



# Half-yearly Report 2013





## HIGHLIGHTS FIRST HALF-YEAR 2013

-  Growth strategy successfully continued with the integration of another 3 clinics
-  Turnover increased by 34.0% to CHF 216.8 million
-  EBITDA strongly improved to CHF 24.7 million, up by 60.8%
-  Net profit of CHF 4.9 million
-  Further investment in healthcare-related sector
-  Revenues of more than CHF 450 million expected in FY 2013

## KEY FIGURES

(in thousands of CHF)	Sales to third parties		EBITDA		Fixed assets	
	Six months ended	Six months ended	Six months ended	Six months ended	30.06.2013	31.12.2012
	30.06.2013	30.06.2012	30.06.2013	30.06.2012		
Unchanged portfolio 2011	111'176	101'693	15'413	11'639	96'051	93'724
Entities acquired during first half-year 2012	62'184	59'650	4'772	7'139	70'209	89'552
Unchanged portfolio 2012	173'360	161'343	20'185	18'778	166'260	183'276
Entities integrated after the first half-year 2012	43'077	–	10'314	–	442'230	–
<b>Total operations</b>	<b>216'437</b>	<b>161'343</b>	<b>30'499</b>	<b>18'778</b>	<b>608'490</b>	<b>183'276</b>
Corporate	392	460	(5'804)	(3'418)	1'438	1'496
<b>Total Group</b>	<b>216'829</b>	<b>161'803</b>	<b>24'695</b>	<b>15'360</b>	<b>609'928</b>	<b>184'772</b>



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**M2 Surgical Sails**





# Profile of the Group

## PROFILE OF THE GROUP

### **AEVIS Holding SA – Investing for a better life**

AEVIS Holding SA invests in the healthcare sector, in life sciences and in medical services to people. AEVIS's main shareholdings include Genolier Swiss Medical Network, the 2nd largest group of private clinics in Switzerland, Swiss Healthcare Properties AG, a company specialized in medical real estate in Switzerland and NESCEMS SA, a brand dedicated to better aging. AEVIS Holding's development is focused on supporting and complementary services along the value chain of its strategic focus. The Group plans to gradually develop new operational or infrastructural businesses, amongst others in the field of outpatient centres, radiology or dental medicine. AEVIS Holding SA is listed on the Domestic Standard of the SIX Swiss Exchange (AEVS). [www.aevis.com](http://www.aevis.com)

### **Genolier Swiss Medical Network SA – 2nd largest network of private clinics in Switzerland**

Genolier Swiss Medical Network SA (GSMN), founded in 2002, is the 2nd largest network of private clinics in Switzerland, present in the three linguistic regions. GSMN's growth strategy focuses on the creation of a national network through the acquisition of clinics and the restructuring of their operations. GSMN's main objective is to offer first class hospital care to Swiss and foreign patients. The distinctive features of GSMN include its high quality services, its brand value, a pleasant working environment and an experienced management team with an entrepreneurial approach. GSMN operates 13 private establishments in Switzerland (Clinique de Genolier, Clinique de Montchoisi, Clinique Valmont, Clinique Générale, Clinique de Valère, Hôpital de la Providence, Centre médical des Eaux-Vives, Clinica Ars Medica, Clinica Sant'Anna, Privatlinik Bethanien, Privatlinik Lindberg, Privatlinik Obach and Klinik Villa im Park), with around 1'250 admitting physicians and 2'650 employees. GSMN is also affiliated to Pyramide am See, which manages 2 clinics in the canton of Zurich (Klinik Pyramide am See and Klinik Pyramide Schwerzenbach). The health insurance law revision and the new hospital financing have accelerated the consolidation of the healthcare sector in Switzerland, and GSMN wants to be a part of this mutation by offering a reliable private alternative to the public healthcare system. GSMN is a 100% subsidiary of AEVIS Holding. [www.gsmn.ch](http://www.gsmn.ch)

### **Swiss Healthcare Properties AG – A healthcare dedicated property portfolio in Switzerland**

Swiss Healthcare Properties AG (SHP), founded in 1997, is a real estate company focusing on medical real estate in Switzerland. SHP owns 25 Swiss healthcare properties, representing a total rental surface of 110'867 m<sup>2</sup>. Almost all properties are rented to the various GSMN clinics and have been bought or constructed in the context of the development of the group. SHP is committed over the long-term to the clinic's operations growth. SHP's properties are fully let and present a development potential of 10'000 to 15'000 m<sup>2</sup>. SHP is a 100% subsidiary of AEVIS Holding. [www.shp.net](http://www.shp.net)

### **Les Hauts de Genolier SA – Premier hotel services in a medical environment**

Les Hauts de Genolier is a unique concept in Switzerland, an alliance between premier hotel services and medical care supplied by Clinique de Genolier. The facility is designed for residents of all age who wish to remain independent while benefitting from tailor-made services, during long or short-term stays and within a secure medical environment. Les Hauts de Genolier counts 63 spacious suites with balcony, offering a magnificent view over Lake Geneva and Mont-Blanc. AEVIS Holding owns 100% of Les Hauts de Genolier SA. [www.leshautsdegenolier.ch](http://www.leshautsdegenolier.ch)



### **Clinique Spontini SAS – First clinic of the Group entirely dedicated to plastic surgery**

Clinique Nescens Paris Spontini, located in the 16th district of Paris, is exclusively dedicated to plastic and cosmetic surgery and medicine. Managed under the better-aging brand Nescens and benefiting from the experience of Genolier Swiss Medical Network, Clinique Nescens Paris Spontini aims to be positioned as a European benchmark for plastic and cosmetic surgery. Clinique Nescens Paris Spontini has been fully upgraded and offers its patients top quality hotel infrastructures and services. The medical platform comprises 4 operating theatres, a room for minor surgery and an entire floor dedicated to cosmetic medicine. A team of 20 internationally renowned cosmetic surgeons and physicians are on hand to welcome the patients. Clinique Spontini SAS is a 100% subsidiary of AEVIS Holding. [www.nescens.com](http://www.nescens.com)

### **NESCENS SA and CSPV – Better-aging services and anti-aging products**

Nescens, the result of Clinique de Genolier's Center for the Prevention of Aging, is the first brand that brings a comprehensive and evidence-based answer to prolong healthy life: from diagnosis to treatments, through products and services. NESCENS SA develops Nescens preventive medical check-up centers and Nescens better-aging medspa programs. The first Nescens preventive medical check-up centers are located within the premises of Clinique de Genolier and Clinica Sant'Anna. Nescens better-aging medspa programs are available at La Reserve Hotel & Spa Geneva. AEVIS Holding owns 33% in NESCENS SA. CSPV – Centre Suisse de Prevention du Vieillissement SA develops high-end cosmetic products under the Laboratoires Genolier trade name. In particular, it commercializes Nescens, a line of highly efficient anti-aging cosmeceuticals entirely formulated by Prof. Jacques Proust, a pioneer in the field of biology of aging. AEVIS Holding owns 33.3% in CSPV – Centre Suisse de Prévention du Vieillissement SA. [www.nescens.com](http://www.nescens.com)

### **AS Ambulances Services SA – Leading private ambulance company in Geneva**

AS Ambulances Services SA, created in July 1990, is an ambulance company specialised in the transportation of patients and injured. With 14 ambulances and almost 80 employees, AS Ambulances Services is the most important private player in Geneva. The company is specialised in repatriations, urgent patient transports, hospital transfers and organ and blood transportation on behalf of Swisstransplant. AEVIS Holding owns 80% of AS Ambulances Services SA. [www.asgge.ch](http://www.asgge.ch)

### **Swiss Advanced Vision**

AEVIS took a minority interest in the company Swiss Advanced Vision – Intraocular Lens SA. This start-up from the canton of Neuchatel developed and commercialises a polyfocal lens for patients suffering from the cataract disease. AEVIS has subscribed to a capital increase of the company and became a 20% shareholder. This investment fits the company's growth strategy in the health and life science sectors. [www.sav-iol.ch](http://www.sav-iol.ch).

## SHARE AND BOND INFORMATION

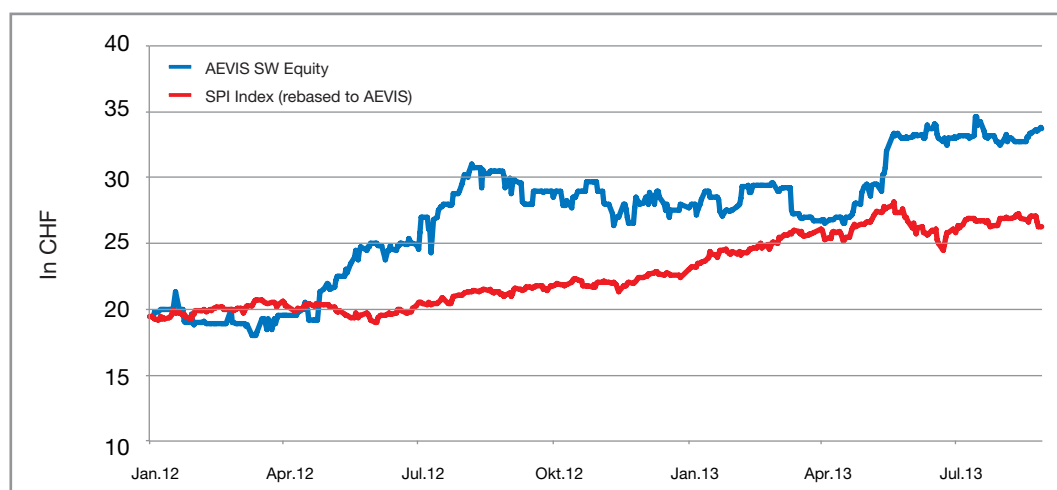
### Number of shares

	30.06.2013	31.12.2012
Share capital	63'732'645	63'732'645
No. of registered shares issued	12'746'529	12'746'529
Nominal value per registered share	5	5
Treasury shares	316'327	123'800
No. of registered shares outstanding	12'430'202	12'622'729

### Data per share

	2013	2012
High	34.10	31.00
Low	26.50	17.35
(Half)-year end price	33.00	28.00
Average volume per day	4'834	1'530
Market capitalisation	420'635'457	356'902'812

### Share price performance – First half-year 2013

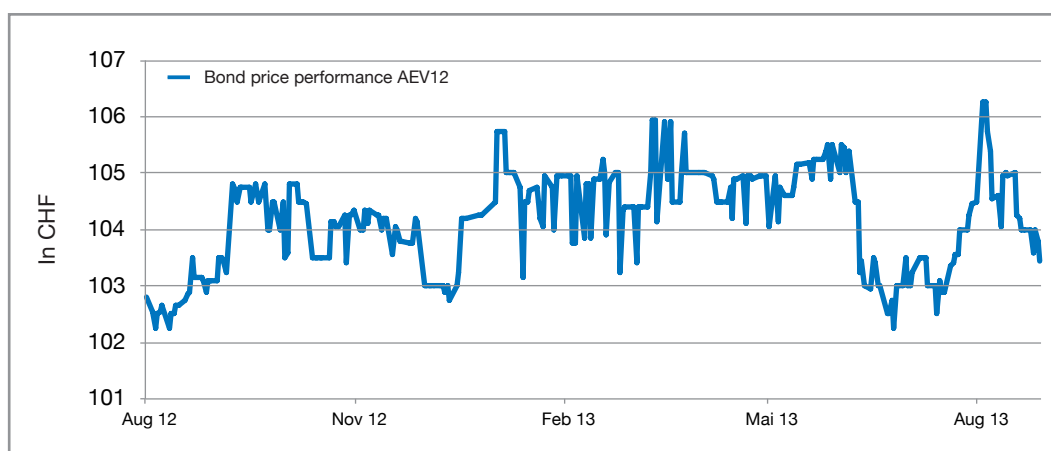


The registered shares of AEVIS Holding SA are traded on the Domestic Standard of SIX Swiss Exchange.

Valor symbol:	AEVS	Regulatory Standard:	Domestic Standard
Valor no.:	1248819	Bloomberg:	AEVS SW Equity
ISIN:	CH0012488190	Reuters:	AEVS.S.

## AEVIS Holding SA Bonds

Guarantor	Amount in mm CHF	Maturity	Coupon payment	Type of bond	Coupon	Denomination in CHF	Valor Symbol
AEVIS Holding SA	80	03.08.2016	yearly: 3.08	Fixed Rate	4.25%	5'000	AEV12 CH0187896698
AEVIS Holding SA	100	02.07.2018	yearly: 2.07	Fixed Rate	3.5%	5'000	AEV13 CH0214926096



## Major shareholders (above 3% on 30 June 2013)

Group A. Hubert/G. Reynard Hubert/M. Reybier/ M.R.S.I. Medical Research, Services and Investments SA:	87.11%
CHH Financière S.A. – SPF	3.17%
Total shareholders (30 June 2013):	278

## Financial reporting

November 2013	Publication of 3Q2013 Turnover
February 2014	Publication of 2013 Turnover
30 April 2014	Publication of Annual Result 2013
May 2014	Publication of 1Q2014 Turnover
4 June 2014	Ordinary General Shareholders Meeting for the year 2013

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# Letter to the Shareholders

## Dear Shareholder,

AEVIS Holding SA (AEVIS) has made further progress in the implementation of its expansion strategy. AEVIS achieved total revenues of CHF 216.8 million, an increase of 34.0% compared to the same period last year (CHF 161.8 million). Excluding the effects of the newly acquired clinics, organic growth amounted to 7.4%. EBITDA surged significantly to CHF 24.7 million or a 60.8% increase to the previous year (CHF 15.4 million). The strong growth in operating profit was generated by efficiency gains at Genolier Swiss Medical Network (GSMN) and the consolidation of Swiss Healthcare Properties (SHP, part of AEVIS since 1 July 2012). The profit for the period under review amounted to CHF 4.9 million or CHF 0.33 per share.

### GSMN continues to expand

AEVIS' main subsidiary, Genolier Swiss Medical Network (GSMN), continued its acquisition strategy with the purchase of Hôpital de la Providence in Neuchatel (Canton Neuchatel) and Clinique de Valère in Sion (Canton Valais). In the second half-year of 2013, Klinik Villa im Park in Rothrist (Canton Aargau) and Schmerzlinik Basel (Canton Basel-Stadt) have been added to the network. GSMN remains the only Swiss private clinics group present in all three linguistic regions, combining 14 clinics in 10 cantons as well as one affiliated clinic (Pyramide am See).

A turnover growth of 30.9% to CHF 183.3 million resulted in the reporting period. Efficiency gains were achieved on several levels: internal processes have been strengthened, a co-operation with SYNLAB consolidating all GSMN related laboratory works was rolled out in the German speaking part of Switzerland and facility management services were outsourced to a single key supplier. In the second half-year of 2013, renovation works in different clinics will be completed and great emphasis will be put on the integration of the recently acquired clinics. In addition, we continuously look to grow the number of admitting physicians currently standing at around 1'250.

The introduction of the SwissDRG (Swiss Diagnosis Related Groups) and the revision of the hospital financing legislation in 2012 created a foundation for a more transparent healthcare financing system throughout the country. The new framework requires that public and private clinics settle all costs according to fixed rates per medical act. However, a new survey by Polynomics in the name of Comparis shows that direct and indirect subsidisations of public hospitals remain in effect in certain cantons. With its flexible strategy of both unlisted and contracted clinics, GSMN was able to adapt quickly to the new financing system and is well positioned to master the yet to come challenges in the market.

### SHP portfolio strengthened

Since the beginning of 2013, SHP has enlarged its focused medical real estate portfolio to 25 entities located at 10 specific sites. The integration of the buildings of Clinique de Valère in Sion and of the site of Privatklinik Bethanien in Zurich have been finalised. All properties, which are mostly rented by GSMN, are fully let and represented a market value of approx. CHF 605.6 million. Going forward, SHP plans to take advantage of the conditions in the Swiss healthcare-related real estate market and offer its expertise not only to GSMN clinics but also to public service providers through direct investments or Public Private Partnerships. The need for new financing solutions and real estate management capabilities is surging as the new hospital financing law has modified the financing environment for hospitals, cantons and health insurance providers.

### Further investment into healthcare-related activities

AEVIS acquired a minority stake of 20% in Swiss Advanced Vision–Intraocular Lens SA which develops a polyfocal lens for patients suffering from the cataract disease. This investment was a further step into complementary healthcare-related activities and we expect first revenues from this start-up in 2014.

An additional check-up centre under the Nescens brand is planned in Zurich at Privatklinik Bethanien and the turnaround in our ambulances business, which follows a similar buy-and-reap-strategy as GSMN, has advanced as planned.

### New developments and investments

AEVIS pursues the enlargement of its scope of activity with participating interests and investments in healthcare, life sciences, services to people or lifestyle. With its better-aging brand «Nescens», AEVIS has established a transversal relation linking cosmeceutical (Laboratoires Genolier CSPV SA), medical (check-up centres of the clinics), aesthetic (Clinique Nescens – Paris Spontini) and hotel related activities (SPAs – La Réserve Hotels). In the future, AEVIS plans to particularly develop those activities which are not part of the regulated health system.

### Successful bond issuance

Early July 2013, AEVIS issued a second fixed rate bond in the amount of CHF 65 million with a 3.5% coupon and maturity in 2018. Due to strong investor demand, the issue size was reopened and increased to an overall volume of CHF 100 million. This success underlines the confidence of the capital markets in our unique business model and allows AEVIS to diversify its financing sources.

The ordinary capital increase as approved by the General Shareholders Meeting of 5 June 2013 could not be executed in the planned three-month period due to the integration of Klinik Villa im Park. However, AEVIS will proceed with the capital increase until the end of 2013 based on the existing authorised capital.

### Outlook 2013

In the remainder of 2013, AEVIS will focus on continuing the growth strategy of GSMN and evaluate further opportunities in the medical real estate market. AEVIS expects to reach revenues of more than CHF 450 million in the fiscal year 2013 based on both internal growth and new acquisitions already realised since the beginning of the current year. With the new acquisitions fully consolidated, the 2014 turnover will exceed CHF 500 million. In the mid-term, AEVIS expects to realise an EBITDA of more than 20% based on the optimisation of its existing facilities and the diversification of its activities, in line with the industry benchmark. AEVIS plans to reinforce its distribution policy to shareholders in 2013.

On behalf of the Board of Directors and the physicians, employees and collaborators of the Group, we wish to thank you for the trust you have placed in us.

Christian Wenger  
Chairman of the Board

Antoine Hubert  
Delegate of the Board





**Consolidated Financial Statements  
of AEVIS Holding SA**

## CONDENSED CONSOLIDATED BALANCE SHEET

(In thousands of CHF)	30.06.2013 unaudited	31.12.2012 audited
<b>Assets</b>		
Total current assets	156'831	135'762
Total non-current assets	676'307	598'686
<b>Total assets</b>	<b>833'138</b>	<b>734'448</b>
<b>Liabilities</b>		
Total current liabilities	309'742	309'205
Total non-current liabilities	352'315	263'703
<b>Total liabilities</b>	<b>662'057</b>	<b>572'908</b>
<b>Equity</b>		
Equity before minority interests	167'734	157'522
<b>Total equity including minority interests</b>	<b>171'081</b>	<b>161'540</b>
<b>Total equity and liabilities</b>	<b>833'138</b>	<b>734'448</b>

## CONDENSED CONSOLIDATED INCOME STATEMENT

Unaudited (in thousands of CHF)		Six months ended 30.06.2013	Six months ended 30.06.2012
Total revenue		216'829	161'803
Medical services		(23'995)	(18'513)
Net revenue	Note 3	192'834	143'290
Total operating expenses	Note 4	(168'139)	(127'930)
EBITDA (Earnings before interest, taxes, depreciation and amortisation)		24'695	15'360
Depreciation and amortisation		(14'784)	(9'923)
Profit from operating activities		9'911	5'437
Financial result	Note 5	(6'110)	(1'754)
Share of loss of equity accounted investees		59	(2'057)
Ordinary result		3'860	1'626
Extraordinary result	Note 6	286	(745)
Earnings before taxes		4'146	881
Income taxes		(36)	(22)
Minority interests		810	–
Profit for the period		4'920	859

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. General information

AEVIS Holding SA (hereafter «The Company») has its registered and principal offices at 1700 Fribourg, 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. These unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2013 were authorised for issue by the Board of Directors on 25 September 2013 and comprise the Company, its subsidiaries and its interests in associates (together, the Group).

### 2. Basis of preparation and accounting policies

These condensed consolidated interim financial statements of the Group for the six months ended 30 June 2013 have been prepared in accordance with Swiss GAAP FER 12, Interim Reporting. The same accounting policies as described in the Group's 2012 annual report have been applied.

### 3. Net revenue by segment

(In thousands of CHF)	Six months ended 30.06.2013	Six months ended 30.06.2012
Private clinics	183'255	139'981
Other healthcare and wellness activities	9'137	2'849
Real estate revenue	12'280	–
<b>Net revenue of the segments</b>	<b>204'672</b>	<b>142'830</b>
Inter-segment transactions (mainly related to operating rent)	(12'231)	–
Corporate	393	460
<b>Net consolidated revenue of the Group</b>	<b>192'834</b>	<b>143'290</b>

### 4. Operating expenses

Operating expenses include rental expenses as follows:

(In thousands of CHF)	Six months ended 30.06.2013	Six months ended 30.06.2012
Related parties rental expenses*	–	6'181
Third parties rental expenses	3'552	2'621
Other non-real estate rental expenses	2'173	1'227
<b>Total rental expenses</b>	<b>5'725</b>	<b>10'029</b>

\* Swiss Healthcare Properties AG is part of the Group since 1 July 2012. Therefore related parties rental expenses of 2013 are eliminated in the consolidation process.

## 5. Financial result

The increase in financial expenses, compared to previous year's figures, is related to the real-estate segment acquired during the second half-year of 2012 and by the bond of CHF 80.0 million, bearing interests of 4.25%, issued by the Company in August 2012.

## 6. Extraordinary result

During the first half-year of 2013, the Group received additional invoices related to the extraordinary events of 2010 for an amount of CHF 0.1 million (2012: CHF 0.1). On the other hand, the Group has been able to settle some litigations and reversed part of the provision for a net amount of CHF 0.4 million.

In 2012, the Group reorganised operational activities of the Klinik Lindberg and incurred costs amounting to CHF 0.6 million (2013: nil).

## 7. Scope of consolidation

On 01.03.2013, Genolier Swiss Medical Network SA executed the acquisition of Hôpital de la Providence, located in the canton of Neuchâtel. GSMN's newly created subsidiary GSMN Neuchâtel SA took over the clinic's operational management.

On 11.03.2013, AEVIS Holding SA took a minority interest in the company Swiss Advanced Vision – Intraocular Lens SA. This start-up from the canton of Neuchâtel develops and commercialises a polyfocal lens for patients suffering from the cataract disease. AEVIS Holding subscribed to a capital increase of the company and became a 20% shareholder. This CHF 2 million investment fits the company's growth strategy in the health and life science sectors.

On 22.03.2013, Swiss Healthcare Properties AG executed the acquisition of 100% of Clinique de Valère Immobilière SA, a company owning a surface right from the Bourgeoisie de Sion and the building of Clinique de Valère in Sion.

On 22.03.2013, Genolier Swiss Medical Network SA executed the acquisition of 86.88% of Clinique médico-chirurgicale de Valère SA. The results of this new entity will be consolidated retroactively as at 01.01.2013.

The changes in the scope of consolidation during the first six months of 2013 are listed in the table below:

(In thousands of CHF)	30.06.2013
Clinique médico-chirurgicale de Valère SA, Sion – fully consolidated since 01.01.2013	86.88%
Clinique de Valère Immobilière SA, Sion – fully consolidated since 01.01.2013	100.00%
SAV-IOL SA, Hauterive (NE) – since 01.03.2013	20.00%
GSMN Neuchâtel SA – fully consolidated since 01.03.2013	100%

## 8. Main balance sheet developments

The increases in balance sheet positions, compared to the statements as at 31.12.2012, are mainly due to the changes in the scope of consolidation (see note 7). The purchase of the acquisitions was financed with an increase of bank facilities of CHF 20.0 million and with treasury shares of the Company. As at 30.06.2013, the Company accounted for a provision of CHF 9.8 million for treasury shares (31.12.2012: CHF 3.4 million). Those shares are intended for partial payment consideration in the Klinik Villa im Park acquisition (see note 9 subsequent event). The provision will be reversed at the date of acquisition.

## 9. Subsequent events

On 01.07.2013, Swiss Healthcare Properties AG has finalized the acquisition of three properties in Zurich, which form Privatklinik Bethanien and are located in the upmarket area Zurichberg. The properties, including the clinic itself and two residential units, are covering a surface of 14'500m<sup>2</sup>. In 2012, the three properties generated rental income of approx. CHF 5 million of which 80% have been paid by GSMN Zurich SA.

On 02.07.2013, AEVIS Holding SA successfully completed a second straight bond issue (AEV13). The initially intended CHF 65 million bond issue was increased to CHF 70 million. The bond has a 5-year term with maturity date on the 02.07.2018 and a coupon of 3.5% p.a. On 09.08.2013, AEVIS Holding SA announced the increase of this 5-year straight bond by CHF 30 million to an overall volume of CHF 100 million. The net proceeds of the bond increase will be used for general corporate purposes, including potential future acquisitions as well as refinancing.

On 30.08.2013, AEVIS Holding SA announced the execution of the acquisition of Klinik Villa im Park AG (Rothrist, Aargau) in its subsidiary Genolier Swiss Medical Network SA. Klinik Villa im Park had revenues of close to CHF 20 million in 2012. The transaction was partially financed with AEVIS shares. Klinik Villa im Park is the most important private clinic of its region and figures on Aargau's cantonal hospital list.

On 26.09.2013, Genolier Swiss Medical Network SA announced the conclusion of an agreement regarding the integration of 100% of the shares of the pain clinic Schmerzlinik Basel AG, located in the Canton Basel-Stadt.

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