centre suisse de prévention du vieillissement SA to 33.33%.

On 21 February 2012, GSMN acquired, through a subsidiary Clinique Spontini SAS, the business and assets of Clinique Esthétique Spontini, a French clinic specialised in plastic and aesthetic surgery.

On 29 February 2012, GSMN acquired Ars Medica Clinic SA (the entity holding Ars Medica Clinic) and Salus Medica Clinic SA (the entity holding Clinica Sant'Anna).

GSMN is committed to acquire a participation of 20 % in Pyramide am See AG in exchange for a corresponding participation of 20 % in Privatlinik Bethanien AG.

Full consolidation is applied if GSMN SA controls operations of the subsidiary. The equity method is used if GSMN SA owns, directly or indirectly, between 20 % and 50 % of the subsidiary's voting rights.

## 1.2 Significant shareholders

According to the information received by the Company, the shareholders holding directly or indirectly 3% or more of the share capital are :

	31.12.2011		31.12.2010	
	Number of shares	%	Number of shares	%
M.R.S.I. Medical Research, Services and Investments SA*	6'093'935	86.09	-	-
Antoine Hubert & Géraldine Reynard-Hubert	-	-	2'011'604	32.44
Alain Fabarez	368'700	5.21	368'700	5.94
Dr Michael Schroeder & Katrin Reincke-Schroeder	n.a.	< 3	190'000	3.06
Jaime Rosell	n.a.	< 3	310'230**	5.00
Lincoln Vale European Partners Master Fund L.P., Lincoln, USA	-	-	373'792	6.03
CM-CIC Investissement	-	-	255'000	4.11

\* Antoine Hubert and Géraldine Reynard-Hubert hold indirectly GSMN shares through M.R.S.I. Medical Research, Services and Investments S.A. and HR Finance & Participations SA (HRFP). They hold 100 % of the share capital and voting rights of HRFP. HRFP holds 50 % of the share capital and voting rights of MRSI. Michel Reybier holds indirectly GSMN shares through M.R.S.I. Medical Research, Services and Investments S.A. and EMER Holding SA. He holds 100 % of the share capital and voting rights of EMER. EMER holds 50 % of the share capital and voting rights of MRSI.

\*\* Including the shares held by Olmen Entreprises Ltd, Tortola, BVI, beneficially owned by Jaime Rosell.

The following table reports the disclosures of shareholdings for the year under review:

Publication date	Shareholders / Group	Number of registered shares	Shareholding
13.07.2011	<b>CM-CIC Investissement</b> 28 avenue de l'Opéra - 75002 Paris	0	0.00
04.07.2011	<b>Dr Michael Schroeder &amp; Katrin Reincke-Schroeder</b> 1204 Geneva	n.a.	< 3%
29.06.2011	<b>Antoine Hubert</b> Route de la Moubra 26 - 3963 Montana	5'223'373	84.24%
	<b>Géraldine Reynard-Hubert</b> Route de la Moubra 26 - 3963 Montana		
	<b>Michel Reybier</b> Route de la Capite 99 - 1223 Cologny		
21.02.2011	<b>Jaime Rosell</b> Route de Vermala 71, 3963 Crans-Montana	63'691	1.03%
20.01.2011	<b>Lincoln Vale European Partners Master Fund L.P.</b> Lincoln North, 55 Old Bedford Road Lincoln - MA 01773 USA	0	0.00
20.01.2011	<b>Antoine Hubert</b> Route de la Moubra 26 - 3963 Montana	3'127'825 shares 1 option on 300'000 shares	50.44 4.84
	<b>Géraldine Reynard-Hubert</b> Route de la Moubra 26 - 3963 Montana		
	<b>Michel Reybier</b> Route de la Capite 99 - 1223 Cologny		
17.01.2011	<b>Antoine Hubert, Géraldine Reynard Hubert, Anger Holding SA</b> Route de la Moubra 26 - 3963 Crans-Montana	2'011'604 1 option on 300'000 shares	32.44 4.84
17.01.2011	<b>Jaime Rosell</b> Route de Vermala 71 - 3963 Crans-Montana	327'026 (of which 300'000 in sale position)	5.27 (4.84)

A full list of past disclosures of shareholdings made in accordance with Article 20 of the Stock Exchange Act (SESTA) is available on the website of SIX Swiss Exchange using the following link:

[http://www.six-exchange-regulation.com/obligations/disclosure/major\\_shareholders\\_en.html](http://www.six-exchange-regulation.com/obligations/disclosure/major_shareholders_en.html)

### 1.3 Cross-shareholdings

The Company has no cross-shareholdings that exceed 5% of capital shareholdings or voting rights with any other company.

## 2 Capital Structure

### 2.1 Capital

The structure of the issued capital, conditional capital and authorised capital is as follows :

31.12.2011	Number of shares	Total
Share capital	7'078'479	35'392'395
Conditional capital	2'909'400	14'547'000
Authorised capital	1'332'121	6'660'605

As at 31 December 2011, the share capital of GSMN SA amounted to CHF 35'392'395, representing 7'078'479 registered shares of a nominal value of CHF 5. The conditional capital amounted to CHF 14'547'000 representing 2'909'400 registered shares of a nominal value of CHF 5. The authorised capital amounted to CHF 6'660'605 representing 1'332'121 registered shares of a nominal value of CHF 5.

### 2.2 Authorised and conditional capital in particular

#### Authorised capital

The Board of Directors is authorised to issue up to a maximum of CHF 6'660'605 divided into a maximum of 1'332'121 fully paid-up registered shares with a nominal value of CHF 5 each until 7 June 2013. The issue price, type of payment, timing, the beginning date for dividend entitlement and the conditions for the exercise of subscription rights attached to such shares would have to be determined by the Board of Directors. Preferred subscription rights which have been granted but not exercised are at the disposal of the Board of Directors, which can use them in the interest of the Company.

The Board of Directors is authorised to set the preferred subscription rights of existing shareholders aside and issue new shares by means of a firm underwriting through a bank or another institution with a subsequent offer of such shares to the Existing Shareholders. The Board of Directors may also withdraw the preferred subscription rights of shareholders in case of the acquisition of an enterprise, parts of an enterprise or participations in a company or any similar transaction.

#### Conditional capital

a. The share capital may be increased, through the exercise of conversion rights by a maximum of CHF 11'050'000 divided into a maximum of 2'210'000 fully paid-up registered shares with a nominal value of CHF 5 each. According to article 10 bis of the Articles of Association, conversion rights can be granted to holders of convertible bonds.

b. The share capital may be increased, through the exercise of option rights by a maximum of CHF 3'497'000 divided into a maximum of 699'400 fully paid-up registered shares with a nominal value of CHF 5 each. According to article 10 ter of the Articles of Association, option rights can be granted to employees, consultants and directors of the Company or its subsidiaries (the beneficiaries) and in accordance with a stock-option plan as defined by the Board of Directors.

Shares acquired through exercise of option rights have the same limitations of transferability as described under 2.6 below. The preferred subscription rights of shareholders are withdrawn.

During 2011, 59'950 options were granted.

### 2.3 Changes in capital

The changes in capital for 2009, 2010 and 2011 are as follows :

	Number of Share shares	Share capital (in CHF)
Balance at 1 January 2009	5'640'600	28'203'000
Centre médico-chirurgical des Eaux-Vives acquisition - issue of 560'000 shares from the authorised capital	560'000	2'800'000
Balance at 31 December 2009	6'200'600	31'003'000
Balance at 1 January 2010	6'200'600	31'003'000
Balance at 31 December 2010	6'200'600	31'003'000
Balance at 1 January 2011	6'200'600	31'003'000
Capital increase	877'879	4'389'395
Balance at 31 Décembre 2011	7'078'479	35'392'395

On 17 March 2009, GSMN acquired 100% of the Centre medico-chirurgical des Eaux-Vives SA. The acquisition was financed through the issue of 560'000 GSMN shares from the authorised capital. This brought the total number of shares at 6'200'600, with a share capital standing at CHF 31'003'000.

On 21 December 2011, GSMN successfully completed a capital increase out of the authorised capital and issued 877'879 new registered shares.

### 2.4 Shares and participation certificates

As at 31 December 2011, GSMN's share capital is composed of 7'078'479 registered shares with a nominal value of CHF 5 each. According to Article 16 of the Articles of Association, each share confers the right to one vote. Voting rights may, however, only be exercised if the holder is registered in the share register with voting rights.

There are no participation certificates.

## 2.5 Dividend-right certificates

There are no dividend-right certificates.

## 2.6 Limitations on transferability and nominee registrations

Registered shares of the Company can be transferred without restriction, save that the Company requires the holder to declare that the shares have been acquired on own account and own benefit to register the holder in the share register with voting rights. There are no further registration restrictions (e.g. percentage limitation). The registration of nominees with voting rights is permitted but is subject to the consent of the Board of Directors and is conditional upon the signature by the nominees of an agreement specifying their status. In 2011, the Board of Directors approved the registration of a nominee with voting rights.

## 2.7 Convertible bonds and options

The Company has not issued any convertible bonds. The only options the Company has issued are for its management and employees' compensation plan as described in note 35 (page 74).

# 3 Board of Directors

## 3.1 Members of the Board of Directors

As at 31 December 2011, the Board of Directors of Genolier Swiss Medical Network was composed of the following members :

- **Raymond Loretan**, *Executive Chairman of the Board*

**Born 1955, Swiss citizen, first election November 2006**

Raymond Loretan holds a law degree from the University of Fribourg and a diploma in European Organizations from the University of Strasbourg. Raymond Loretan held several positions within and outside the Swiss administration for more than 20 years, serving as diplomatic Assistant to the Secretary of State at the Federal Department of Foreign Affairs (1984–1987), personal adviser to Federal Councillor Arnold Koller (1987–1990), Counsellor for European Affairs of the Canton of Valais (1991–1992) and Secretary general of the Swiss Christian Democratic Party (1993–1997). In 1997, Raymond Loretan was appointed by the Swiss government as Swiss Ambassador to the Republic of Singapore and to the Sultanate of Brunei Darussalam and in 2002 as Consul General of Switzerland in New York with ambassadorial ranking.

Raymond Loretan has been elected by the extraordinary shareholders meeting of 17 November 2006 and joined the Group in January 2007. He was elected Chairman of the Board during the ordinary shareholders meeting of 13 June 2007. He is also founding associate of the consultancy practice FBL associés ([www.fbla.ch](http://www.fbla.ch)), Geneva, director and chairman of the board of the "Société Suisse des Explosifs" and director of the Cave "Vins des Chevaliers". In June 2011, he was elected as member of the board of Klinik Pyramide am See AG. In September 2011, he was elected chairman of the board of the Swiss Broadcasting Corporation (SRG SSR).

Within GSMN, Raymond Loretan is a member of the Strategy Committee. Within the Group, Raymond Loretan is Chairman of the Board of Directors of GSMN Vaud SA, Centre Médico-Chirurgical des Eaux-Vives SA, Les Hauts de Genolier SA, Privatlinik Bethanien AG and Publications Financières LSI SA. He is Vice-chairman of the Board of Directors of Clinique Générale Ste-Anne SA and Board member of Agefi, société de l'agence économique et financière SA (till 31.12.2011). In 2012 he was elected Chairman of the Board of Directors of Privatlinik Obach AG and Board member of Ars Medica Clinic SA and Salus Medica Clinic SA.

- **Dr Philippe Glasson**, *Vice-chairman of the Board, Non-Executive Member of the Board*

**Born in 1948, Swiss citizen, first election September 2010**

With a Federal Degree in Medicine from the University of Geneva, Philippe Glasson has practiced medicine since 1975. Dr. Glasson is active at Clinique de Genolier since 1985. He is the Responsible Doctor for the Clinic and for the Internal Medicine division. He is Chairman of the Medical Commission and Chairman of the Infection Control Committee. Dr. Glasson is also "Médecin Délégué du Médecin Cantonal" since 1990. Philippe Glasson has been elected as Board member by the extraordinary shareholders meeting of 6 September 2010 and was elected Vice-chairman of the Board on 10 February 2011.

At GSMN, Dr Philippe Glasson is Chairman of the Medical Coordination Committee. He is also a member of the Audit Committee as well as the Strategy Committee. Within the Group, Dr Philippe Glasson is Board member of GSMN Vaud SA.

- **Antoine Hubert**, *Managing Director*

**Born 1966, Swiss citizen, first election June 2009**

Prior to acquiring a stake in Clinique de Genolier in 2002 and founding Genolier Swiss Medical Network in 2004, Antoine Hubert was mainly active in the property and real estate industry and has set up businesses and served as a director to several companies in various industries. Antoine Hubert has been elected as Board member by the ordinary shareholders meeting of 10 June 2009. He is shareholder and Chairman of the Board of Directors of Swiss Healthcare Properties AG (formerly Unigerim SA), a real estate company which owns the premises of all the group clinics with the exception of premises of Privatlinik Bethanien and Privatlinik Lindberg. In June 2011, he was elected member of the Board of Klinik Pyramide am See AG.

At GSMN, Antoine Hubert is a member of the Nomination and Compensation Committee and the Strategy Committee. He is Chairman of the Investment Committee. Within the Group, Antoine Hubert is Vice-chairman of the Board of Directors of GSMN Vaud SA, Centre Médico-Chirurgical des Eaux-Vives SA and Les Hauts de Genolier SA. He is a Board member of Privatlinik Bethanien AG, Clinique Générale Ste-Anne SA, Klinik Lindberg AG, NESSENS SA, Centre suisse de prévention du vieillissement SA, Agefi, société de l'agence économique et financière SA and Publications Financières LSI SA. In 2012 he was elected Board member of Privatlinik Obach AG, Ars Medica Clinic SA and Salus Medica Clinic SA.

- **Michel Reybier**, *Non-Executive Member of the Board*

**Born 1945, French citizen, first election June 2011**

Michel Reybier has held several senior management positions within the nutrition industry. In particular he has managed a group of supermarket stores in the Lyon area, a company producing chocolate and biscuits sold under the trade name Cemoi as well as a company producing meat products, amongst others, under the trade names Aoste, Justin Bridou and Cochonou. Michel Reybier is currently active in the hotel business and holds several board memberships, amongst others, HMC La Réserve (hotel). He is shareholder and Board member of Swiss Healthcare Properties AG (formerly Unigerim SA), a real estate company which owns the premises of all the group clinics with the exception of premises of Privatlinik Bethanien and Privatlinik Lindberg. Michel Reybier has been elected as Board member by the ordinary shareholders meeting of 8 June 2011.

At GSMN, Michel Reybier is Chairman of the Strategy Committee and a member of the Audit Committee (as of the 1<sup>st</sup> of May 2012). Within the Group, Michel Reybier is a Board member of Les Hauts de Genolier SA and NESCEMS SA.

- **Antoine Kohler**, *Non-Executive Member of the Board*

**Born in 1956, Swiss citizen, first election June 2008**

With a law degree from the University of Geneva and following postgraduate studies at the Graduate Institute of International Studies, Geneva, Antoine Kohler has been practicing law as a qualified attorney in Geneva since 1983. He is a senior partner of the law firm Perréard de Boccard SA, with offices in Geneva and Zurich. Antoine Kohler has been elected as Board member by the ordinary shareholders meeting of 11 June 2008. Antoine Kohler is, amongst others, Chairman of Cior Technologies Ltd., Boudry and Deputy Chairman of Mitsubishi UFJ Wealth Management Bank (Switzerland) Ltd., Geneva. He is a member of the Board of Sixt AG, Sixt rent-a-car AG, Sixt Leasing AG in Basel and Charles Jourdan Holding AG, Geneva.

Within GSMN, Antoine Kohler is Chairman of the Audit Committee. Within the Group, Antoine Kohler is Board member of GSMN Vaud SA, Centre Médico-Chirurgical des Eaux-Vives SA, Les Hauts de Genolier SA and Privatlinik Bethanien AG.

- **Dr Christian Le Dorze**, *Non-Executive Member of the Board*

**Born in 1951, French citizen, first election September 2010**

Christian Le Dorze obtained a doctor's diploma at the Faculty of Dijon in France. At the beginning of his career, Christian Le Dorze was active as an oncologist and managed two Oncology Centers in Dijon and Chalon-sur-Saône. From 1993 to 2006, he was Managing Director of Généridis, a subsidiary of Générale de Santé managing 15 oncology centers, Managing Director of Générale de Santé Cliniques, Responsible of several Service centers at Générale de Santé and Managing Director of Clinique Hartmann. In April 2006, Dr Christian Le Dorze created Vitalia Group, which is the second largest private healthcare provider in France with 49 clinics. Today, he is the Chairman of Vitalia Group. Dr Le Dorze has been elected as Board member by the extraordinary shareholders meeting of 6 September 2010.

At GSMN, Dr Christian Le Dorze is a member of the Nomination and Compensation Committee, of the Investment Committee and of the Medical Coordination Committee.

- **Dr Cédric A. George**, *Non-Executive Member of the Board*

**Born in 1952, Swiss citizen, first election September 2010**

Dr Cédric A. George obtained a Medical degree and doctor's diploma at the Medical Faculty of Zurich University. Specialized in Plastic, Reconstructive and Aesthetic Surgery (Swiss Board Certified), he is the Head physician and Managing Director of Klinik Pyramide am See AG which he founded in 1993. Dr George founded a private Centre for Plastic Surgery in Zurich where he also runs a private medical practice. Dr Cédric George has been elected as Board member by the extraordinary shareholders meeting of 6 September 2010.

At GSMN, Dr Cédric A. George is Chairman of the Nomination and Compensation Committee and a member of the Medical Coordination Committee. Within the Group, Dr Cédric A. George is a Board member of Privatklinik Bethanien AG and Klinik Lindberg AG.

### 3.2 Other activities and vested interests

Other activities and vested interests are mentioned for each member of the Board of Directors under 3.1 above.

### 3.3 Elections and terms of office

The members of the Board of Directors are elected by the Annual General Meeting for one year and are eligible for re-election.

#### Election procedure

The members of the Board are elected by the Annual General Meeting for a period of one year. Re-election is permitted. Elections are collective unless a shareholder requests individual elections. All elections and motions at the Annual General Meeting are taken by open vote unless requested otherwise by the majority of votes.

#### First election and remaining term of office

Date of first election	Members	Duration
November 2006	Raymond Loretan*	Until the next Annual General Meeting in 2012
September 2010	Philippe Glasson	Until the next Annual General Meeting in 2012
June 2009	Antoine Hubert*	Until the next Annual General Meeting in 2012
June 2011	Michel Reybier	Until the next Annual General Meeting in 2012
June 2008	Antoine Kohler*	Until the next Annual General Meeting in 2012
September 2010	Cédric A. George	Until the next Annual General Meeting in 2012
September 2010	Christian Le Dorze	Until the next Annual General Meeting in 2012

\* Raymond Loretan, Antoine Hubert and Antoine Kohler have not been members of the Board between 9 June 2010 and 6 September 2010.

### 3.4 Internal organisational Structure

According to its organisational rules, the Board of Directors meets at least four times a year. In 2011, the Board of Directors met 5 times and 9 times via conference call. A delegation of the Board of Directors met 4 times during the public offer of M.R.S.I. Medical Research, Services & Investments S.A. The Chief Executive Officer of the Group is invited to attend the meetings. The average length of meeting is 3 to 6 hours. Extraordinary meetings, either formal or by means of telephone conferencing, may take place in the course of the year. The Board fulfils the function of defining the Group strategy, monitoring and directly controlling management. During its meetings, the Board reviews the activities of the Group with reference to operating reports. Once a year at least, the auditor is invited to take part in a Board meeting, in the course of which the results of the auditor's work are presented. Meetings are prepared by the Chairman. Decisions are taken by the full Board. The Board can decide when more than half of its members are present. It decides by majority of votes. In case of a tie, the vote of the Chairman decides.

The Board constitutes an Audit and Compliance Committee that annually submits proposals regarding the analysis of financial statements, information provided to the shareholders and third parties, internal control procedures and liaison with the company auditors. The Committee is composed of Antoine Kohler, Chairman and casting vote, Philippe Glasson and Gilles Frachon. Michel Reybier will replace Gilles Frachon as of the 1<sup>st</sup> of May 2012. The Chairman of the Board, the Managing Director, the Chief Financial Officer and the auditor are invited to the Committee. In 2011, the Committee met 5 times. The average length of meeting is 2.5 hours.

The Board constitutes a Nomination and Compensation Committee that annually submits proposals regarding annual compensation of its members, the members of the senior management and the key executive officers. The Nomination and Compensation Committee also proposes employee participation schemes. In the frame of approved programs, it also submits proposals concerning allocation of shares and share options to members of the Board, the members of the Senior Management and the key Executive Officers. Approvals of proposals of the Committee are granted by the full Board. The Committee is composed of Cédric A. George, Chairman of the Committee and casting vote, Antoine Hubert and Christian Le Dorze. The Chairman of the Board is invited to the Committee. In 2011, the Committee met twice. The average length of meeting is 1.5 hours.

In addition, at its meeting following the ordinary shareholders meeting of 8 June 2011, the Board decided to constitute three additional committees:

- The Investment Committee coordinates the significant investment projects of the Group. The Committee is composed of Antoine Hubert, Chairman and casting vote, Dr Christian Le Dorze and Gilles Frachon.
- The Medical Coordination Committee serves as platform for the physicians to meet representatives of the Board. The main tasks comprise the review of the medical service quality provided including potential improvement opportunities and the review of proposals regarding improved collaboration among Group clinics. The Committee is composed of Dr Philippe Glasson, Chairman and casting vote, Dr Cédric A. George, Dr Christian Le Dorze as well as one physician per clinic as elected by their respective peers. This Committee meets on a monthly basis.

- The Strategy Committee reviews the Group's strategic development in its core business as well as other businesses closely related thereto. The Committee is composed of Michel Reybier, Chairman and casting vote, Antoine Hubert, Raymond Loretan and Dr Philippe Glasson. The first meeting took place in 2012.

### 3.5 Definition of areas of responsibility

Pursuant to Swiss Code of Obligations and the Articles of Incorporation of the Company, the Board of Directors has in particular the following non-transferable and inalienable duties :

- ultimate direction of the business of the Company and giving the necessary directives ;
- determination of the organisation of the Company ;
- administration of accounting, financial control and financial planning as far as it is required for the direction of the Company ;
- appointment and removal of the persons entrusted with the management and representation of the Company ;
- ultimate supervision of the persons entrusted with the management of the company, specifically in view of their compliance with the law, the Articles of Incorporation, regulations and directives ;
- preparation of the annual report and the Annual General Meeting of shareholders and carrying out its resolutions ;
- notification of the court if liabilities exceed assets.

According to the organisational rules, the Board has delegated the day-to-day management and controlling of ongoing operations as well as the follow-up of the risk analysis to the Managing Director Antoine Hubert and the CEO Beat Röthlisberger. The Managing Director, the CEO and the Executive Chairman of the Board hold regular coordinating meetings.

The Managing Director and the CEO in particular are responsible for the implementation of the decisions taken by the Board of Directors.

Name	Nomination and Compensation Committee	Audit and Compliance Committee	Strategy Committee	Investment Committee	Medical Coordination Committee
Raymond Loretan			X		
Dr Philippe Glasson		X	X		(Chairman) X
Antoine Hubert	X		X	(Chairman) X	
Michel Reybier			(Chairman) X		
Antoine Kohler		(Chairman) X			
Cédric A. George	(Chairman) X				X
Dr Christian Le Dorze	X			X	X
Gilles Frachon		X		X	

### 3.6 Information and control instruments vis-à-vis the Senior Management

The Managing Director conducts the operational management of the Company pursuant to the organisational rules and reports to the Board of Directors on a regular basis. Members of the Senior Management report on operational business issues to the Managing Director on a weekly basis either during a meeting or by means of telephone conferencing. The Group's Controlling Department compiles daily, weekly and monthly data regarding all its subsidiaries and a condensed report with the most important key figures of all operational units. This information is transmitted to and analysed by the Senior Management during Monthly Operational Reviews. The Board of Directors meets regularly and receives prior to the Board meetings all relevant key data, including the condensed report. The CEO analyses this data in detail during each Board meeting and informs on the operational business. The company has implemented an Internal Control System, which is coordinated on group level and implemented in its subsidiaries. The Internal Controlling System is managed by an Internal Controller at Group level. A Risk Management System was introduced in 2009. It is reviewed yearly by the Senior Management and the Audit Committee. The Board of Directors yearly discusses and approves the Risks identified by the Senior Management (see also note 38, page 77). According to the organisational rules, the Board has delegated the day-to-day management, the controlling of ongoing operations as well as the follow-up of the Risk analysis to the Group Senior Management.

## 4 Management

### 4.1 Senior Management and key Executive Officers

#### Senior Management

The Senior Management team of GSMN SA is composed of the following persons :

- **Antoine Hubert**, *Managing Director*

**Born 1966, Swiss citizen**

Prior to acquiring a stake in Clinique de Genolier in 2002 and founding Genolier Swiss Medical Network in 2004, Antoine Hubert was mainly active in the property and real estate industry and has set up businesses and served as a director to several companies in various industries. Antoine Hubert has been elected as Board member by the ordinary shareholders meeting of 10 June 2009. He is shareholder and Chairman of the Board of Swiss Healthcare Properties AG (formerly Unigerim SA), a real estate company which owns the premises of all the group clinics with the exception of premises of Privatlinik Bethanien and Privatlinik Lindberg. In June 2011, he was elected member of the Board of Klinik Pyramide am See AG.

At GSMN, Antoine Hubert is a member of the Nomination and Compensation Committee and the Strategy Committee. He is Chairman of the Investment Committee. Within the Group, Antoine Hubert is Vice-chairman of the Board of Directors of GSMN Vaud SA, Centre Médico-Chirurgical des Eaux-Vives SA and Les Hauts de Genolier SA. He is Board member of Privatlinik Bethanien AG, Clinique Générale Ste-Anne SA, Klinik Lindberg AG, NESSENS SA, Centre suisse de prévention du vieillissement SA, Agefi, société de l'agence économique et financière SA and Publications Financières LSI SA. In 2012 he was elected Board member of Privatlinik Obach AG, Ars Medica Clinic SA and Salus Medica Clinic SA.

- **Beat Röthlisberger**, *Chief Executive Officer*

**Born 1966, Swiss citizen**

Beat Röthlisberger holds a degree in accounting and finance from the University of St. Gallen HSG. He has held positions in the controlling and finance departments of Biberist and Allseas Group. Prior to joining Clinique de Genolier in 2006 as Chief Administrative Officer, he acquired a stake in and served as Chief Financial Officer at Reymond SA in Lausanne, a distributor of luxury products and accessories. Beat Röthlisberger is a member of the Committee of Cliniques Privées Suisses (Private Hospitals Switzerland). Beat Röthlisberger became Chief Financial Officer in May 2010 and Chief Executive Officer in December 2010. Within the Group, Beat Röthlisberger is Board member of Clinique Générale Ste-Anne SA. In 2012, he was elected Board member of Privatklinik Obach AG, Ars Medica Clinic SA and Salus Medica Clinic SA.

- **Ayhan Güzelgün**, *Chief Financial Officer (till 30 April 2012)*

**Born 1971, Swiss and Turkish citizen**

Ayhan Güzelgün holds a Degree in Business Economics from the University of Zurich and is specialised in Banking Management and company financing. Prior to joining GSMN, he worked at Migros Bank and AKB Privatbank Zürich AG. Ayhan Güzelgün became Chief Financial Officer in August 2011.

- **Valérie Dubois-Héquet**, *Chief Operating Officer*

**Born 1969, French citizen**

Valérie Dubois holds a French diploma (BTS) in international trade. She started her career as a sales representative in the healthcare sector with Sofamor Danek Group before joining Surgitec in 1995, a distributor of medical products, as Chief Marketing and Sales Officer. In 1999 she joined Clinique de Genolier as Chief Marketing Officer and is since, in charge of commercial development especially for the foreign clientele. She became member of the Senior Management Team in April 2009 and Chief Operating Officer in September 2009. Within the Group, Valérie Dubois-Héquet was elected Board member of Ars Medica Clinic SA and Salus Medica Clinic SA in 2012.

- **Guy Reynard**, *Chief Sales Officer GSMN*

**Born 1957, Swiss citizen**

Guy Reynard joined GSMN in November 2006 as General Manager of Clinique Valmont. He became Marketing Director of the Group in April 2009 and Chief Sales Officer in May 2011. Before joining GSMN, Guy Reynard was in charge of a car concession during 10 years. He was also in charge of seven local retailers.

## Changes operated in 2012

- **Romain Boichat**, *Chief Operating Officer*

**Born 1973, Swiss citizen**

Romain Boichat joined GSMN in October 2011 as a Director and became Chief Operating Officer and member of the Senior Management on 1<sup>st</sup> of January 2012. Before joining GSMN, he was Consultant at McKinsey and Director of the Service des automobiles et de la navigation of the state of Vaud. He has also been Dean of the School of Management of Technology at EPFL. He obtained an MBA at IMD Lausanne and has a PhD from EPFL.

- **Valérie Dubois-Héquet** became General Manager of GSMN on 1 January 2012. She acted as General Manager ad interim of Clinique de Genolier from November 2011 till April 2012.

- **Gilles Frachon, Chief Financial Officer**

**Born 1950, French citizen**

Gilles Frachon will become Chief Financial Officer of Genolier Swiss Medical Network and member of the Senior Management team as of May, 1st, 2012, in replacement of Ayhan Güzelgün. Gilles Frachon is the Chief Financial Officer of Maragest SA, the holding company of Director Michel Reybier, since 1997. Previously, he has been Chief Financial Officer of Aoste, European leader in charcuterie, and General Manager of the holding company Fournier, owned by the founders of the hypermarkets Carrefour. Gilles Frachon graduated from the EM Lyon business school and was a Professor in Finance & Controlling at this business school from 1976 till 1980.

#### **Key Executive Officers**

Key Executive Officers report directly to the Managing Director or the Chief Executive Officer. Key Executive Officers are not considered as part of the Senior Management.

- **Walter Chételat, Real Estate Director GSMN**

**Born 1947, Swiss citizen**

Walter Chételat joined Genolier Swiss Medical Network in 2003 as a Director of Projects. He became Real Estate Director in 2005. Before joining GSMN, he founded and managed Immobilières Etudes et Gestion in 1988. He currently is member of the Board of BISA (Geneva). He worked as Managing Director for BISA, as Commercial Director for Pain d'Or and in the Sales and marketing department of Coca-Cola International. Walter Chételat holds a Commercial degree and a degree in business and management.

- **Eric Frey, Development Director GSMN**

**Born 1964, French citizen**

Eric Frey joined Genolier Swiss Medical Network in 2006. He is also the manager of BioTissue AG, a biotech company developing cell tissues. From 1989 to 2004, Eric Frey was active in the franchising of leather furniture and has set up his own company. Until 30 June 2007, Eric Frey was Chief Operating Officer of the healthcare division and employee of the Group. Since that date, Eric Frey is in charge of the development projects for the Group.

- **Séverine Van der Schueren, Secretary-General GSMN**

**Born 1970, Belgian citizen**

Séverine Van der Schueren holds a law degree from the Katholieke Universiteit Leuven. Before joining the Group in September 2008, she was Corporate Communications Manager at Cofinimmo SA in Belgium. Within the Group, Séverine Van der Schueren has been appointed Secretary to the Board of Directors of GSMN SA (non-member) in December 2008. In her capacity as Secretary to the Board, Mrs Van der Schueren reports directly to the Executive Chairman of the Board.

- **Jino Omar**, *General Manager Privatlinik Bethanien*

**Born 1976, Iraqi citizen**

Jino Omar joined Privatlinik Bethanien in June 2010 as Guest Relations Manager and responsible for Room Service. She became General Manager of the Clinic in 2011. Before joining Bethanien, Jino Omar worked for the Hirslanden Group in the Guest Relations Department. She holds a degree in Communications.

- **Rainer Stelzer**, *General Manager GSMN Zurich*

**Born 1960, Swiss citizen**

Rainer Stelzer became General Manager of Privatlinik Bethanien in Zurich in March 2010 and General Manager of GSMN Zurich in 2011. He has a degree of the EHL (Ecole Hôtelière de Lausanne) and the Ecole Supérieure de Commerce of Neuchâtel. Before joining Privatlinik Bethanien, Rainer Stelzer was Operating Director Clinic St-Raphael in Kusnacht and Clinique Pyramide in Schwerzenbach.

- **Pietro Fabrizio**, *General Manager Clinique Générale*

**Born 1968, Swiss citizen**

Pietro Fabrizio holds a federal degree in accounting. From 1998 to 2007 he was Chief Administration Officer and deputy CEO of Hôpital Daler in Fribourg. In June 2007 he joined Clinique Générale Ste-Anne as General Manager.

- **Benoît Fallot**, *General Manager Clinique de Montchoisi*

**Born 1952, French citizen**

Benoît Fallot holds a diploma from the nursing school in Lausanne. Benoît Fallot held various positions with medical clinics in the Suisse Romande. In 1999, he was appointed deputy General Manager of Clinique de Montchoisi in Lausanne, before being appointed General Manager in 2003.

- **Babs Siclet**, *General Manager Clinique Valmont*

**Born 1981, French citizen**

Babs Siclet joined Clinique Valmont in December 2007 as Sales Assistant and coordinator. In 2009 she became guest relations manager, in 2010 she became deputy general manager and in 2011 she became General Manager of the Clinic. Before joining the Group, Babs Siclet worked in several hotels and restaurants. She holds a degree in Hotel & Catering Management.

#### Changes operated in 2012

- **Pierre-Frédéric Guex**, *General Manager Clinique de Genolier (as of May, 1<sup>st</sup> 2012)*

**Born 1955, Swiss citizen**

Holder of a Swiss Master in Hospital Management and a Degree of the Ecole Hôtelière Lausanne, Pierre-Frédéric Guex has an experience of almost 30 years in the medical field. He has amongst others been Director of Clinique Cecil for 17 years, Deputy Director of Clinique de Genolier from 1990 till 1995 and Deputy Director of Hôpital de la Tour in Geneva from 1981 till 1987. Pierre-Frédéric Guex is also Chairman of Vaud-Cliniques.

4.2 Other activities and vested interests  
Other activities of the Senior Management and the key Executive Officers are listed under 4.1.

4.3 Management contracts  
The company has signed no management contracts.

## 5 Compensation, shareholdings and loans

Content and method of determining the compensation and the share-ownership programs. Compensation and shareholding programs are defined by the Board of Directors based on a proposal of the Nomination and Compensation Committee. Members of the Senior Management receive a base compensation and stock options. The additional variable part of compensation, which vary as a principal between 10 to 30% of the base compensation is subject to business success (percentage of EBITDA) as well as to meeting personal objectives.

The Nomination and Compensation Committee is in charge of defining the remuneration of the ten highest remuneration of the management, overseeing and discussing the remuneration principles for the Company and the Group. He also submits for approval by the Board of Directors the remuneration of the members of the Board and the Senior Management. The Nomination and Compensation Committee reports on its decisions to the Board at least once a year, and keeps the Board updated on the overall remuneration policy of the Group. The Managing Director is member of the Nomination and Compensation Committee but abstains to vote on his own remuneration. Compensation of the members of the Board of Directors and the Senior Management is detailed as per art. 663b bis CO in note 9 (pages 86 and 87) of the 2011 statutory financial statements of Genolier Swiss Medical Network.

Share-based payments to members of the Board and to employees is detailed in note 35 (pages 74 and 75). For details about transactions with related parties see note 31 (page 70). No loans have been granted.

## 6 Shareholders' Participation

6.1 Voting rights and representation restrictions  
All shareholders recorded in the share register with voting rights (see item 2.6) are entitled to attend and vote at the Annual General Meetings. Representatives have to be shareholders and to be authorized in writing unless they are the shareholder's legal representative. For organizational reasons, subsequent to closing the share register (see item 6.5) no further registrations can be executed.

- 6.2 **Statutory quorums**  
The Annual General Meeting passes resolutions and makes elections, if not otherwise required by law (Swiss Code of Obligations, article 704), with an absolute majority of the votes represented at the meeting as per article 703 CO.
- 6.3 **Convocation of the General Meeting of Shareholders**  
The General Meeting is convened at least twenty days before the date set for the meeting, by being published in the Feuille Officielle Suisse de Commerce (FOSC) or by means of registered letter sent to all shareholders, if these are known in the share register. One or a number of shareholders together representing at least 10% of share capital may request that a General Meeting be convened.
- 6.4 **Agenda**  
The invitation to the meeting must indicate the items on the agenda and the motions of the Board of Directors and of those shareholders who have requested that the meeting be convened or that an item be included in the agenda. In compliance with article 699 paragraph 3 CO, shareholders representing shares amounting to a nominal value of CHF 1 million may submit a written request for an item to be included in the agenda.
- 6.5 **Inscriptions into the share register**  
As common practice, the share register is closed one week after the publication date. The closing date is mentioned in the notice. For organisational reasons, subsequent to closing the share register, no further registrations can be executed, except that shares that have been declared sold are withdrawn and cannot be voted.
- 7 Changes of Control and defense measures**
- 7.1 **Duty to make an offer**  
The Company does not have a provision on opting out or opting up in the Articles of Association. Thus, according to article 9 of the Articles of Association, the provisions regarding the legally prescribed threshold of 33 1/3% of the voting rights for making a public takeover set out in article 32 of the Stock Exchange Act are applicable.
- 7.2 **Clauses on changes of control**  
The services agreements and employment agreements of the members of the Board of Directors or the Board Executive Committee do not contain clauses triggered by a change of control.

## 8 Auditing body

### 8.1 Duration of the mandate and term of office of the lead auditor

In compliance with statutory conditions, the General Meeting of the Shareholders of Genolier Swiss Medical Network SA each year appoints an auditing company and auditor for the Group's accounts. In the context of the transfer to Swiss GAAP FER, Berney & Associés SA Société Fiduciaire, Geneva was appointed for the first time on 9 June 2010 as the auditing company and auditor for the Group's accounts for the fiscal year ending 31 December 2010. The term of office is renewable each year for a period of one year by the General Meeting.

Cosimo Picci, the auditor in charge at Berney & Associés SA Société Fiduciaire, has been supervising the auditing of the statutory annual accounts and consolidated accounts of Genolier Swiss Medical Network SA for the first time in 2010. Claude Heri is the auditor in charge at Berney & Associés SA for the supervising of the auditing of the statutory annual accounts and consolidated accounts of Genolier Swiss Medical Network SA at 31 December 2011.

The group's audit firms have no "business consultancy" mandates.

### 8.2 Auditing fees

Auditing fees of Berney & Associés SA Société Fiduciaire for the group amounted to CHF 230'000 for the business year 2011.

### 8.3 Additional fees

During 2011, Berney & Associés SA Société Fiduciaire charged additional auditing fees of CHF 124'800 and other tax and advisory services of CHF 136'510. The total additional fees amounted to CHF 261'310.

### 8.4 Informational instruments pertaining to an external audit

The Audit Committee is responsible for the evaluation of the external auditors and examines the mission, independence and planning and conduct of the work of the external auditors on an annual basis. At least once a year, the auditor is invited to take part in an Audit Committee meeting in the course of which the results of the auditor's work are presented. At the beginning of the each interim and final audit, the Managing Director and the Chief Financial Officer of the Group meet with the auditor in charge. A report by the Chief Financial Officer is regularly made to the Board of Directors. The Audit Committee reviews the remuneration for the services provided by the external auditors on an annual basis.

The external auditors submit a detailed report of their main findings, which are analysed and discussed with the Audit Committee before being drawn up for the Board of Directors prior to the approval of the annual financial statements for 2011 by the Board.

During 2011, the auditor participated to 4 meetings of the Audit Committee. The auditor was also invited to participate in conference calls with the Board of Directors when deemed necessary.

## 9 Information Policy

The Group has an open and up-to-date information policy that treats all target groups of the capital investment market equally. The most important information tools are the Annual and Half-yearly Reports, the website ([www.gsmn.ch](http://www.gsmn.ch)), press releases, the presentation of the financial statements for media and financial analysts as well as the Annual General Meeting. Shareholders are in addition informed on important matters by letter. As a company listed on the SIX Swiss Exchange, the Group is obliged to publish information that is relevant to its share price (ad hoc publicity, article 53 of rules governing quoted companies "Règlement de cotation"). These rules can be viewed under [www.six-swiss-exchange.com](http://www.six-swiss-exchange.com). For specific questions regarding the Group, contact Séverine Van der Schueren, Secretary-General (Tel. +41 22 366 99 87, [investor.relations@gsmn.ch](mailto:investor.relations@gsmn.ch)). The General Meeting of shareholders for the 2011 fiscal year will take place at Clinique de Genolier, Route du Muids 3, Case Postale 100 in 1272 Genolier, on Wednesday 6 June 2012.



CONSOLIDATED financial  
statements of GSMN SA

## **Commentary of Group Management to the financial report 2011 of Genolier Swiss Medical Network**

Genolier Swiss Medical Network (GSMN) is the second largest network of private clinics in Switzerland. Its aim is to offer a range of high quality hospital care to its Swiss and foreign patients. The Group's growth strategy is based on building a national network of clinics by acquiring facilities and restructuring them. Headquartered in Switzerland, GSMN employs a total workforce of around 2'000. GSMN is a limited company under Swiss law, listed on the Domestic Standard of the SIX Swiss Exchange (GSMN: SW).

### **Economic climate and company objective**

The economic climate and company objective is described in the letters to the shareholders (see page 15).

### **Commentary of the annual results 2011**

Genolier Swiss Medical Network implements Swiss GAAP FER accounting standards since 2010. The increase in balance sheet positions as at 31.12.2011, compared to the statements as at 31.12.2010 are mainly due to investments in the existing clinics. The fixed assets increase is detailed in Note 4 (page 57) and the financial assets increase in Note 6 (page 59). The Group fulfilled a capital increase in December 2011, which is detailed in Note 13 (page 62). The clinics revenues for 2011 are presented in the operational report (page 19). The 4.4% turnover increase is mainly due to organic growth and optimisation measures put in place in the different subsidiaries. The total revenue amounts CHF 200.8 million and the net revenue to CHF 188.5 million. The increase in EBITDA from CHF 15.1 million to CHF 24.0 million is mainly due to an improved operational profitability. The profit for the period amounts to CHF 0.47 million, compared to a loss of CHF 7.1 million in 2010. This result is influenced by exceptional circumstances linked to the SwissDRG introduction and by losses in the minority participating interest Privatlinik Lindberg, actually in restructuring. Cash flow from operating activities increased by 53% to CHF 17.9 million.

### **Outlook**

Besides providing quality medical care to its patients, GSMN will work on improving the productivity of its network and entities. GSMN will also focus on the development through acquisitions and partnerships. Genolier Swiss Medical Network expects to generate a turnover of over CHF 300 million in 2012.

## Consolidated Balance Sheet

(In thousands of CHF)	Notes	31.12.2011	31.12.2010
<b>Assets</b>			
Fixed assets	4	95'580	84'450
Intangible assets	5	921	205
Financial assets	6	1'535	654
Deferred tax assets	7	2'819	3'183
<b>Total non-current assets</b>		<b>100'855</b>	<b>88'492</b>
Inventories	8	6'785	6'626
Accrued income and prepaid expenses	9	7'468	2'578
Trade receivables	10	42'943	35'471
Other receivables	11	4'590	5'075
Cash and cash equivalents	12	14'242	6'883
<b>Total current assets</b>		<b>76'028</b>	<b>56'633</b>
<b>Total assets</b>		<b>176'883</b>	<b>145'125</b>
<b>Equity</b>			
Share capital		35'392	31'003
Share premium		7'688	49
Treasury shares		(2'402)	(2'484)
Accumulated deficit		(6'831)	(7'269)
<b>Total equity</b>	<b>13</b>	<b>33'847</b>	<b>21'299</b>
<b>Liabilities</b>			
Bank loans and other borrowings	14	26'963	32'049
Finance lease liabilities, long-term	15	8'219	10'435
Deferred income		375	675
Long-term provisions	19	802	-
Deferred tax liabilities	7	3'167	2'751
<b>Total non-current liabilities</b>		<b>39'526</b>	<b>45'910</b>
Bank overdrafts, current portion of bank loans and other borrowings	14	35'724	23'679
Finance lease liabilities, short-term	15	4'552	4'328
Trade payables	16	39'233	32'740
Other liabilities	17	16'415	6'403
Accrued expenses and deferred income	18	5'607	6'875
Short-term provisions	19	1'979	3'891
<b>Total current liabilities</b>		<b>103'510</b>	<b>77'916</b>
<b>Total liabilities</b>		<b>143'036</b>	<b>123'826</b>
<b>Total equity and liabilities</b>		<b>176'883</b>	<b>145'125</b>

## Consolidated Income Statement

(In thousands of CHF)	Notes	2011	2010
Revenue from clinic activities		198'023	188'307
Revenue from anesthetists activities		-	3'684
Other revenue		2'795	386
<b>Total revenue</b>		<b>200'818</b>	<b>192'377*</b>
Medical services		(12'276)	(10'892)
<b>Net revenue</b>		<b>188'542</b>	<b>181'485</b>
Production expenses	20	(43'871)	(39'932)
Personnel expenses	21	(77'428)	(80'565)
Rental expenses	22	(16'921)	(16'180)
Other operating expenses	23	(26'296)	(29'659)
<b>EBITDA (Earnings before interest, taxes, depreciation and amortisation)</b>		<b>24'026</b>	<b>15'149</b>
Depreciation	4	(15'139)	(13'404)
Amortisation	5	(634)	(367)
<b>Profit from operating activities</b>		<b>8'253</b>	<b>1'378</b>
Financial result	24	(3'099)	(2'129)
Share of loss of equity accounted investees	6	(2'225)	-
<b>Ordinary result</b>		<b>2'929</b>	<b>(751)</b>
Extraordinary result	25	(1'615)	(4'848)
<b>Earnings before taxes</b>		<b>1'314</b>	<b>(5'599)</b>
Income tax expenses	26	(843)	(1'524)
<b>Profit / (loss) for the period</b>		<b>471</b>	<b>(7'123)</b>

\* Revenue has been split in order to facilitate the comparison between both periods. In 2011, the anesthetists became independent. Their revenue is thus no longer pertaining to the clinics.

## Consolidated Statement of Changes in Equity

(In thousands of CHF)	Number of shares (thousands)	Share capital	Share premium	Treasury shares	Retained earnings / (accumulated deficit)	Total
<b>Balance at 1 January 2010</b>	<b>6'201</b>	<b>31'003</b>	<b>6'841</b>	<b>(2'947)</b>	<b>81</b>	<b>34'978</b>
Loss for the period	-	-	-	-	(7'123)	(7'123)
Goodwill directly offset with equity	-	-	(6'792)	-	-	(6'792)
Purchase of treasury shares	-	-	-	(77)	-	(77)
Sale of treasury shares	-	-	-	540	(227)	313
<b>Balance at 31 December 2010</b>	<b>6'201</b>	<b>31'003</b>	<b>49</b>	<b>(2'484)</b>	<b>(7'269)</b>	<b>21'299</b>
Profit for the period	-	-	-	-	471	471
Capital increase	877	4'389	11'050	-	-	15'439
Goodwill directly offset with equity	-	-	(3'411)	-	-	(3'411)
Sale of treasury shares	-	-	-	82	(33)	49
<b>Balance at 31 December 2011</b>	<b>7'078</b>	<b>35'392</b>	<b>7'688</b>	<b>(2'402)</b>	<b>(6'831)</b>	<b>33'847</b>

## Consolidated Cash Flow Statement

(In thousands of CHF)	Notes	2011	2010
Profit / (loss) for the period		471	(7'123)
Adjustments for:			
Income taxes	26	843	1'524
Provisions		(1'110)	3'891
Depreciation and amortisation		15'773	13'771
Share of loss of equity accounted investees		2'225	-
Deferred income		(300)	(300)
<b>Cash flow from operating activities before changes in working capital</b>		<b>17'902</b>	<b>11'763</b>
Change in trade receivables		(7'472)	(1'711)
Change in other receivables		485	(652)
Change in inventories		(159)	(427)
Change in accrued income and prepaid expenses		(4'891)	343
Change in trade payables		6'493	6'754
Change in other payables		1'658	(2'678)
Change in accrued expenses and deferred income		(1'332)	209
<b>Cash flow from operating activities</b>		<b>12'684</b>	<b>13'601</b>
Purchase of fixed assets		(15'173)	(15'409)
Purchase of intangible assets		(1'350)	(308)
Proceeds from disposal of subsidiary	39	-	1'000
Acquisition of subsidiary, net of cash acquired	33	-	(17'895)
Acquisition of financial assets	6	(6'317)	-
Loan to associate	6	(200)	(400)
<b>Cash flow used in investing activities</b>		<b>(23'040)</b>	<b>(33'012)</b>
Proceeds from issuance of share capital, net of costs	13.1	15'439	
Payment of finance lease liabilities		(4'733)	(3'597)
Purchase of treasury shares	13.4	-	(77)
Sale of treasury shares, net of sale expenses	13.4	49	313
Repayment of bank loans		(2'000)	(7'000)
Proceeds from bank loans		7'000	21'674
Change in bank overdrafts and other borrowings		1'960	8'053
<b>Cash flow from financing activities</b>		<b>17'715</b>	<b>19'366</b>
<b>Change in cash and cash equivalents</b>		<b>7'359</b>	<b>(45)</b>
Cash and cash equivalents at beginning of the period		6'883	6'928
<b>Cash and cash equivalents at the end of the period</b>		<b>14'242</b>	<b>6'883</b>

## Notes to the Consolidated Financial Statements

### 1. General information

Genolier Swiss Medical Network SA (hereafter "The Company") has its registered and principal offices at Route du Muids 3, Case Postale 100, 1272 Genolier, Switzerland. The Company's purpose consists of holding interests in financial, commercial and industrial enterprises in Switzerland and abroad, in areas such as medical treatment and healthcare.

### 2. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis in accordance with Swiss GAAP FER. They comply with the requirements of the Swiss law and with the listing rules of the SIX Swiss Exchange. The Swiss GAAP FER apply to all companies included in the scope of consolidation. The principle of individual valuation has been applied to assets and liabilities.

The consolidated financial statements were authorised for issue by the Board of Directors on 27 April 2012. Final approval is subject to acceptance by the annual general meeting of shareholders on 6 June 2012.

### 3. Accounting policies

The consolidated financial statements are presented in Swiss Francs (CHF), which is the functional currency of all entities in the Group.

#### 3.1 Consolidation

The consolidated financial statements of the Company for the year ended 31 December 2011 comprise the Company and its subsidiaries ("the Group") and interests in associates.

The assets and liabilities of newly acquired companies are recognised at fair value at the date of acquisition. Entities controlled by the Group are consolidated by applying the purchase method.

##### 3.1.1 Subsidiaries

Subsidiaries are companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control effectively commences until the date control ceases. The full consolidation method is used whereby all assets, liabilities, income and expenses of the subsidiaries are included in the consolidated financial statements.

### 3.1.2 Associates

Associates are those entities in which the Group has significant influence, but not control (between 20% and 50% of voting rights), over the financial and operating policies. Associates are accounted for using the equity method (equity accounted investees). The consolidated financial statements include the Group's share of the profit or loss of equity accounted investees, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

### 3.1.3 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, have been eliminated in the consolidated financial statements. Unrealised gains and losses arising from transactions with associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are only eliminated to the extent that there is no evidence of impairment.

## 3.2 Foreign currency

Transactions in foreign currencies are translated to the respective functional currency of Group companies at exchange rates at the dates of the transactions. Foreign currency differences arising on retranslation are recognised in profit or loss. The consolidated financial statements do not include any assets or liabilities denominated in foreign currencies and the Group does not have any foreign operations.

## 3.3 Balance sheet

### 3.3.1 Fixed assets

Items of fixed assets are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of replacing part of an item of fixed assets is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of day-to-day servicing of fixed assets are recognised in profit or loss as incurred.

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of fixed assets.

The estimated useful lives for the current and comparative periods are as follows:

- Medical machinery and equipment 5 - 8 years
- Furniture 5 - 10 years
- Vehicles 4 - 5 years
- Leasehold improvements  
Depreciated over the shorter of useful life or lease term: 10 - 30 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

### 3.3.2 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified at inception as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Assets under finance leases are depreciated over their estimated useful lives (4 to 8 years).

Leases where substantially all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases.

### 3.3.3 Intangible assets

Intangible assets consist of external costs for software and internet websites of the Group. Intangible assets are amortised over their estimated useful lives (1 to 10 years).

### 3.3.4 Financial assets

The Group has investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. These securities are initially recognised at cost and subsequently measured at cost less accumulated impairment losses. The related long-term loans are recognised at nominal value less impairment losses.

### 3.3.5 Inventories

Inventories mainly comprise medical supplies and pharmaceutical products. They are measured at the lower of acquisition costs and net realisable value. The cost of inventories is based on the weighted average cost principle. Inventories are regularly adjusted to their net realisable value by the systematic elimination of out-of-date items.

Cash discounts are accounted for as reduction of the acquisition value.

### 3.3.6 Trade and other receivables

Receivables are carried at nominal value less allowance for doubtful receivables. The allowance is based on the aging of trade receivables, specific risks and historical loss experience.

- 3.3.7 **Cash and cash equivalents**  
Cash and cash equivalents comprise cash in bank, call deposits and petty cash.
- 3.3.8 **Impairment of assets**  
Assets are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.
- 3.3.9 **Bank loans and other borrowings**  
Bank loans and other borrowings are recognised at nominal value.
- 3.3.10 **Trade and other payables**  
Trade and other payables are recognised at nominal value.
- 3.3.11 **Share capital**  
**Ordinary shares**  
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.  
**Treasury shares**  
When own equity instruments (treasury shares) are repurchased, the amount of the consideration paid (including directly attributable costs) is recognised as a deduction from equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to / from retained earnings.
- 3.3.12 **Employee benefits**  
The Group entities contribute to various benefit plans according to Swiss law. Pension plans from autonomous pensions institutions are valued in accordance to Swiss GAAP FER 16.  
At the reporting date, it is assessed if the Group has an economic benefit or obligation based on the financial statements of the funds.
- 3.3.13 **Provisions**  
A provision is recognised when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.
- 3.3.14 **Contingent liabilities**  
Contingent liabilities are valued on the balance sheet date based on the agreements in place and other supporting documents. If an outflow of funds is likely, a provision is created

### 3.4 Income statement

#### 3.4.1 Revenue

Revenue is recognised at the fair value of the consideration received or receivable, net of discounts.

Revenue includes hotel revenue, fees and auxiliary income from activities conducted in the clinics and diagnostics activities. Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the services at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

#### 3.4.2 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### 3.4.3 Income tax expense

Income tax expense comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 3.5 Accounting estimates and assumptions

The preparation of financial information requires Group management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. If in future, such assumptions

and estimates deviate from the actual circumstances, the original assumptions and estimates will be modified as appropriate in the period in which the circumstances change.

### **3.6 Change in accounting estimate**

#### **Leasehold improvements**

The useful life of the leasehold improvements was initially deemed to be 15 years. In order to adjust the useful life to the terms of the related lease agreements, the leasehold improvements are since 1 January 2010 depreciated over the shorter of useful life or lease term which can vary from 15 to 30 years depending on the premises. The change was accounted for prospectively. The positive effect in 2010 was CHF 0.1 million.

#### **Leased assets**

Leased assets were initially depreciated over the lease term. Some leased assets will be kept after the lease term (5 years). To better reflect the utilisation of these leased assets they are since 1 January 2010 depreciated over their estimated useful lives (7 - 8 years). The change was accounted for prospectively. The positive effect in 2010 was CHF 0.3 million.

### **3.7 Changes in the scope of consolidation**

In January 2010, the Group acquired Privatklinik Bethanien AG, Zurich (see note 33 Acquisition of subsidiary).

On 1 July 2011, the Group acquired 49% of the share capital of Klinik Lindberg AG in Winterthur (see note 6).

#### 4. Fixed assets

(In thousands of CHF)	Medical machinery and equipments	Leasehold improvements	Under construction	Vehicles	Total
<b>Cost</b>					
<b>Balance at 1 January 2010</b>	<b>38'807</b>	<b>31'436</b>	-	-	<b>70'243</b>
Change in scope of consolidation	7'113	22'880	-	-	29'993
Additions	12'260	6'218	8'195	640	27'313
Disposals	(945)	-	-	-	(945)
<b>Balance at 31 December 2010</b>	<b>57'235</b>	<b>60'534</b>	<b>8'195</b>	<b>640</b>	<b>126'604</b>
Additions	5'526	9'385	11'491	273	26'675
Disposals	(343)	(915)	-	(181)	(1'439)
Reclassifications	(1'105)	18'868	(17'763)	-	-
<b>Balance at 31 December 2011</b>	<b>61'313</b>	<b>87'872</b>	<b>1'923</b>	<b>732</b>	<b>151'840</b>
<b>Accumulated depreciation</b>					
<b>Balance at 1 January 2010</b>	<b>17'637</b>	<b>5'902</b>	-	-	<b>23'539</b>
Change in scope of consolidation	4'376	1'780	-	-	6'156
Depreciation for the year	7'661	5'637	-	106	13'404
Disposal	(945)	-	-	-	(945)
<b>Balance at 31 December 2010</b>	<b>28'729</b>	<b>13'319</b>	-	<b>106</b>	<b>42'154</b>
Depreciation for the year	7'355	7'037	-	166	14'558
Impairment of assets	-	581	-	-	581
Disposal	(46)	(915)	-	(72)	(1'033)
Reclassifications	(221)	221	-	-	-
<b>Balance at 31 December 2011</b>	<b>35'817</b>	<b>20'243</b>	-	<b>200</b>	<b>56'260</b>
<b>Carrying amounts</b>					
At 31 December 2010	28'506	47'215	8'195	534	84'450
At 31 December 2011	25'496	67'629	1'923	532	95'580

#### Leased equipment

The Group leases vehicles, machinery and medical equipment under a number of finance lease agreements. The leased equipment secures lease obligations (see note 15). At 31 December 2011 the net carrying amount of leased vehicles, medical machinery and other equipment was CHF 14.0 million (2010: CHF 15.0 million). The additions in 2011 amount to CHF 2.6 million, without impact on cash flow from investing activities (2010: 9.5 million).

The insurance value of tangible assets and inventories is CHF 117.2 million (2010: CHF 110.0 million).

## 5. Intangible assets

(In thousands of CHF)	Software
<b>Cost</b>	
<b>Balance at 1 January 2010</b>	-
Change in scope of consolidation	592
Additions	308
Disposals	(55)
<b>Balance at 31 December 2010</b>	<b>845</b>
Change in scope of consolidation	-
Additions	1'350
Disposals	-
<b>Balance at 31 December 2011</b>	<b>2'195</b>
<b>Accumulated amortisation</b>	
<b>Balance at 1 January 2010</b>	-
Change in scope of consolidation	328
Amortisation for the year	367
Disposal	(55)
<b>Balance at 31 December 2010</b>	<b>640</b>
Change in scope of consolidation	-
Amortisation for the year	634
Disposal	-
<b>Balance at 31 December 2011</b>	<b>1'274</b>
<b>Carrying amounts</b>	
At 31 December 2010	205
At 31 December 2011	921

## 6. Financial assets

(In thousands of CHF)	2011	2010
Klinik Lindberg AG <sup>1</sup>	276	-
Centre suisse de prévention du vieillissement SA <sup>2</sup>	433	133
NESCENS SA	99	-
AGEFI SA and Agefi Com SA <sup>3</sup>	-	-
Piscine de Bassins SA <sup>4</sup>	27	21
Loan to associates <sup>5</sup>	100	100
Loan to Centre suisse de prévention du vieillissement SA	600	400
<b>Total financial assets</b>	<b>1'535</b>	<b>654</b>

<sup>1</sup> Net of share loss of CHF 2.2 million and a goodwill directly offset with equity of CHF 3.4 million

<sup>2</sup> The group will increase its shareholding in this company and paid a first instalment of CHF 0.3 million in 2011, the remaining amount has been paid in 2012 (see note 29).

<sup>3</sup> Net of an allowance of CHF 0.9 million (2010: CHF 0.9 million). Since AGEFI SA and Agefi Com SA are being overindebted, the investments in those companies are carried at nil. The Group has no obligation in respect of the losses of the companies (see note 39).

<sup>4</sup> The net carrying amount is pledged in favour of a third party as a guarantee for a bank loan.

<sup>5</sup> Net of an allowance of CHF 1.8 million (2010: CHF 1.8 million) regarding AGEFI SA.

## 7. Deferred tax assets and liabilities

(In thousands of CHF)	Deferred tax assets	Deferred tax liabilities
<b>Balance at 1 January 2010</b>	<b>4'870</b>	<b>1'034</b>
Change in temporary differences	-	(283)
Reversal of capitalised tax losses carried forward	(2'245)	-
Capitalisation of tax losses carried forward	558	-
Change in scope of consolidation	-	2'000
<b>Balance at 31 December 2010</b>	<b>3'183</b>	<b>2'751</b>
Change in temporary differences	-	416
Utilisation of capitalised tax losses carried forward	(2'150)	-
Reversal of capitalised tax losses carried forward	(78)	-
Capitalisation of tax losses carried forward	1'864	-
<b>Balance at 31 December 2011</b>	<b>2'819</b>	<b>3'167</b>

The Group did not recognise deferred tax assets of CHF 1.6 million (2010: CHF 2.4 million) relating to unused tax losses amounting to CHF 7.4 million (2010: CHF 10.7 million) because it is not probable that future taxable profits will be available against which the Group can utilise the benefits. The applicable average tax rate of the Group is 22% (prior year 22%) except for Privatklinik Bethanien 25% (2010: 25%).

These unused tax losses expire as shown in the table below:

(In thousands of CHF)	2011	2010
Within one year	260	1'294
Within two to five years	3'369	6'315
After more than five years	3'724	3'119
<b>Total unrecognised tax losses</b>	<b>7'353</b>	<b>10'728</b>

## 8. Inventories

(In thousands of CHF)	2011	2010
Medical supplies	4'770	5'040
Pharmaceutical products	1'053	1'058
Hotel and restaurants goods	205	214
Other inventories	757	314
<b>Total inventories</b>	<b>6'785</b>	<b>6'626</b>

## 9. Accrued income and prepaid expenses

(In thousands of CHF)	2011	2010
Prepayments*	4'329	1'531
Accrued income	2'989	826
Other	150	221
<b>Total</b>	<b>7'468</b>	<b>2'578</b>

\* of which CHF 2.9 million related to acquisition costs (2010: CHF 0.6 million).

## 10. Trade receivables

(In thousands of CHF)	2011	2010
Trade receivables	45'931	38'388
Allowance for doubtful receivables	(2'988)	(2'917)
<b>Total trade receivables</b>	<b>42'943</b>	<b>35'471</b>

### Aging of trade receivables

Not past due	29'232	24'903
Past due 1-30 days	7'760	6'173
Past due 31-150 days	4'419	3'520
Past due 151-330 days	1'721	2'025
Past due more than 330 days	2'799	1'767

<b>Trade receivables</b>	<b>45'931</b>	<b>38'388</b>
Allowance for doubtful receivables	(2'988)	(2'917)
<b>Total trade receivables</b>	<b>42'943</b>	<b>35'471</b>

67% (2010: 66%) of the balance relates to insurance companies.

## 11. Other receivables

(In thousands of CHF)	2011	2010
Other receivables:		
- from related parties	3'601	3'841
- from third parties	989	1'234
<b>Total other receivables</b>	<b>4'590</b>	<b>5'075</b>

Receivables due from related parties include various current accounts with shareholders and other entities under the control of the shareholders. Details of related party transactions and outstanding amounts are disclosed in note 31.

## 12. Cash and cash equivalents

(In thousands of CHF)	2011	2010
Bank current accounts	14'068	6'778
Petty cash	174	105
<b>Total cash and cash equivalents</b>	<b>14'242</b>	<b>6'883</b>

## 13. Equity

At 31 December 2011, the share capital of CHF 35.4 million (2010: 31.0 million) consists of 7'078'479 fully paid registered shares (2010: 6'200'600) of par value CHF 5 each.

The legally non-distributable reserves of Genolier Swiss Medical Network SA amount to CHF 28.8 million (2010: CHF 26.8 million).

### 13.1 Capital increase

On 21 December 2011, the Company issued 877'879 registered shares from authorised capital. The 2011 capital increase is summarised as follows:

	Number of shares	Share capital (in thousands of CHF)	Share premium (in thousands of CHF)	Share premium after deduction of goodwill (in thousands of CHF)
Balance at 31 December 2009	6'200'600	31'003	96'645	6'841
Balance at 31 December 2010	6'200'600	31'003	96'645	49
Capital increase	877'879	4'389	11'050	11'050
Balance at 31 December 2011	7'078'479	35'392	107'695	7'688

### 13.2 Authorised capital

At the ordinary shareholders' meeting of the Company on 8 June 2011, the shareholders resolved to extend the deadline of the authorised capital, thus authorising the Board of Directors to increase the share capital of a maximum of CHF 11.1 million through the issuance of a maximum of 2'210'000 fully paid-up registered shares with a nominal value of CHF 5 each until 7 June 2013. After the 2011 capital increase, the Board of Directors is authorised to increase the share capital of a maximum of CHF 6.7 million through the issuance of a maximum of 1'332'121 fully paid-up registered shares with a nominal value of CHF 5 each until 7 June 2013.

The issue price, type of payment, timing, the beginning date for dividend entitlement and the conditions for the exercise of subscription rights attached to such shares would have to be determined by the Board of Directors. Preferred subscription rights which have been granted but not exercised are at the disposal of the Board of Directors, which can use them in the interest of the Company.

The Board of Directors is authorised to set the preferred subscription rights of existing shareholders aside and issue new shares by means of a firm underwriting through a bank or another institution with a subsequent offer of such shares to the existing shareholders. The Board of Directors may also set the preferred subscription rights of shareholders aside in case of the acquisition of an enterprise, parts of an enterprise or participations in a company or any similar transaction.

### 13.3 Conditional capital

At the ordinary shareholders' meeting of the Company on 11 June 2008, the shareholders resolved to authorise the Board of Directors to increase the share capital of a maximum of CHF 3.5 million through the issuance of a maximum of 699'400 fully paid-up registered shares with a nominal value of CHF 5 each pursuant to the exercises of stock option rights that are granted to employees, members of the Board of Directors as well as consultants under a stock option plan to be established by the Board of Directors. In connection with the issuance of stock options the preferred subscription rights of the existing shareholders are excluded. At the ordinary shareholders' meeting of the Company on 10 June 2009, the shareholders resolved to authorise the Board of Directors to increase the share capital of a maximum of CHF 11.1 million through the issuance of a maximum of 2'210'000 fully paid-up registered shares with a nominal value of CHF 5 each pursuant to the exercises of conversion rights that are granted to holder of convertible bonds.

At 31 December 2011, the conditional capital of the Company consists of the following:

	Quantity	Nominal value (in CHF)
Issuance at 11 June 2008	699'400	3'497'000
Issuance at 10 June 2009	2'210'000	11'050'000
Balance at 31 December 2011 and 31 December 2010	2'909'400	14'547'000

### 13.4 Transactions with treasury shares

In 2011, the Company did not purchase treasury shares (2010: 4'500 shares purchased at an average price of CHF 17.22) however sold 2'660 shares at an average price of CHF 18.87 (2010: 17'237 at CHF 18.36).

In order to maintain sufficient liquidity on the market, Genolier Swiss Medical Network SA outsources the trading of its treasury shares.

At 31 December 2011, the Group held 78'103 treasury shares or 1.10% of the share capital (2010: 80'763 or 1.30%) which are deducted from equity in a total amount of CHF 2.4 million (2010: CHF 2.5 million).

### 13.5 Significant shareholders

At 31 December 2011 and 2010, the significant shareholders are as follows:

	31.12.2011		31.12.2010	
	Number of shares	%	Number of shares	%
M.R.S.I. Medical Research, Services and Investments SA*	6'093'935	86.09	-	-
Alain Fabarez	368'700	5.21	368'700	5.94
Antoine Hubert & Géraldine Reynard-Hubert	-	-	2'011'604	32.44
Lincoln Vale European Partners Master Fund L.P., Lincoln, USA	-	-	373'792	6.03
Jaime Rosell	n.a.	< 3	310'230**	5.00
CM-CIC Investissement	-	-	255'000	4.11
Dr Michael Schroeder & Katrin Reincke-Schroeder	n.a.	< 3	190'000	3.06

\* Antoine Hubert and Géraldine Reynard-Hubert hold indirectly GSMN shares through M.R.S.I. Medical Research, Services and Investments S.A. and HR Finance & Participations SA (HRFP). They hold 100% of the share capital and voting rights of HRFP. HRFP holds 50% of the share capital and voting rights of MRSI. Michel Reybier holds indirectly GSMN shares through M.R.S.I. Medical Research, Services and Investments S.A. and EMER Holding SA. He holds 100% of the share capital and voting rights of EMER. EMER holds 50% of the share capital and voting rights of MRSI.

\*\* Including the shares held by Olmen Entreprises Ltd, Tortola, BVI, beneficially owned by Jaime Rosell.

### 14. Bank loans and other borrowings

(In thousands of CHF)	2011	2010
Bank loans	14'125	17'637
Other borrowings, long-term	12'838	14'412
<b>Total non-current bank loans and other borrowings</b>	<b>26'963</b>	<b>32'049</b>
<b>Non-current bank loans expiring</b>		
Between one and five years	17'325	19'037
More than five years	9'638	13'012
<b>Total non-current bank loans and other borrowings</b>	<b>26'963</b>	<b>32'049</b>
Bank overdrafts	23'259	20'891
Current portion of bank loans	9'506	2'000
Other borrowings short-term	2'959	788
<b>Total bank overdrafts and current portion of bank loans</b>	<b>35'724</b>	<b>23'679</b>

As a guarantee, the Group pledged trade receivables for an amount of CHF 27.9 million as at December 2011 (2010: CHF 17.2 million). The Company pledged the shares of Privatklinik Bethanien AG and Klinik Lindberg AG for a total amount of CHF 24.3 million (2010: CHF 18.4 million) as a guarantee for bank loans of CHF 13.5 million (2010: CHF 9.0 million).

**15. Finance lease liabilities**

At 31 December 2011 and 2010 finance lease liabilities are payable as follows:

(In thousands of CHF)	2011	2010
Less than one year	4'552	4'328
Between one and five years	8'219	10'435
<b>Total finance lease liabilities</b>	<b>12'771</b>	<b>14'763</b>

**16. Trade payables**

(In thousands of CHF)	2011	2010
Trade payables due to third parties	25'004	20'067
Trade payables due to related parties (see note 31)	306	483
Trade payables due to doctors	13'923	12'190
<b>Total trade payables</b>	<b>39'233</b>	<b>32'740</b>

**17. Other liabilities**

(In thousands of CHF)	2011	2010
Pension plan liabilities (contributions)	988	1'012
Liabilities related to capital expenditure	10'991*	4'034
Other liabilities	4'436	1'357
<b>Total other liabilities</b>	<b>16'415</b>	<b>6'403</b>

\* Of which CHF 6.6 million payable to Swiss Healthcare Properties AG (see note 31).

**18. Accrued expenses and deferred income**

(In thousands of CHF)	2011	2010
Accrued personnel expenses	1'398	2'307
Accrued tax expenses	162	414
Deferred income	303	303
Other accrued expenses	3'744	3'851
<b>Total accrued expenses and deferred income</b>	<b>5'607</b>	<b>6'875</b>

## 19. Provisions

### Short-term provisions

(In thousands of CHF)	Extraordinary items	Others	Total
<b>Balance at 1 January 2010</b>	-	-	-
Additions	3'345	546	3'891
Utilisation	-	-	-
Reversal	-	-	-
<b>Balance at 31 December 2010</b>	<b>3'345</b>	<b>546</b>	<b>3'891</b>
Additions	-	-	-
Utilisation	(22)	-	(22)
Reversal	(542)	(546)	(1'088)
Reclassified as long-term provisions	(802)	-	(802)
<b>Balance at 31 December 2011</b>	<b>1'979</b>	<b>-</b>	<b>1'979</b>

### Long-term provisions

(In thousands of CHF)	Extraordinary items
<b>Balance at 1 January 2010</b>	-
Additions	-
Utilisation	-
Reversal	-
<b>Balance at 31 December 2010</b>	-
Additions	-
Utilisation	-
Reversal	-
Reclassified from short-term provisions	802
<b>Balance at 31 December 2011</b>	<b>802</b>

The provisions for the extraordinary events of 2010 were reassessed at the end of the reporting period and correspond to the Management's best estimate of future settlements. A portion of CHF 0.8 million of the initial provision was reclassified as long-term provisions as the Management considers that legal proceedings might last more than 12 months. Long-term provisions were discounted at an interest rate of 2.5%.

## 20. Production expenses

(In thousands of CHF)	2011	2010
Pharmaceutical and medical supplies	32'902	29'631
External subcontractors	6'722	6'372
Food and beverage	4'247	3'929
<b>Total production expenses</b>	<b>43'871</b>	<b>39'932</b>

## 21. Personnel expenses

(In thousands of CHF)	2011	2010
Salaries and wages	64'977	67'963
Social security expenses	6'322	6'121
Pension expenses	4'014	4'389
Other personnel expenses	2'115	2'092
<b>Total personnel expenses</b>	<b>77'428</b>	<b>80'565</b>

## Number of employees

Full Time Equivalents

<b>Total direct employees</b>	<b>814</b>	<b>832</b>
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## 22. Rental expenses

(In thousands of CHF)	2011	2010
Related parties rental expenses (see note 31)	12'040	9'930
Third parties rental expenses	3'831	4'822
Other non-real estate rental expenses	1'050	1'428
<b>Total rental expenses</b>	<b>16'921</b>	<b>16'180</b>

## 23. Other operating expenses

(In thousands of CHF)	2011	2010
Administrative expenses	5'557	6'654
Marketing expenses	3'076	4'722
Cleaning and laundry	6'622	6'060
Maintenance	5'364	5'433
Energy expenses	3'053	2'580
Group development expenses	-	242
Other expenses	2'624	3'968
<b>Total other operating expenses</b>	<b>26'296</b>	<b>29'659</b>

## 24. Financial result

(In thousands of CHF)	2011	2010
Interest income	86	24
<b>Total finance income</b>	<b>86</b>	<b>24</b>
Interest expenses on bank loans and other borrowings	(2'290)	(1'441)
Interest expenses on finance lease obligations	(491)	(473)
Other financial expenses	(404)	(239)
<b>Total finance expenses</b>	<b>(3'185)</b>	<b>(2'153)</b>
<b>Financial result</b>	<b>(3'099)</b>	<b>(2'129)</b>

## 25. Extraordinary result

(In thousands of CHF)	2011	2010
Costs related to the public takeover offer	(454)	-
Costs for DRG's implementation	(839)	-
Extraordinary items related to the 2010 events	(322)	(4'848)
<b>Extraordinary result</b>	<b>(1'615)</b>	<b>(4'848)</b>

In order to fulfill the requirements of the Swiss Financial Market Supervisory Authority (FINMA), relating to the M.R.S.I.'s public takeover offer, the Company incurred expenses in 2011 amounting to CHF 0.5 million.

The introduction of the DRG (Diagnosis Related Groups) hospital financing system in almost all clinics of the Group, required investments amounting to CHF 0.8 million in order to comply with legislation and adapt our ERP systems.

The Group received additional invoices during 2011 related to the extraordinary events of 2010 for an amount of CHF 0.8 million. This amount was compensated with the reversal of CHF 0.5 million resulting from the reassessment of the provision at the end of the reporting period (see note 19).

In 2010, the extraordinary items relate to the direct expenses incurred by the Group resulting from the events occurred during the summer 2010 following the Ordinary General Meeting of the Shareholders of 9 June 2010 until the Extraordinary General Meeting of the Shareholders of 6 September 2010. The Group set up provisions for an amount of CHF 3.3 million regarding expenses which have been contested by the Group (see note 19).

## 26. Income tax

(In thousands of CHF)	2011	2010
Current tax	(92)	(120)
Deferred tax	(751)	(1'404)
<b>Total income tax expenses</b>	<b>(843)</b>	<b>(1'524)</b>

## 27. Segment information

The Group does not have different type of business and only operates in Switzerland. Thus, segment information is not disclosed. For business units information refer to commentary of group management.

## 28. Non-cancellable operating leases

The future non-cancellable operating lease rentals are as follows :

(In thousands of CHF)	2011	2010
Less than one year	17'376	17'823
Between one and five years	74'286	71'248
More than five years	381'118	355'583
<b>Total non-cancellable operating lease rentals</b>	<b>472'780</b>	<b>444'654</b>

The rental commitments are based on the minimum and maximum leases and the future estimated operating revenue at 6% (see table below).The lease rentals are mainly related to the buildings in which the clinics are operating.

Premises	Situation	Owner	Expiration	Renewal option	Basis of calculation
Clinique de Genolier	Genolier	Swiss Healthcare Properties AG	2040	15	6% net revenue and fixed annual rent for parking and corporate offices
Clinique de Montchoisi	Lausanne	Swiss Healthcare Properties AG	2030	15	6% net revenue (excluding radiology and parking net revenues) and fixed annual rent for new radiology extension
Clinique Générale - Ste-Anne	Fribourg	Swiss Healthcare Properties AG	2040	15	6% of net revenue
Clinique Générale - Ste-Anne	Fribourg	Third party	2012 - 2013	-	Fixed annual rent
Clinique de Valmont	Glion s/Montreux	Swiss Healthcare Properties AG	2021	15	6% of net revenue
Les Hauts de Genolier	Genolier	Swiss Healthcare Properties AG	2040	2x15	Fixed annual rent
Centre Médico-Chirurgical des Eaux-Vives	Geneva	Swiss Healthcare Properties AG	2022	-	Fixed annual rent
Centre Médico-Chirurgical des Eaux-Vives	Geneva	Third parties	2012 - 2016	-	Fixed annual rent
Privatklinik Bethanien	Zurich	Third party	2034	2x10	Fixed annual rent

Minimum leases, including fixed annual rents, amount to CHF 15.7 million (2010: CHF 15.9 million); maximum leases, including fixed annual rents, amount to CHF 20.1 million (2010: CHF 20.3 million). The minimum and maximum lease amounts are adjusted to the cost of the Swiss consumer price index.

## 29. Capital commitments

The Group has commitments to complete leasehold improvements and to purchase equipment for a total amount of CHF 5.1 million as at 31 December 2011 (2010: CHF 8.9 million).

The Group is committed to increase its shareholding in Centre suisse de prévention du vieillissement SA from 13.33 % to 33.33 % which represents an amount of CHF 1.5 million. A first instalment of CHF 0.3 million was paid in 2011. The settlement of the remaining CHF 1.2 million was done in February 2012 (see note 6).

## 30. Contingent liabilities

The Group entered into leasing agreement with CIT Group (Switzerland) SA. As part of the contract signed, the Group is jointly responsible for any default of payment of its affiliates.

The Group is committed to issue a guarantee for the leased premises of CHF 8.4 million (2010: CHF 8.7 million) to Swiss Healthcare Properties AG (see also note 31).

## 31. Related parties

Compensation of the members of the Board of Directors and the Senior Management :

### 2011

(In thousands of CHF)	Board of Directors	Senior Management	Total
Salaries	420	1'046**	1'466
Directors' fees	240	-	240
Pension scheme	60	103	163
Share based payments*	40	71	111
<b>Total</b>	<b>760</b>	<b>1'220</b>	<b>1'980</b>

\* These amounts correspond to the value of the options at grant date

\*\* In 2011 compensation of Antoine Hubert is entirely calculated on a variable basis, except for professional representation allowance of CHF 60.0 thousands. As the Group did not achieve all the requested objectives, no compensation was paid to Antoine Hubert. An amount of CHF 396.0 thousands representing monthly prepayments has been classified as "Accounts receivable from related parties" (see table below: outstanding amounts with related parties).

### 2010

(In thousands of CHF)	Board of Directors	Senior Management	Total
Salaries*	585	1'651	2'236
Directors' fees**	224	-	224
Pension scheme	50	102	152
<b>Total</b>	<b>859</b>	<b>1'753</b>	<b>2'612</b>

\* An amount of CHF 289 thousands for compensation of Senior Management in connection with the event occurred during the summer 2010 between the Ordinary General Meeting of the Shareholders of 9 June 2010 and the Extraordinary General Meeting of the Shareholders of 6 September has been considered as an extraordinary item, of which CHF 217 thousands are provisioned (see note 25).

\*\* Non-invoiced amounts of CHF 71 thousands are contested by the Group.

Information requested by Swiss Code of Obligations on remuneration is disclosed in the notes of the statutory financial statements of Genolier Swiss Medical Network SA.

### Other transactions with related parties

The Group leases premises which belong to Swiss Healthcare Properties AG (formerly Unigerim SA), Baar, a real estate company of which Antoine Hubert and Michel Reybier are shareholders. The lease conditions are disclosed in note 28.

In 2011, rent amounted to CHF 12.0 million (2010: CHF 9.9 million). In 2011, the Group charged Swiss Healthcare Properties AG a total amount of CHF 0.2 million relating to maintenance costs of the buildings and service fees of CHF 0.1 million (2010: CHF 0.3 million). In 2010 the Group also charged Swiss Healthcare Properties AG CHF 10.6 thousands as interests. In January 2011, Swiss Healthcare Properties AG transferred to Les Hauts de Genolier SA leasehold improvements for an amount of CHF 7.6 million and charged CHF 0.3 million as interests.

In 2011, the Group invoiced an amount of CHF 0.2 million to GCC Global Consulting et Communication S.à r.l., Geneva, a company controlled by Antoine Hubert. In 2010 the Group paid expenses of CHF 11.0 thousands to this company.

The Group charged during 2011 management fees to Privatlinik Lindberg, which is owned at 49% by the Group, and Privatlinik Obach which will join the Group in 2012 (see note 37), for respectively CHF 0.7 million and CHF 0.6 million.

Protect'Service SA a company in which François Brot has been a member of the Board of Directors until 6 December 2010 invoiced CHF 93.3 thousands for services rendered from June to September 2010. These invoices are fully contested and provisioned.

Loans to associates (see note 6)

(In thousands of CHF)	2011	2010
Piscine de Bassins SA	100	100
Centre suisse de prévention du vieillissement SA	600	400
AGEFI SA (net of an allowance of: 2011: CHF 1'809, 2010: CHF 1'780)	-	-

As at the end of the reporting period, the Group had the following outstanding amounts with related parties :

(In thousands of CHF)	2011		2010	
	Receivable	Payable	Receivable	Payable
Antoine Hubert	2'693*	-	-	-
Swiss Healthcare Properties AG	132	6'866**	3'841	482
GCC Global Consulting et Communication S.à r.l.	200	-	-	1
Privatklinik Obach	576	-	-	-
<b>Total</b>	<b>3'601</b>	<b>6'866</b>	<b>3'841</b>	<b>483</b>

\*Antoine Hubert substituted himself for some outstanding amounts previously receivable from Swiss Healthcare Properties, in order to clean some old transactions occurred before Michel Reybier joined this company. The Group charged interest of CHF 77.5 thousands on this current account.

\*\* Of which CHF 6.6 million related to capital expenditure (see note 17) and CHF 0.3 million related to rental expenses (see note 16).

Bio Tissue GmbH, Freiburg, Germany, is a biotechnology company manufacturing and distributing tissue replacement products made from autologous cells. In 2010, Michael Schroeder was a significant shareholder of this company and Bio Tissue billed an amount of CHF 9.7 thousands to the Group (2011 : nil).

### 32. Earnings per share

Earnings per share are determined based on profit/(loss) of the Group divided by the weighted average number of shares outstanding during the year, excluding treasury shares.

Earnings per share

(In thousands of CHF)	2011	2010
Profit / (loss) for the period	471	(7'123)
<b>(In thousands of shares)</b>		
Weighted average number of outstanding shares	6'146	6'114
Weighted average number of outstanding shares adjusted for dilutive options	6'279	6'187
<b>(In CHF)</b>		
Basic earnings per share	0.08	(1.17)
Diluted earnings per share	0.08	(1.15)

**33. Acquisition of subsidiary**

On 4 January 2010, the Company acquired 100% of Privatklinik Bethanien AG. Price amounted to CHF 18.5 million of which CHF 16.5 million were paid on 4 January 2010 and CHF 2.0 million will be paid in July 2012.

This acquisition was accounted for using the purchase method. The following amounts of assets and liabilities acquired were included in the consolidated financial statements at the date of acquisition.

(In thousands of CHF)	2010
Fixed and intangible assets	24'101
Inventories	1'265
Trade and other receivables	10'735
Prepayments	507
Cash and cash equivalents	1'653
<b>Assets</b>	<b>38'261</b>
Deferred tax liabilities	2'000
Finance lease liabilities	274
Loans and borrowings	17'500
Bank overdraft	1'000
Trade and other payables	4'096
Accrued expenses and deferred income	1'811
<b>Liabilities</b>	<b>26'681</b>
<b>Total net assets acquired</b>	<b>11'580</b>
Goodwill	6'792
<b>Cost of the business combination</b>	<b>18'372</b>

The cost of the business combination was calculated as follows:

(In thousands of CHF)	2010
Purchase consideration settled in cash	16'500
Purchase consideration to settle in cash in 2012	2'000
Book profit on debt forgiveness	(4'000)
Direct costs related to the acquisition	3'872*
<b>Cost of the business combination</b>	<b>18'372</b>

\* of which CHF 0.8 million paid in 2009

The net cash outflow is as follows:

(In thousands of CHF)	2010
Consideration paid in cash	(16'500)
Transaction costs paid during the year of the acquisition	(3'048)
Cash acquired	1'653
<b>Total cash outflow</b>	<b>(17'895)</b>

### 34. Goodwill

The impact of a theoretical capitalisation of Goodwill on balance sheet and net earnings are presented in the tables below :

(In thousands of CHF)	2011	2010
<b>Cost</b>		
Balance at 1 January	96'596	89'804
Additions through business combinations (see notes 6 and 33)	3'411	6'792
<b>Balance at 31 December</b>	<b>100'007</b>	<b>96'596</b>
<b>Accumulated amortisation</b>		
Balance at 1 January	76'636	52'951
Amortisation for the year (5 years)	16'213	15'608
Impairments	-	8'077
<b>Balance at 31 December</b>	<b>92'849</b>	<b>76'636</b>
<b>Carrying amounts</b>		
At 31 December	7'158	19'960

Impact on net earnings and balance sheet :

(In thousands of CHF)	2011	2010
Profit / (loss) for the period	471	(7'123)
Amortisation of the goodwill	(16'213)	(15'608)
Impairment of the goodwill	-	(8'077)
<b>Net earnings with capitalised goodwill</b>	<b>(15'742)</b>	<b>(30'808)</b>
Equity	33'847	21'299
Capitalised goodwill	7'158	19'960
<b>Equity with capitalised goodwill</b>	<b>41'005</b>	<b>41'259</b>

### 35. Share-based payment plans

In 2007, a stock option plan in favour of the Group Senior Management was implemented. 37'500 options were granted, each giving rights to subscribe for one share at a unit price of CHF 30. None of these options were exercised and are expired.

In 2008, a stock option plan in favour of the Group Senior Management was implemented. 4'500 options were granted, each giving rights to subscribe for one share at a unit price of CHF 30. None of these options were exercised and are expired.

In 2009, the following four stock option plans in favour of the Group Senior Management and Management were implemented. Options can be exercised at maturity date, at 31 December 2012. In case of resignation, non vested options are forfeited.

- 135'000 and 100'000 options were granted to Group Senior Management, each giving rights to subscribe for one share at a unit price of CHF 25 and CHF 17 respectively. Antoine Hubert gave up these options on 5 February 2010.
- 74'050 options were granted to Group Management and 5'000 options were granted to Group Senior Management, each giving rights to subscribe for one share at a unit price of CHF 15.

In 2011, a stock option plan in favour of Group Senior Management and Group Management was implemented. 42'250 options were granted to Group Senior Management and 17'700 options were granted to Group Management, each giving rights to subscribe for one share at a unit price of CHF 19.

The details of the share-based payment plans at the beginning of the schemes are as follows :

Plan	Beneficiary / grant date	Number of instruments / exercise price	Vesting conditions	Exercise date	Expiry date
12/07	Group Senior Management December 2007	37'500 CHF 30	Service condition	31 December 2010	31 December 2010 (Expired)
01/08	Group Senior Management January 2008	4'500 CHF 30	Service condition	31 December 2010	31 December 2010 (Expired)
02/09A	Group Senior Management February 2009	135'000 CHF 25	Service condition	31 December 2012	31 December 2012 (Cancelled)
02/09B	Group Senior Management February 2009	100'000 CHF 17	Service condition	31 December 2012	31 December 2012 (Cancelled)
05/09	Group Management September 2009	5'000 CHF 15	Service condition	31 December 2012	31 December 2012
10/09	Group Management September 2009	74'050 CHF 15	Service condition	31 December 2012	31 December 2012
10/11A	Group Senior Management and Group Management September 2011	59'950 CHF 19	Service condition	31 December 2014	31 December 2014

The movements of share-based payments plan during 2011 and 2010 are the following :

Plans	12/07	08/01	02/09A	02/09B	05/09	10/09	10/11A
<b>Outstanding share options at 31.12.2009</b>	<b>37'500</b>	<b>4'500</b>	<b>135'000</b>	<b>100'000</b>	<b>5'000</b>	<b>74'050</b>	<b>-</b>
Expired during the year	(37'500)	(4'500)	-	-	-	-	-
Cancelled / Forfeited during the year	-	-	(135'000)	(100'000)	-	(6'000)	-
<b>Outstanding share options at 31.12.2010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5'000</b>	<b>68'050</b>	<b>-</b>
Expired during the year	-	-	-	-	-	-	-
Granted during the year	-	-	-	-	-	-	59'950
<b>Outstanding share options at 31.12.2011</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5'000</b>	<b>68'050</b>	<b>59'950</b>

### 36. Pension plan institutions

There exist various pension schemes within the Group, which are based on regulations in accordance with Swiss pension fund law.

(In thousands of CHF)	Surplus / (deficit)	Economic part of the Company		Change of economic part with impact in current result	Contributions concerning the business period	Pension plan expenses in personnel expenses	
	31.12.2011	31.12.2011	31.12.2010			2011	2010
Pension institutions with surplus	-	-	-	-	-	-	2'571
Pension institutions without surplus / deficit	-	-	-	-	4'014	4'014	1'818
<b>Total</b>	-	-	-	-	<b>4'014</b>	<b>4'014</b>	<b>4'389</b>

Genolier pension fund reported a cover ratio of 112.6% (2010: 118.3%). Privatlinik Bethanien is part of a common pension fund institution, thus individual information is not available. The fund reported a cover ratio of 111.2% (2010: 110.3%). The reserve fluctuation value of both pension funds are not yet fully provisioned, therefore they do not report a surplus in 2011. Pension institutions for hourly part-time employees reported a cover ratio of 100.0% (2010: 100.0%) and are fully reinsured.

### 37. Subsequent events

- On 9 January 2012, Genolier Swiss Medical Network finalised the acquisition of Privatlinik Obach in Solothurn. On the same day, the company Privatlinik Obach Genossenschaft has been transformed from a cooperation into a corporation, and renamed Privatlinik Obach AG. This entity is now a 100% subsidiary of GSMN. Its results will be consolidated in GSMN as of 1 January 2012.
- On 21 February 2012, GSMN has taken over, through a specially created subsidiary Clinique Spontini SAS, the business activities and assets of Clinique Esthétique Spontini in Paris. This institution was closed and placed in administration in October 2011. Clinique Spontini has 24 rooms, 4 operating theatres, a room for minor surgery, and an entire floor dedicated to cosmetic medicine, with 3 treatment rooms. A team of 15 surgeons and 2 cosmetic physicians will be on hand to welcome patients. A staff of around 50 will collaborate with the leading surgeons, to offer a top-quality medical and accommodation infrastructure. Entirely renovated 10 years ago, Clinique Spontini is in excellent condition. Work is currently in progress on upgrading the rooms and the reception areas. The clinic will reopen during the summer of 2012, under the name Genolier Paris Spontini. Part of the Swiss group Genolier Swiss Medical Network, Clinique Spontini will be positioned as a specialist clinic for plastic and cosmetic surgery. It will offer in Paris the standards of medical and accommodation excellence of the Genolier group. It will be a specialized unit of the Swiss group in Paris, and is not part of an overall development strategy for France.
- On 29 February 2012, Genolier Swiss Medical Network finalised the acquisition of Ars Medica Clinic SA and Salus Medica Clinic SA, following the agreement signed in September 2011 with Ermanno Sarra, founder and Managing Director of Gruppo Ospedaliero Ars Medica. Ars Medica Clinic SA owns the operational activities of Ars Medica Clinic in Gravesano, whereas Salus Medica Clinic SA owns the operational activities of Clinica Sant'Anna in Sorengo. Both companies are now 100% subsidiary of GSMN and their results will be consolidated into GSMN as of 1 January 2012.
- Following a cooperation agreement signed with Cédric A. George on 4 August 2011, GSMN is committed to acquire a participation of 20% in Pyramide am See AG in exchange for a corresponding

participation of 20% in Privatlinik Bethanien AG. This cross-participation between Pyramide am See and Privatlinik Bethanien AG will reinforce and develop the synergies between both entities in the region of Zurich. The closing of this agreement is still subject to the fulfilment of conditions precedent, within a deadline expiring 30 September 2012.

### 38. Risk assessment disclosure

The Senior management proceeds to an annual review of the risks and protection measures based on the risk management software Optimiso. The Risk assessment is reviewed by the Senior Management, discussed in the audit committee and approved by the Board of Directors.

### 39. List of Group companies

Name	Location	Activity		% 2011	% 2010
Genolier Swiss Medical Network SA	Genolier	Holding	a	100.0	100.0
GSMN Vaud SA	Genolier	Clinics	a	100.0	100.0
Clinique Générale - Ste-Anne SA	Fribourg	Clinic	a	100.0	100.0
Centre Médico-Chirurgical des Eaux-Vives SA	Geneva	Day clinic	a	100.0	100.0
Privatlinik Bethanien AG <sup>1</sup>	Zurich	Clinic	a	100.0	100.0
Les Hauts de Genolier SA	Genolier	Medicalised residence	a	100.0	100.0
Publications Financières LSI SA	Geneva	Publishing (dormant)	a	100.0	100.0
Klinik Lindberg AG <sup>2</sup>	Winterthur	Clinic	b	49.0	-
AGEFI, Société de l'Agence Economique et Financière S.A.*	Lausanne	Publishing	b	49.0	49.0
Agefi Com SA*	Geneva	Publishing	b	49.0	49.0
NESCENS SA <sup>3</sup>	Geneva	Preventive medicine	b	33.0	-
Academy & Finance SA*	Geneva	Organisation of seminars	b	22.5	22.5
Piscine de Bassins SA	Bassins	Swimming pool	b	20.0	20.0

a Fully consolidated  
b Equity method

- 1 Included in the consolidation circle from 01.01.2010
- 2 Included in the consolidation circle from 01.07.2011
- 3 This company was set up on 14.10.2011 and did not have transactions in 2011.

\* As the company has negative equity, no financial figures have been reported in the financial statements. The Group has no obligation in respect of the losses of the company (see note 6). On 27 March 2009, the Company sold 51 % of its intercompany loans and its investments in AGEFI, Société de l'Agence Economique et Financière S.A. and Agefi Com SA (former Publishing division). Total consideration for the sale amounted to CHF 5.1 million. The Company received the last instalment of CHF 1.0 million on 6 January 2010. According to the Sale & Purchase agreement, the Group has granted to the buyer a call option on the remaining 49 % of the intercompany loans and the investments. Exercise price of the option will be calculated as follows: ((Average of the former Publishing division's EBITDA for the years 2009, 2010 and 2011) \* 6) \* 49 %. The option can be exercised 60 days following the date of the audit report on the 2011 financial year.



**REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS  
TO THE GENERAL MEETING OF GENOLIER SWISS MEDICAL NETWORK SA, GENOLIER**

As statutory auditor, we have audited the consolidated financial statements of Genolier Swiss Medical Network SA, which comprise the balance sheet, income statement, statement of changes in equity, cash flow statement and notes presented on pages 47 to 77 for the year ended 31 December 2011.

**Board of Directors' Responsibility**

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements for the year ended 31 December 2011 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

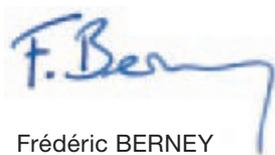
**REPORT ON OTHER LEGAL REQUIREMENTS**

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

**BERNEY & ASSOCIES SA**  
Société Fiduciaire



**Frédéric BERNEY**  
Licensed Audit Expert



**Claude HERI**  
Licensed Audit Expert  
Auditor in charge

Geneva, 30 April 2012



STATUTORY financial  
statements of GSMN SA

## Statutory Balance Sheet

(In thousands of CHF)	Notes	31.12.2011	31.12.2010
<b>Assets</b>			
Investments, net	2	74'391	68'504
Accounts receivable from subsidiaries, net	3	8'500	10'283
Accounts receivable from associates, net	3	600	-
Accounts receivable from related parties		-	350
<b>Total non-current assets</b>		<b>83'491</b>	<b>79'137</b>
Accounts receivable from third parties		267	7
Account receivable from shareholder	9	2'689	-
Prepaid expenses		3'009	-
Treasury shares		1'546	1'417
Cash and cash equivalents		11'496	64
<b>Total current assets</b>		<b>19'007</b>	<b>1'488</b>
<b>Total assets</b>		<b>102'498</b>	<b>80'625</b>
<b>Equity</b>			
Share capital		35'392	31'003
General reserve		83	83
Capital contribution reserve		57'324	46'275
Reserve for treasury shares		2'402	2'484
Accumulated deficit		(19'338)	(18'069)
<b>Total equity</b>		<b>75'863</b>	<b>61'776</b>
<b>Liabilities</b>			
Bank loans and other borrowings		6'000	9'500
<b>Total non-current liabilities</b>		<b>6'000</b>	<b>9'500</b>
Bank overdrafts, current portion of bank loans and other borrowings		10'459	2'382
Accounts payable		2'196	4
Accounts payable to subsidiaries		7'030	6'559
Accrued expenses		950	404
<b>Total current liabilities</b>		<b>20'635</b>	<b>9'349</b>
<b>Total liabilities</b>		<b>26'635</b>	<b>18'849</b>
<b>Total equity and liabilities</b>		<b>102'498</b>	<b>80'625</b>

## Statutory Income Statement

(In thousands of CHF)	Notes	2011	2010
Interest income		191	258
Net gain on treasury shares		178	259
<b>Total revenue</b>		<b>369</b>	<b>517</b>
General and administrative expenses		(489)	(507)
Impairment for doubtful accounts receivable from associates		(29)	-
Impairment for doubtful accounts receivable from subsidiaries and investments		(30)	(9'162)
Financial expenses		(635)	(389)
Taxes on capital		(83)	(95)
<b>Total expenses</b>		<b>(1'266)</b>	<b>(10'153)</b>
Extraordinary result	10	(454)	-
<b>Net loss for the year</b>		<b>(1'351)</b>	<b>(9'636)</b>
Accumulated deficit at the beginning of the year		(18'069)	(8'896)
Change of reserve for treasury shares		82	463
<b>Accumulated deficit at the end of the year</b>		<b>(19'338)</b>	<b>(18'069)</b>

## Statutory Shareholders' equity

(in thousands of CHF)	Number of shares (thousands)	Share capital	General reserve	Capital contribution reserve	Reserve for treasury shares	Accumulated deficit	Total
<b>Balance at 1 January 2010</b>	<b>6'201</b>	<b>31'003</b>	<b>83</b>	<b>46'275</b>	<b>2'947</b>	<b>(8'896)</b>	<b>71'412</b>
Change of reserve for treasury shares	-	-	-	-	(463)	463	-
Loss for the year	-	-	-	-	-	(9'636)	(9'636)
<b>Balance at 31 December 2010</b>	<b>6'201</b>	<b>31'003</b>	<b>83</b>	<b>46'275</b>	<b>2'484</b>	<b>(18'069)</b>	<b>61'776</b>
Capital increase	877	4'389	-	12'290	-	-	16'679
Costs of capital increase	-	-	-	(1'241)	-	-	(1'241)
Change of reserve for treasury shares	-	-	-	-	(82)	82	-
Loss for the year	-	-	-	-	-	(1'351)	(1'351)
<b>Balance at 31 December 2011</b>	<b>7'078</b>	<b>35'392</b>	<b>83</b>	<b>57'324</b>	<b>2'402</b>	<b>(19'338)</b>	<b>75'863</b>

## Notes to the Statutory Financial Statements

### 1. Introduction

The financial statements of Genolier Swiss Medical Network SA were prepared in accordance with accounting principles required by Swiss law. They are prepared under the historical cost convention and on the accrual basis.

### 2. Investments in group companies

Investments are recorded at acquisition cost, less any write downs when deemed necessary. The accumulated write downs as at 31 December 2011 amount to CHF 5.1 million (2010 : CHF 5.1 million).

At 31 December 2011, the company owns the following investments :

Name	Location	Activity	2011 %	share capital *	2010 %	share capital *
GSMN Vaud SA	Genolier	Clinics	100.0	10'000	100.0	10'000
Clinique Générale - Ste-Anne SA	Fribourg	Clinic	100.0	1'500	100.0	1'500
Centre Médico-Chirurgical des Eaux-Vives SA	Geneva	Day clinic	100.0	400	100.0	400
Privatklinik Bethanien AG	Zurich	Clinic	100.0	500	100.0	500
Les Hauts de Genolier SA	Genolier	Medicalised residence	100.0	200	100.0	200
Publications Financières LSI SA	Geneva	Publishing (dormant)	100.0	100	100.0	100
Klinik Lindberg AG	Winterthur	Clinic	49.0	3'085	-	-
AGEFI, Société de l'Agence Economique et Financière S.A.	Lausanne	Publishing	49.0	665	49.0	665
Agefi Com SA	Geneva	Financial information via the internet	49.0	200	49.0	200
NESCENS SA	Geneva	Skincare cosmetics	33.0	300	-	-
Academy & Finance SA	Geneva	Organisation of seminars	22.5	250	22.5	250
Centre suisse de prévention du vieillissement SA	Geneva	Prevention of aging	13.3	167	13.3	167

\*in thousands of CHF

**3. Accounts receivable from subsidiaries and associates**

Accounts receivable from subsidiaries and associates are presented at 31 December 2011 net of an allowance of respectively CHF 5.6 million (2010: CHF 5.0 million) and CHF 1.8 million (2010: CHF 1.8 million).

**4. Authorised capital**

Information on authorised capital is mentioned under note 13.2 to the Swiss GAAP FER consolidated financial statements.

**5. Conditional capital**

Information on conditional capital is mentioned under note 13.3 to the Swiss GAAP FER consolidated financial statements.

**6. Treasury shares**

Information on treasury shares is mentioned under note 13.4 to the Swiss GAAP FER consolidated financial statements.

**7. Significant shareholders**

Information on significant shareholders is mentioned under note 13.5 to the Swiss GAAP FER consolidated financial statements.

**8. Commitments and contingent liabilities**

The Company is committed to provide certain subsidiaries with sufficient funds to cover potential lack of liquidity. At 31 December 2011, the total commitments amounted to CHF 13.0 million (2010: CHF 4.5 million).

The Company is committed to increase its shareholding in Centre suisse de prévention du vieillissement SA from 13.33% to 33.33% which represents an amount of CHF 1.5 million. A first instalment of CHF 0.3 million was paid in 2011. The settlement of the remaining CHF 1.2 million was done in February 2012.

The Company pledged the shares of Privatklinik Bethanien AG and Klinik Lindberg AG for a total amount of CHF 24.3 million (2010: CHF 18.4 million) as a guarantee for bank loans of CHF 13.5 million (2010: CHF 9.0 million).

## 9. Additional information requested by the Swiss Code of Obligations on remuneration

### Annual remuneration of the Board of Directors (in thousands of CHF)

Name	Position	2011	2010
Raymond Loretan <sup>1</sup>	Executive Chairman	-	-
Philippe Glasson	Vice-Chairman (since September 2010)	52	14
Antoine Hubert <sup>1</sup>	Managing Director	-	-
Antoine Kohler	Member of the Board	48	43
Cédric A. George	Member of the Board (since September 2010)	47	12
Christian Le Dorze	Member of the Board (since September 2010)	46	14
Michel Reybier	Member of the Board (since June 2011)	23	-
Johannes Boot	Member of the Board (until June 2011)	24	16
Prof. H.-R. Zerkowski	Vice-Chairman (until February 2011)	-	48 <sup>2</sup>
Michael Schroeder	Member of the Board (until February 2011)	-	48 <sup>2</sup>
Robert Pennone	Vice-Chairman (until June 2010)	-	29
<b>Total</b>		<b>240</b>	<b>224</b>

<sup>1</sup> Raymond Loretan and Antoine Hubert are employees of the Group and do not receive directors' remuneration.

<sup>2</sup> Non-invoiced amounts of CHF 71 thousands are contested by the Group.

### Loans to members of the Board of Directors

At 31 December 2011 and 2010, there were no loans outstanding to executive and non-executive members of the Board of Directors or closely related parties, except for the current account of Antoine Hubert classified as "Account receivable from shareholder" (see also note 31 "Related parties" from the Swiss GAAP FER consolidated financial statements). An interest rate of 3.5% is applied on this current account.

### Additional fees and remunerations of the Board of Directors

There are no other additional fees or remunerations paid by Genolier Swiss Medical Network SA or one of its Group companies, directly or indirectly, to members of the governing body or closely related parties.

### Remuneration of the Senior management (in thousands of CHF)

Members of the Senior management are detailed in note 4.1 of the Corporate Governance report and includes Raymond Loretan, Executive Chairman.

Total remuneration of the members of the Senior management (including pension scheme employer contributions and company cars) amounts to CHF 1'629 (2010: CHF 2'388). In addition, stock options were granted in 2011 for an amount of CHF 111 (2010: nil).

### Compensation of Executive Chairman and Managing Director

In 2011 and 2010, the highest total compensation for a member of the Senior management was conferred to Raymond Loretan, Executive Chairman.

(in thousands of CHF)	Raymond Loretan		Antoine Hubert	
	2011	2010	2011	2010
Annual base salary	413	504	60	385
Bonus	-	74	-	110
Salary in kind	7	7	-	14
Stock options	40	-	-	-
Pension scheme contribution	60	50	-	33
<b>Total</b>	<b>520</b>	<b>635</b>	<b>60</b>	<b>542</b>

In 2011 compensation of Antoine Hubert is entirely calculated on a variable basis, except for professional representation allowance of CHF 60.0 thousands. As the Group did not achieve all the requested objectives, no compensation was paid to Antoine Hubert. An amount of CHF 396.0 thousands representing monthly prepayments has been classified as "Account receivable from shareholder".

### Share and stock options ownership of the Board of Directors and the management and closely related parties, as at

31 December 2011

Name	Position	Number of shares held	Number of options held
Raymond Loretan	Executive Chairman	9'350	35'000
Antoine Hubert and Michel Reybier*	Member of the Board	6'093'935	-
Antoine Kohler	Member of the Board	2'827	-
Philippe Glasson	Member of the Board	700	-
Cédric A. George	Member of the Board	300	-
Beat Röthlisberger	CEO	7'000	31'000
Valérie Dubois-Héquet	COO	5'000	18'500
Guy Reynard	CSO	2'000	5'000
<b>Total</b>		<b>6'121'112</b>	<b>89'500</b>

\*Antoine Hubert and Géraldine Reynard-Hubert hold indirectly GSMN shares through M.R.S.I. Medical Research, Services and Investments S.A. and HR Finance & Participations SA (HRFP). They hold 100% of the share capital and voting rights of HRFP. HRFP holds 50% of the share capital and voting rights of MRSI.

Michel Reybier holds indirectly GSMN shares through M.R.S.I. Medical Research, Services and Investments S.A. and EMER Holding SA. He holds 100% of the share capital and voting rights of EMER. EMER holds 50% of the share capital and voting rights of MRSI.

## Share and stock options ownership of the Board of Directors and the management and closely related parties, as at

31 December 2010

Name	Position	Number of shares held	Number of options held
Raymond Loretan	Executive Chairman	9'210	20'000
Antoine Hubert <sup>1</sup>	Member of the Board	2'011'604	-
Michael Schroeder <sup>2</sup>	Member of the Board	190'000	-
Antoine Kohler	Member of the Board	2'424	-
Philippe Glasson	Member of the Board	600	-
Cédric A. Georget	Member of the Board	300	-
Beat Röthlisberger	CEO & CFO	7'000	6'000
Valérie Dubois-Héquet	COO	5'000	8'500
<b>Total</b>		<b>2'226'138</b>	<b>34'500</b>

<sup>1</sup> Antoine Hubert holds these shares together with his wife, Géraldine Reynard-Hubert.

<sup>2</sup> Michael Schroeder holds these shares together with his wife, Katrin Reincke - Schroeder.

### Loans to member of the Senior management

At 31 December 2011 and 2010, there were no loans outstanding to any member of the Senior management or closely related parties.

### Additional fees and remunerations of the Senior management

In 2011 and 2010, there were no additional fees or remunerations paid by Genolier Swiss Medical Network SA or one of its Group companies, directly or indirectly, to members of the Senior management or closely related parties.

### Compensation for former members of Senior management

In 2011 and 2010, there were no additional fees or remunerations paid by Genolier Swiss Medical Network SA or one of its Group companies, directly or indirectly, to former members of the Senior management or closely related parties.

**10. Extraordinary result**

In order to fulfil the requirements of the Swiss Financial Market Supervisory Authority (FINMA), relating to the M.R.S.I.'s public takeover offer, the Company incurred expenses amounting to CHF 0.454 million.

**11. Risk assessment disclosure**

Genolier Swiss Medical Network SA is fully integrated into the Group-wide risk assessment. The risks are reviewed by the Board at least on a yearly basis. The specific risks related to Genolier Swiss Medical Network SA are also covered by this risk analysis.



**REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS  
TO THE GENERAL MEETING OF GENOLIER SWISS MEDICAL NETWORK SA, GENOLIER**

As statutory auditor, we have audited the financial statements of Genolier Swiss Medical Network SA, which comprise the balance sheet, income statement and notes presented on pages 82 to 89 for the year ended 31 December 2011.

**Board of Directors' Responsibility**

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements for the year ended 31 December 2011 comply with Swiss law and the company's articles of incorporation.

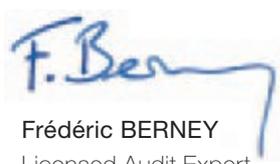
**REPORT ON OTHER LEGAL REQUIREMENTS**

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

**BERNEY & ASSOCIES SA**  
Société Fiduciaire



**Frédéric BERNEY**  
Licensed Audit Expert



**Claude HERI**  
Licensed Audit Expert  
Auditor in charge

Geneva, 30 April 2012



  
GENOLIER  
*Clinique*

  
LES HAUTS DE GENOLIER  
RESIDENCE

  
BETHANIEN  
*Privatklinik*

  
ARS MEDICA  
*Clinic*

  
SANT'ANNA  
*Clinica*

  
CLINIQUE GÉNÉRALE  
*Ste-Anne*



portfolio

## OVERVIEW



  
MONTCHOISI  
*Clinique*

  
VALMONT  
*Clinique privée de réadaptation*

  
EAUX-VIVES  
*Centre d'oncologie*

  
OBACH  
*Privatklinik*

  
LINDBERG  
*Privatklinik*





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une **CLINIQUE** comme les autres



  
**GENOLIER**  
*Clinique*

## Clinique de Genolier, Genolier

### The health solution

Founded in 1972, Clinique de Genolier is the flagship facility of GSMN. With 115 beds and 154 admitting physicians, it is one of the largest private clinics in Switzerland. Genolier offers specialist medical care, state-of-the-art technology, an experienced medical team and premier-quality hotel services all under one roof.

Ideally located between Geneva and Lausanne, Genolier offers sweeping views of Lake Geneva, Mont Blanc and the Alps. A presidential suite and junior suites furnished in contemporary style and «La Table», a gourmet restaurant, ensure an exceptional standard of hospitality for the patients.

Clinique de Genolier has built a strong reputation in the treatment of cancer with its radiation oncology centre ranking among Europe's most modern facilities. Genolier is also the first facility in Switzerland to offer Intra-Operative Radiotherapy (IORT) as an innovative treatment for breast cancer.

With its up-to-date medical imaging department, the clinic excels in general and digestive surgery, orthopaedics and plastic surgery. Gynaecology, neurology and even cardiology complete the range. The Clinic also has an outpatient centre, providing specialised consultations, outpatient health-care services, laboratory investigations and medical imaging services to all patients, whether they are private, semi-private or state insured.

Clinique de Genolier offers one of the most up-to-date operating suites in Europe. The new operating rooms are equipped with the latest innovations in medical technology, including telemedicine.

The Genolier brand is well established in the French-speaking part of Switzerland and many foreign countries

### Key specialties

-  Multidisciplinary Oncology Institute
-  Radiology and nuclear medicine
-  Taking care of health assets : Check-up
-  Plastic and cosmetic surgery
-  General and digestive surgery
-  Gynaecology, senology (IORT), Women's Health Centre
-  Orthopaedics
-  Back centre
-  Sports medicine
-  Internal medicine
-  Medical imaging



115	Available beds
150	Admitting physicians
350	Employees
2'600	Surgical interventions

[www.genolier.net](http://www.genolier.net)

Route du Muids 3 | CP 100 | CH-1272 Genolier | Tel. +41 (0)22 366 90 00 | [info@gsmn.ch](mailto:info@gsmn.ch)



vivez en toute SÉRÉNITÉ  
à la clinique de genolier



LES HAUTS DE GENOLIER

RÉSIDENCE

## Residence Les Hauts de Genolier

A new «home from home»

«Les Hauts de Genolier» is a unique concept in Switzerland, an alliance between premier hotel services and medical care supplied by the Clinique de Genolier. The residents can have full confidence in the clinic's equipment, technical know-how, and most up-to-date medical practices.

This facility is designed for residents of all ages who wish to remain independent while benefitting from tailor-made services, during long-term or short-term stays within a secure medical environment.

The 63 spacious suites with balcony benefit from a magnificent view over Lake Geneva and Mont Blanc and meet the highest standards in comfort and safety.

The residents have access to various communal areas, such as a panoramic restaurant, a lobby bar, a library, a games and billiards room, an occupational therapy studio, a wellness area offering a beauty salon, hairdressing salon and therapeutic massage. The Residence offers a state-of-the-art fitness room, a hammam and a jacuzzi.

Refinement, comfort and safety: these are the three keywords enabling «Les Hauts de Genolier» to meet its objectives: achieving excellence at all levels.

### Care and services

-  Restaurant and panoramic terrace
-  Bar
-  SPA
-  Beauty farm
-  Fitness
-  Concierge (chauffeur)
-  Heliport



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63	Suites
25	Employees
500	Admissions

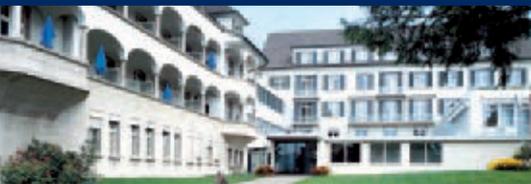
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[www.leshautsdegenolier.ch](http://www.leshautsdegenolier.ch)

Route du Muids 5 | CP 53 | CH-1272 Genolier | Tel. +41 (0)22 316 82 00 | [info@leshautsdegenolier.ch](mailto:info@leshautsdegenolier.ch)



ihre gesundheit  
ist uns WERTVOLL



  
BETHANIEN  
*Privatklinik*

## Privatklinik Bethanien, Zurich

Leading clinic in the Zurich region

Acquired by Genolier Swiss Medical Network at the beginning of 2010, Privatklinik Bethanien is ideally located on a prime elevated site on the Zürichberg and is surrounded by woodland. The clinic is committed to continually improving its services.

With 96 beds and just over 200 admitting physicians, Privatklinik Bethanien's specialties include general and visceral surgery, gynaecology and obstetrics, ENT, maxillo-facial surgery, orthopaedic surgery, plastic and reconstructive surgery, and urology.

The emphasis is on medical care of the utmost quality and on providing personal, flexible care for patients.

In 2010, Bethanien inaugurated new VIP rooms and a new maternity. Expansion continues with the construction of an underground parking, the renovation of the reception areas and the restaurant, which will be completed with an outdoor terrace and a park.

Firmly focused on the well-being and safety of its patients, Privatklinik Bethanien guarantees maximum comfort. The VIP «Diamond Care» concept offers its clientele the benefit of an excellent service under the motto «state-of-the-art medicine and first-class hotel services».

### Key specialties

- ◆ Orthopaedics
- ◆ Gynaecology and obstetrics
- ◆ Internal medicine
- ◆ Maxillo-facial surgery
- ◆ ENT
- ◆ Urology
- ◆ Plastic and reconstructive surgery
- ◆ Oncology
- ◆ General surgery
- ◆ Visceral and vascular surgery
- ◆ Surgery of the locomotor system
- ◆ Articular and sports surgery



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96	Available beds
205	Admitting physicians
250	Employees
4'000	Surgical interventions
410	Deliveries

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[www.klinikbethanien.ch](http://www.klinikbethanien.ch)

Toblerstrasse 51 | CH-8044 Zurich | Tel. +41 (0)43 268 70 70 | [info@klinikbethanien.ch](mailto:info@klinikbethanien.ch)



la chirurgia per vocazione,  
l'ortopedia per **ECCELLENZA**



  
ARS MEDICA  
*Clinic*

## Ars Medica Clinic, Lugano

A Clinic dedicated to orthopaedics

Founded in 1989 by Ermanno Sarra, Ars Medica Clinic has become the undisputed leader and the cantonal reference centre for orthopaedic surgery and traumatology of the locomotor system. Perfectly organised around this discipline, with 12 in-house consulting rooms, 75 beds, a specialist emergency unit, dedicated radiology department, 4 operating theatres fully equipped for arthroscopic and prosthetic surgery and a physiotherapy unit complete with pool, Ars Medica carries out more than 3'000 operations every year.

The cooperation model between the surgeons is based on the hyper-specialisation of each one, which has the benefit of offering patients direct, immediate access to hand and elbow, shoulder, hip, knee, ankle and foot specialists. This approach, which enables certain operations to be concentrated around a small number of surgeons, has a considerable impact on quality.

### Key specialties

-  Orthopaedics
-  Traumatology of the locomotor system
-  Neurosurgery and spine



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75	Available beds
50	Admitting physicians
180	Employees
3'000	Surgical interventions

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[www.arsmedica.ch](http://www.arsmedica.ch)

Via Cantonale | CH-6929 Gravesano | Tel. +41 (0)91 611 62 11 | [info@arsmedica.ch](mailto:info@arsmedica.ch)



il vostro capitale **SALUTE**  
al centro della nostra attenzione



  
**SANT'ANNA**  
*Clinica*

## Clinica Sant'Anna, Lugano

Medicine and specialised surgery in an exceptional environment

A cradle to local population, the Sant'Anna Clinic was founded in Lugano by the sisters of the «Gemeinschaft der St. Anna Schwestern» of Lucerne in 1922. Located in Sorengo since 1934, it is the largest maternity hospital in Ticino and one of the largest private maternity clinics in Switzerland with approximately 900 births every year and a neonatal unit for the intensive care of premature babies.

With 80 beds, it occupies a key position in the region's public healthcare, particularly in the fields of women's health, senology, oncology, internal medicine and, with its 5 operating theatres, specialist surgery. Since May 2011, the Sant'Anna Clinic has also run the first Centre of Preventive Medicine in Ticino for private individuals and businesses offering healthcare to their employees.

Expansion and modernisation works are in progress and should be completed by summer 2012 with the opening of 10 new private rooms, which will be equipped with very high quality hospital facilities and an outpatient clinic for medical care, oncology and surgery.

### Key specialties

-  Gynaecology and obstetrics
-  Neonatology
-  Oncology
-  Internal medicine
-  Preventive medicine
-  Hand surgery
-  Phlebosurgery
-  Visceral surgery and proctology
-  Plastic and reconstructive surgery
-  ENT surgery
-  Sports traumatology



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80	Available beds
95	Admitting physicians
200	Employees
4'000	Surgical interventions
900	Deliveries

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[www.clinicasantanna.ch](http://www.clinicasantanna.ch)

Via Sant'Anna 1 | CH-6924 Sorengo | Tel. +41 (0)91 985 12 11 | [info@clinicasantanna.ch](mailto:info@clinicasantanna.ch)



la clinique générale  
pour les fribourgeois en **PARTICULIER**



  
**CLINIQUE GÉNÉRALE**  
*Ste-Anne*

## Clinique Générale, Fribourg

Private hospital in the Canton of Fribourg

This clinic, which was acquired by Genolier Swiss Medical Network in 2005, is the result of the merger between Clinique Garcia and Clinique St-Anne. Thanks to its 4 state-of-the-art operating theatres and its private and semi-private rooms, the clinic enjoys a unique position in the Canton of Fribourg.

Its medical specialties focus on orthopaedics, neurosurgery and ENT. In recognition of its competences, Clinique Générale has been granted the exclusive right of practice of these specialties by the «Planification Hospitalière» of the Canton of Fribourg. Orthopaedic surgery accounts for 70% of its total surgical activity. Clinique Générale also operates a centre of excellence in gynaecology. Other specialties are general surgery and medicine.

The Clinic's elegant gourmet restaurant, «Le Carré», which is open to the public, is one of the best in the canton.

### Key specialties

-  Orthopaedics
-  Gynaecology
-  Neurosurgery
-  Surgery
-  ENT
-  Medicine



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60	Available beds
85	Admitting physicians
145	Employees
4'100	Surgical interventions

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[www.cliniquegenerale.ch](http://www.cliniquegenerale.ch)

Rue Hans-Geiler 6 | CH-1700 Fribourg | Tel. +41 (0)26 350 01 11 | [info@cliniquegenerale.ch](mailto:info@cliniquegenerale.ch)



au cœur de la cité  
au cœur de la SANTÉ



  
**MONTCHOISI**  
*Clinique*

## Clinique de Montchoisi, Lausanne

### State-of-the-art ophthalmology

Since it was founded in 1932, Clinique de Montchoisi has always been one of the most reputable facilities in the Canton of Vaud. Having been acquired by Genolier Swiss Medical Network in 2003, the clinic has been entirely renovated and modernised. Located right in the heart of Lausanne, all the rooms enjoy an unrestricted view over Lake Geneva and the Alps. The top floor includes a presidential suite and spacious and comfortable junior suites.

Clinique de Montchoisi has key competence in ophthalmology. With over 20 renowned FMH (Swiss Medical Association) specialists heading this department, it provides efficient treatment for diseases such as glaucoma, cataracts, reticular and macular degeneration.

As a multidisciplinary facility, the clinic offers quality services in general surgery, orthopaedics, gynaecology and plastic surgery. The brand new medical imaging unit of Clinique de Montchoisi, inaugurated at the end of 2010, is dedicated to neuro-radiology, osteo-articular radiology and women's radiology. The centre is the first in Switzerland to treat uterine fibroids by MRI-guided focused ultrasounds.

Located in the city-centre, the clinic is easily accessible with its underground 45-space car park. Patients and their visitors can also enjoy the restaurant «La Pergola», open to the public and featuring a terrace with a beautiful view.

### Key specialties

- 🌿 Taking care of health assets : Check-up
- 🌿 Ophthalmology
- 🌿 Orthopaedics
- 🌿 Medical imaging
- 🌿 Gynaecology and perineology
- 🌿 Plastic surgery
- 🌿 ENT
- 🌿 Neurosurgery
- 🌿 Ambulatory oncology



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21	Available beds
100	Admitting physicians
75	Employees
5'000	Surgical interventions (of which 3'450 ophthalmology)

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[www.montchoisi.ch](http://www.montchoisi.ch)

Chemin des Allinges 10 | CH-1006 Lausanne | Tel. +41 (0)21 619 39 39 | [info@montchoisi.ch](mailto:info@montchoisi.ch)



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VALMONT  
*Clinique privée de réadaptation*

## Clinique Valmont, Glion sur Montreux

### Combining modernity and tradition

With a century of history behind it, Clinique Valmont has had the privilege of welcoming royalty, politicians and famous artists from around the world. Set above Montreux in peaceful, green surroundings, it offers an outstanding view over Lake Geneva and the Alps.

Acquired by Genolier Swiss Medical Network in 2006, the Clinic has been entirely renovated yet retains all its old-world charm. Clinique Valmont specialises in orthopaedic and neurological rehabilitation. The rehabilitation consultants are assisted by an experienced team of neuropsychologists, physiotherapists, occupational therapists, speech therapists, sports coaches and dieticians.

The clinic is a referral rehabilitation centre for physicians and hospitals in the region. It offers spacious, comfortable rooms meeting the requirements of the most discerning patients. The facility offers its patients an indoor swimming pool, a fitness centre and gym as well as a gourmet restaurant «Côté Lac» featuring a terrace with a spectacular view.

Clinique Valmont also offers care for patients with Parkinson's disease and an Alzheimer Testing Centre.

Clinique Valmont is GSMN's only rehabilitation clinic and caters for the needs of privately insured patients or otherwise.

### Key specialties

-  Orthopaedic rehabilitation
-  Neurological rehabilitation



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57	Available beds
4	Admitting physicians
95	Employees
660	Admissions

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[www.cliniquevalmont.ch](http://www.cliniquevalmont.ch)

Route de Valmont | CH-1823 Glion sur Montreux | Tel. +41 (0)21 962 35 35 | [info@cliniquevalmont.ch](mailto:info@cliniquevalmont.ch)



un espoir de **GUÉRISON**  
qui se concrétise chaque jour



  
**EAUX-VIVES**  
*Centre médico-chirurgical*

## Centre d'oncologie and Centre médico-chirurgical des Eaux-Vives, Geneva

Efficient and welcoming oncology and multidisciplinary medical centre in Geneva

Radiotherapy for all types of cancer, systemic treatments (chemotherapy, immunotherapy and hormone therapy) and interdisciplinary consultations, all offered as an outpatient service in a peaceful environment, a stone's throw away from the Jet d'Eau fountain of Geneva. The Centre d'oncologie des Eaux-Vives was the first private facility of this kind to be created in Geneva. It provides access to this range of treatments for cancer patients whether they are privately or state insured.

The centre provides a high-energy linear accelerator enabling more than 30 patients to be treated each day using high precision technologies. The centre also has several chemotherapy and immunotherapy rooms. It provides treatment for all types of cancer. Practising physicians are able to treat their patients without waiting times and benefit from the technical infrastructure and the staff at the centre.

An integrated part of the health landscape, Centre médico-chirurgical des Eaux-Vives fully meets the requirements of Geneva's population. Acquired by GSMN in 2009, this multidisciplinary medical centre on Geneva's left bank groups together a total of 20 physicians' practices in a pleasant, welcoming environment. With its main emphasis on general medicine, this friendly centre has built up specialties in practically all disciplines with pneumology and paediatrics being two of its key specialties. The centre has its own radiology service and offers outpatient consultations.

## Centre d'oncologie des Eaux-Vives

## Key specialties

- ↑ Oncology
- ↑ Radio-oncology
- ↑ Hematology
- ↑ Rhumatology

## Centre médico-chirurgical des Eaux-Vives

## Key specialties

- ↑ Paediatrics and neuropaediatrics
- ↑ Pneumology
- ↑ Internal medicine
- ↑ Angiology
- ↑ Gynaecology and obstetrics
- ↑ Cardiology
- ↑ Dermatology



25	Admitting physicians
30	Employees
31'400	Admissions

[www.eaux-vives.com](http://www.eaux-vives.com)

Centre médico-chirurgical des Eaux-Vives

4, rue du Nant | CH-1207 Geneva | Tel. +41 (0)22 718 03 80 | [info@eaux-vives.com](mailto:info@eaux-vives.com)

Centre d'oncologie des Eaux-Vives

26, rue Maunoir | CH-1207 Geneva | Tel. +41 (0)22 319 77 77 | [info@eaux-vives.com](mailto:info@eaux-vives.com)



beste **MEDIZINISCHE** betreuung in  
persönlicher atmosphäre



  
**OBACH**  
*Privatklinik*

## Privatklinik Obach, Solothurn

A wide range of treatments at the forefront of medical technology

Privatklinik Obach, founded in 1922, is the largest private clinic in the canton of Soleure. Profitable and very well managed, it has an excellent reputation. It has 65 beds, 3 operating theatres and 2 delivery rooms.

Its 42 independent physicians carry out more than 4'000 operations each year in the clinic's 3 operating theatres. The major specialisations include orthopaedic surgery, gynaecology and obstetrics, general surgery, urology, ENT/maxillofacial and plastic surgery, ophthalmology and gastroenterology. More than 450 babies are born in the clinic's maternity unit each year.

### Key specialties

- » General surgery
- » Orthopaedic surgery
- » Gynaecology and obstetrics
- » Internal medicine
- » Oncology, haematology
- » Plastic and reconstructive surgery
- » Urology
- » ENT
- » Maxillo-facial surgery
- » Ophthalmology
- » Paediatrics
- » Endocrinology and Diabetology
- » Gastroenterology
- » Cardiology
- » Pneumology
- » Rhumatology



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65	Available beds
45	Admitting physicians
120	Employees
4'800	Surgical interventions
450	Deliveries

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[www.obach.ch](http://www.obach.ch)

Leopoldstrasse 5 | CH-4500 Solothurn | Tel. +41 (0)32 626 23 23 | [obach@obach.ch](mailto:obach@obach.ch)





AFFILIATED  
clinics



erstklassige medizin  
in **PRIVATER** atmosphäre



  
**LINDBERG**  
*Privatklinik*

## Klinik Lindberg, Winterthur

The only private clinic in Winterthur

A member of the Swiss Leading Hospitals (SLH), Klinik Lindberg in Winterthur ranks among the best privately owned hospitals in Switzerland. It offers its patients first-class medical care which is delivered in an informal and personal atmosphere in tasteful surroundings.

The Clinic is located on the heights of the Lindberg and offers a beautiful view of Winterthur. It counts 73 beds and 210 employees. Each year, its 110 physicians receive over 11'000 ambulatory patients. Around 2'700 patients are hospitalised yearly in the Clinic.

Klinik Lindberg's medical spectrum is very broad. It ranges from obstetrics to general surgery, internal medicine and pain therapy. Areas of expertise include obesity medicine, the treatment of metabolism problems, cardiology, medicine of the musculoskeletal system, traumatology and visceral surgery, urology and gynaecology. A nursing facility for convalescents and senior citizens completes the health care services on offer.

GSMN is a minority shareholder (49%) of Klinik Lindberg since 1 July 2011. GSMN wishes to develop the Obesity Centre of the Clinic for both Swiss and foreign patients.

### Key specialties

-  Gynaecology and obstetrics
-  General surgery
-  Internal medicine
-  Obesity medicine
-  Urology
-  Orthopaedics



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73	Available beds
110	Admitting physicians
210	Employees
2'500	Surgical interventions
250	Deliveries

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[www.lindberg.ch](http://www.lindberg.ch)

Schickstrasse 11 | CH-8400 Winterthur | Tel. +41 (0)52 266 11 11 | [info@lindberg.ch](mailto:info@lindberg.ch)



## Klinik Pyramide am See, Zurich

Leading clinic for privately insured and self-paying patients

Pyramide am See AG, founded in 1988 by the plastic surgeon Dr Cédric A. George, manages two clinics in the canton of Zurich: Klinik Pyramide am See for private patients and Klinik Pyramide Schwerzenbach for semi-private patients.

Klinik Pyramide am See is known for its excellence in medicine, state-of-the-art infrastructure, superb hospitality services, an individual approach to nursing and a high level of service. As a member of the Swiss Leading Hospitals (SLH), the Clinic is committed to meeting strict and demanding quality standards.

Klinik Pyramide am See focuses on selected surgical fields. The main specialities include plastic and breast cancer surgery, maxillo-facial surgery and joint and sport surgery. These are complemented by centres for hand, foot and vascular surgery as well as eye surgery, ear, nose and throat surgery and minimally invasive visceral surgery.

GSMN signed a cross shareholding agreement with Dr Cédric A. George by which GSMN will own 20% of Klinik Pyramide am See AG and Dr Cédric A. George 20% of Privatklinik Bethanien AG.

### Key specialties

- ▲ Plastic and reconstructive surgery
- ▲ Maxillo-facial surgery
- ▲ Oncology – breast cancer
- ▲ Orthopaedics
- ▲ Ophthalmology
- ▲ ENT
- ▲ Visceral surgery
- ▲ Joint and sports surgery



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56	Available beds
125	Admitting physicians
126	Employees
2'450	Surgical interventions

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[www.pyramide.ch](http://www.pyramide.ch)

Bellerivestrasse 34 | CH-8034 Zurich | Tel. +41 (0)44 388 15 15 | [info@pyramide.ch](mailto:info@pyramide.ch)

## Coordination Services – Contact information



### Clinique de Genolier

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LES HAUTS DE GENOLIER  
RESIDENCE

### Résidence Les Hauts de Genolier

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### Privatlinik Bethanien

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### Ars Medica Clinic

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### Clinica Sant'Anna

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### Clinique Générale

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### Clinique de Montchoisi

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### Clinique Valmont

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### Centre médico-chirurgical des Eaux-Vives

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### Privatlinik Obach

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### Privatlinik Lindberg

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### Privatlinik Pyramide am See

coordination@pyramide.ch | Tel. +41 (0)44 388 15 15

## Légendes



24/7 Medical services



Medical Imaging Centre



Therapeutic pool



Fitness



Restaurant



Terrace



Panoramic view



Parking



Train station



Heliport



Suites, VIP service, concierge,  
business centre



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