



Investing for a better life

AEVIS Annual Report 2014



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HIGHLIGHTS AND PROFILE OF THE GROUP

AEVIS Holding SA – Investing for a better life

AEVIS Holding SA invests in services to people, healthcare, life sciences, hotels and lifestyle. AEVIS's main shareholdings are Genolier Swiss Medical Network, the second largest group of private clinics in Switzerland, Victoria-Jungfrau Collection AG, a luxury hotel group managing four palace hotels in Switzerland, Swiss Healthcare Properties AG, a company specialised in healthcare real estate and NESSENS SA, a brand dedicated to better aging. AEVIS is also active in assisted living residences and in the ambulance business. AEVIS wishes to progressively develop new sectors of activity, amongst others in the sector of outpatient surgical centres, radiology or dental medicine, in hotel or hotel-related activities, in life sciences, innovation and research. AEVIS is listed on the Domestic Standard segment of the SIX Swiss Exchange (AEVS.SW). www.aevis.com

Highlights 2014

- Growth strategy successfully continued with the integration of a hotel group, one clinic and other companies in the healthcare sector
- Turnover tops CHF 540 million for the first time
- EBITDA improved to CHF 65.4 million
- Financing capacities enlarged by issue of CHF 145 million bond
- One new clinic already acquired in 2015
- Further acquisitions planned

Key Figures 2014

(In thousands of CHF unless otherwise stated)	FY2014	FY2013
Revenue	542'372	454'669
EBITDA	65'403	60'755
EBITDA margin	12.1%	13.4%
Depreciation and amortisation	(37'312)	(33'828)
EBIT	28'091	26'927
EBIT margin	5.2%	5.9%
Financial result	(20'502)	(15'325)
Profit for the period	6'118	8'675
Number of FTE employees at year-end	2'513	1'858
Market price per share at 31.12. in CHF	45.00	33.20
Number of outstanding shares	14'390'416	14'329'578
Market capitalisation	647'569	475'742



Genolier Swiss Medical Network – 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 main 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. Its distinctive features include high quality services, an excellent medical and hotel infrastructure and a pleasant environment. Equipped with the latest medical technologies, GSMN stands for reliability, competence and well-being. GSMN today operates 15 private clinics in Switzerland, with around 1'250 admitting physicians and 2'750 employees. GSMN is also affiliated to Pyramide am See, which manages 2 clinics in the canton of Zurich. The medical competences of the GSMN clinics are recognised beyond the Swiss borders with, for example, the first Breast Centre of a group of private clinics to be certified in French speaking Switzerland, a pain clinic in Basel, expertise and high-tech oncology equipment and recognised maternity wards. GSMN is a 100% subsidiary of AEVIS Holding.

www.gsmn.ch



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

Swiss Healthcare Properties AG (SHP), founded in 1997, is a unique healthcare real estate company in Switzerland. The portfolio of SHP, with a market value of CHF 684 million and a rental surface of 120'000 sqm as per 31.12.2014, consists of 28 quality entities situated in premium locations. All properties are fully let, mainly to the various GSMN clinics, and have been bought or constructed in the context of the development of the group. SHP's properties present a development potential of 15'000 to 20'000 sqm. SHP has a buy/build & hold strategy with a long-term perspective of ongoing renovation and maintenance programs. The real estate company is committed over the long-term to the clinic's operations growth but also aims to realise healthcare-related real estate acquisitions with reliable operators outside the GSMN network. SHP is a 100% subsidiary of AEVIS Holding.

www.shp.net



Victoria-Jungfrau Collection A Swiss luxury hotels group

The Victoria-Jungfrau Collection comprises four leading five-star hotels situated in the most sought-after locations in Switzerland: Victoria-Jungfrau Grand Hotel & Spa in Interlaken, Palace Luzern, Eden au Lac in Zurich and Bellevue Palace in Bern. The four hotels are individually managed but all share a commitment to personal hospitality and top-quality service. The historic establishments with Swiss tradition offer luxurious accommodation, gourmet cuisine, wellness and contemporary infrastructure to their guests. The Victoria-Jungfrau Collection yearly counts around 160'000 overnight bookings. AEVIS Holding owns 71.2% of the Interlaken based luxury hotel group.

www.vjc.ch



Nescens SA Swiss Anti-Aging Science – Adding Life to Life™

Nescens is the result of a unique blend of medical and scientific expertise, born out of the vision of Professor Jacques Proust, a pioneer in the field of the biology of aging who created the Centre for the Prevention of Aging at Clinique de Genolier. Nescens is the first brand that developed a general and personalised medical accompaniment for successful aging. In its Preventive Medicine Centres, Medical Spas and Clinics, Nescens offers medical check-ups, better-aging therapeutic programmes, plastic surgery and beauty treatments or also anti-aging enhancing cosmeceuticals. In this way, Nescens supports the prevention, reduction or slowing down of the effects of aging. Nescens also created a centre of excellence in regenerative medicine in the form of Nescens Swiss Stem Cell Science. Its main activity is to promote, manage and organise the collection, treatment, cryopreservation and autologous use of stem cells for therapies or aesthetic enhancements and also to participate in international scientific research programmes. AEVIS Holding owns 36.2% of Nescens SA and 84% of Laboratoires Genolier SA, the company developing high-end cosmeceuticals. AEVIS owns 70% of Nescens Swiss Stem Cell Science SA and 100% of Clinique Nescens Paris Spontini, its first clinic entirely dedicated to plastic surgery.

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 24 ambulances and around 100 employees, AS Ambulances Services and its subsidiary Ambulances Odier SA 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 93.4% of AS Ambulances Services SA and 100% of Ambulances Odier SA.

www.asgge.ch



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 ages 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.hdg.ch

Share and bond information

Number of shares

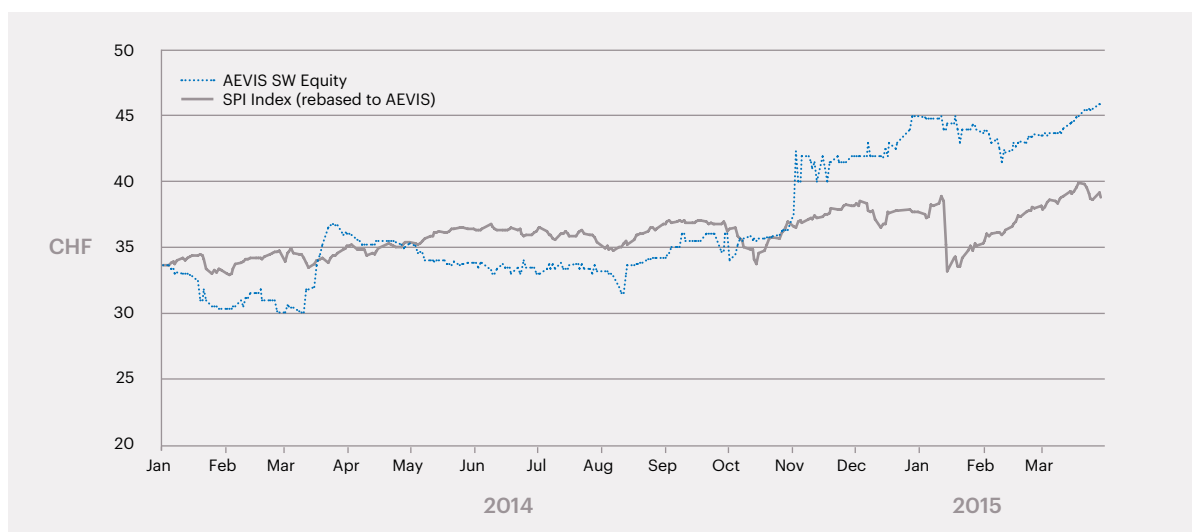
	31.12.2014	31.12.2013
Share capital	71'981'475	71'699'225
No. of registered shares issued	14'396'295	14'339'845
Nominal value per registered share	5	5
Treasury shares	5'879	10'267
No. of registered shares outstanding	14'390'416	14'329'578

Data per share

	31.12.2014	31.12.2013
Earnings per share*	0.43	0.69
High	45.00	36.00
Low	30.00	26.50
End price	45.00	33.20
Average volume per day	4'324	5'508
Market capitalisation	647'568'720	475'741'990

* Profit divided by the weighted average number of shares outstanding, excluding treasury shares.

Share price performance

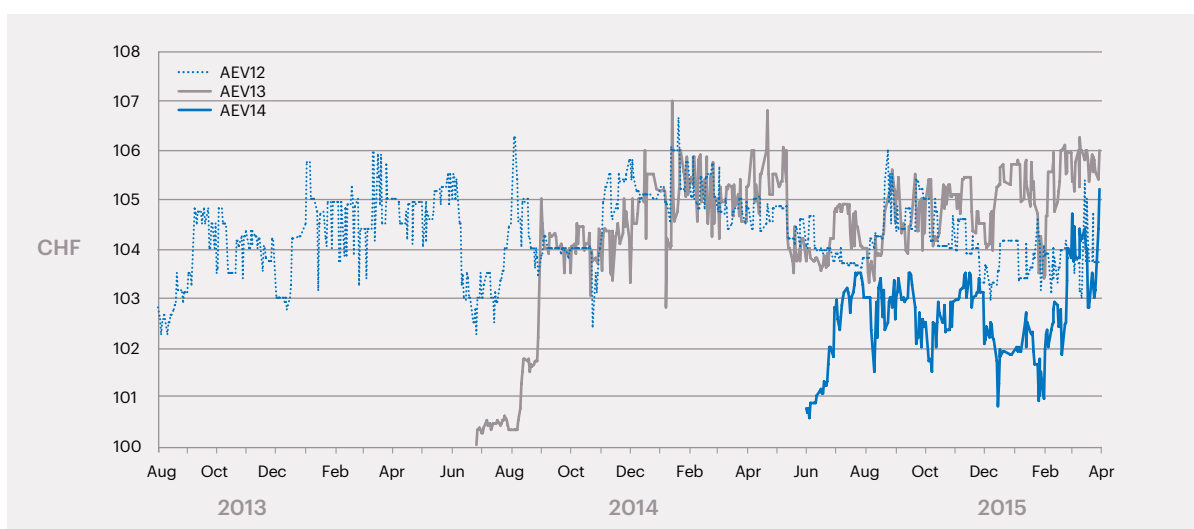


The registered shares of AEVIS Holding SA are traded on the Domestic Standard of SIX Swiss Exchange.

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

AEVIS Holding SA Bonds

- In August 2012, AEVIS has successfully issued a 4-year bond in the amount of CHF 80 million maturing on 3 August 2016. The coupon was set at 4.25%. The AEVIS Holding SA bond is traded on SIX Swiss Exchange (Valor symbol: AEV12 / ISIN CH0187896698).
- In July/August 2013, AEVIS has successfully issued a 5-year bond in the amount of CHF 100 million maturing on 2 July 2018. The coupon was set at 3.5%. The AEVIS Holding SA bond is traded on SIX Swiss Exchange (Valor symbol: AEV13 / ISIN CH0214926096).
- In July/December 2014, AEVIS has successfully issued a 5-year bond in the amount of CHF 145 million maturing on 4 June 2019. The coupon was set at 2.75%. The AEVIS Holding SA bond is traded on SIX Swiss Exchange (Valor symbol: AEV14 / ISIN CH0240109592).



Major shareholders

The following shareholders held more than 3% on 31 December 2014:

Group Hubert/Reybier/M.R.S.I. Medical Research, Services and Investments SA	82.52%
Total shareholders (31 December 2014)	325

Financial reporting

May 2015	Publication 1Q2015 Turnover
29 June 2015	Ordinary General Shareholders Meeting for 2014
30 September 2015	Publication Half-Yearly Results 2015
November 2015	Publication of 3Q2015 Turnover
March 2016	Publication of 2015 Turnover
29 April 2016	Publication of 2015 Annual Results

Share Register

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LETTER TO THE SHAREHOLDERS

Dear Shareholder,

In 2014 AEVIS Holding SA (AEVIS) made another significant step forward in carrying out its growth strategy. With the integration of the luxury Swiss hotel chain Victoria-Jungfrau Collection AG as of 1 April 2014, AEVIS successfully built a third main pillar of activities. In combination with further acquisitions by Genolier Swiss Medical Network (GSMN) and Swiss Healthcare Properties (SHP), revenues soared by 19.2% to CHF 542.4 million (2013: CHF 454.7 million). EBITDA increased to CHF 65.4 million, up 7.6% from the previous year (2013: CHF 60.8 million). Profit for the period amounted to CHF 6.1 million (2013: CHF 8.7 million) or CHF 0.43 per share (2014: CHF 0.69). The decrease in net profit is mainly due to increased amortisations and financial expenses following substantial investments, acquisitions and the issuance of an additional bond. AEVIS disposes of substantial liquidity reserves, providing a basis for further investments and expansion. The solid performance allows the Board of Directors to propose to the Annual General Meeting a distribution from capital contribution reserves of CHF 0.55 per share.

Entrepreneurial spirit pays off

AEVIS's business holdings are focused on solutions for a better life. This approach allowed it once again to strengthen its market position by adding new businesses and diversifying revenue streams. All the subsidiaries are managed independently by an experienced management team with an entrepreneurial approach. This style pays off as the Group companies advance step-by-step while at the same time strengthening their brand names and attractiveness to people and partners. It is a self-reinforcing development process, and the results achieved in the period under review give us confidence that we are on the right track.

GSMN: consolidating on a higher level

Genolier Swiss Medical Network continues to be the largest company in the AEVIS portfolio. The 14 clinics reached a turnover of CHF 461.2 million, 6.3% above the previous year. EBITDA reached CHF 34.5 million, representing an EBITDA margin of 7.5%. The expansion resulted from both organic growth and acquisitions. Schmerzlinik Basel was integrated in January, Genolier Swiss Visio Network SA in July and the network's first public-private partnership, a cooperation between the Hôpital du Jura bernois SA in Saint-Imier and GSMN Neuchatel SA, in autumn 2014. During the first quarter of 2015 an agreement was reached to integrate Clinique de Montbrillant in La-Chaux-de-Fonds.

GSMN progressed in terms of size as well as quality. Nearly 60 additional admitting physicians joined the Group, underlying the attractiveness of GSMN. To sustain its clinics and associated services, more than CHF 40 million or 8% of turnover was invested in infrastructure, renovations and people. Furthermore, substantial internal preparations were undertaken to manage the upcoming regulatory challenges. GSMN has the critical mass and influence to play an important role in negotiating both for itself and for the private hospital groups as a whole. It is important to eliminate the unequal treatment of contracted clinics in several areas, to cope with rising cost pressures at the insurer level, and to deal with aspects of the protection of public hospitals that are still ongoing, despite other principles put forward under the hospital financing legislation.

SHP: a substantial generator of EBITDA

Swiss Healthcare Properties expanded its portfolio with the Air Glaciers building in Sion and two buildings in Rothrist consisting of Privatklinik Villa im Park. The 28 properties of SHP generated a rental income of CHF 31.7 million and an EBITDA of CHF 27.7 million. The current real estate portfolio has an estimated market value of CHF 685 million as of 31 December 2014 and offers additional development potential of up to 20'000 m². A major focus is placed on quality, whether improvements to meet client expectations or regular renovations to sustain the value of each property. Important construction works will be completed at Privatklinik Villa im Park, a specialised company was hired to develop a land use plan for the Clinique de Genolier, and development plans are being evaluated in Winterthur and the Lugano area. In 2015, SHP acquired the building and construction project of CIC Clinic in Clarens (Montreux), a leading operator of outpatient surgery.

Victoria-Jungfrau Collection: improved operating results

The most important project during the year under review was the integration of Victoria-Jungfrau Collection into AEVIS. After a successful and friendly takeover process, the third pillar of activities is consolidated in AEVIS since April 1st, 2014. Victoria Jungfrau Collection slightly increased both the number of overnight stays by 5.6% to 162'863 and the average room rate by 5.1% to CHF 371. Some anticipated synergies already materialised during the reporting period, as cost savings could be exploited in procurement, marketing and administration. Expansion of the business will be facilitated by a well-diversified customer base, with only a minority of guests coming from Euro countries and the majority with origins in US dollar-based regions, and the unique service packages offered by VJC. This should be the case even if the current difficult market environment, characterised by changing travel habits, a shrinking number of core customers and the appearance of "hybrid" customers, should prevail. The successful turnaround will be a long run and will require important investments. Due to the lease structure, VJC's third party owned hotels Palace Luzern and Bellevue will remain challenging cases.

Supporting ambulance services enlarged

A cooperation between AEVIS and Ambulances Odier SA was reached in December 2014. The company was founded in 1939 and employs about 50 people. It generates a turnover of CHF 6 million per year with 12 vehicles operating from 3 bases. The collaboration will enable the AEVIS subsidiary AS Ambulances Services SA to act in a mutually reinforcing way with Ambulances Odier SA, while both structures remain legally independent but are supervised by a common management committee. AEVIS is contemplating further acquisitions in the ambulance sector in 2015.

Successful refinancing with bonds

The capital market has confidence in AEVIS's business model and achievements. This has allowed AEVIS to diversify its financing resources and gain additional independence from bank loans. In May 2014, AEVIS issued a third fixed rate bond in the amount of CHF 125 million with a 2.75% coupon and maturity in 2019. Profiting from attractive market conditions, the amount was subsequently increased to CHF 145 million in December 2014.

Authorised capital of CHF 35.5 million approved

The Annual General Meeting of AEVIS in June 2014 approved the extension and increase in the authorised capital. This enabled the Board of Directors to increase the share capital by a nominal value of maximum CHF 35.5 million through the issuance of 7.1 million new shares.

Total share performance of 37.2%

On 31 December 2014, AEVIS shares closed at CHF 45.00 compared to a closing price of CHF 33.20 in the previous year. This corresponds to a market capitalisation of CHF 647.8 million. Including the proposed distribution of CHF 0.55 per share, this resulted in a total performance of AEVIS shares of 37.2% during the reporting period. This is a substantial outperformance compared to the Swiss Performance Index, which gained 13.0% in 2014.

Outlook 2015

In the current business year 2015, AEVIS expects to realise a turnover of approximately CHF 600 million, with an unchanged portfolio consolidated over a 12-month period. Furthermore, the Group plans to continue investing in complementary activities supporting its overall strategy, such as outpatient medical centres, medical residences and life sciences. Despite a slight decrease in the EBITDA level during 2014, mostly due to the integration of new acquisitions, AEVIS is focused on improving the EBITDA of its entities by 1.5% to 3% per year. In the mid-term, AEVIS expects to realise an EBITDA of more than 20% of turnover, based on the optimisation of its existing facilities and the diversification of its activities.

AEVIS is a fast growing company, creating and integrating new companies every year. This does imply important costs and challenges, as well as an increased workload for our teams. We would like to take this opportunity to thank all our employees for their commitment, flexibility and support. 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



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OPERATING REPORT

Conversation with our CEOs

AEVIS created a third main pillar of activities in 2014 with the successful integration of Victoria-Jungfrau Collection. Antoine Hubert, founder of the Group, and the three CEOs Beat Röthlisberger (GSMN), Christoph Syz (SHP) and Beat Sigg (VJC) explain how the three firms can profit from each other and what has been achieved in the business year 2014.

What has been achieved on a Group level in the past year?

Antoine Hubert: We have grown to a respected mid-size enterprise within a few years, with more than 3'500 employees in Switzerland. For the first time, a turnover of more than CHF 500 million was reached in 2014.

What is the leadership philosophy at AEVIS?

Antoine Hubert: AEVIS provides governance skills and financing to its portfolio companies. But the companies are managed independently by an experienced management team and are supervised by boards with wide knowledge and, in the case of GSMN, an impressive political network. Every division is equipped with an autonomous organisation.

What is the advantage of such a culture?

Christoph Syz: This style pays off as the Group companies advance step-by-step while at the same time strengthening their brand names and attractiveness to people and partners.

It seems AEVIS grows without limits. How do the various portfolio companies fit together?

Antoine Hubert: AEVIS is an investment company with holdings focused on solutions for a better life. Diversification brings financing strength and reduces risks.

Besides investments in infrastructure, a huge focus is placed on education and promotion of employees. Why?

Beat Röthlisberger: We provide solutions for a better life, e.g. services from people for people. It is crucial that we offer the highest quality possible. And this needs ongoing training of all employees and admitting physicians.

What is the benefit of such programs?

Beat Sigg: On the one hand we have many very long-term employees who have been with us for



more than 20 or even 30 years. On the other hand we are capable of training and promoting young talents and keeping them within the organisation.

The hotel market in Switzerland is embattled. How can VJC prosper in such a competitive environment?

Beat Sigg: We offer a unique set of services and we strive for a well-diversified customer base. This is one part of our strategy. We also optimise processes and are, thanks to the integration into AEVIS, able to make substantial cost savings. This puts us in a positive position regarding operating results.



Both the Euro and the European economy are struggling. To what extent is the hotel business affected?

Beat Sigg: VJC is active in many international markets and has a diversification strategy, and it does not rely heavily on Euro-based customers. About 10% of revenue comes from European clients while the majority is based in other currencies that remain strong or even gained value, and therefore continue to have a positive impact on our business.

Is GSMN also affected by the present currency volatility?

Beat Röthlisberger: Yes, but not to a large extent. There was some minor impact, as fewer foreigners travelled to Switzerland in 2014. But more important is to offer first-class hospital care. This needs three areas of focus: first, quality and excellence in medical treatments; second, a quality hotel infrastructure in each clinic; and third, a pleasant environment to make patients feel at home.

What is the market share of private clinics in Switzerland?

Beat Röthlisberger: Today, private hospitals account for one quarter of Swiss hospital revenues. But we believe that this share will increase in the years to come because private suppliers are more cost-effective than public hospitals. As an example, the introduction of DRG in Germany led to a strong increase in the market share of private clinics in only ten years.

Real estate is expensive in Switzerland. Why is it still a good investment?

Christoph Syz: We need to look differently at our portfolio. We only have hospital and infrastructure-related properties in our portfolio. All of them are fully let and are not expected to show any vacancies, even if interest rates increased or mortgages became more expensive.



What value does the portfolio represent?

Christoph Syz: More than 640 million Swiss francs, without our hotels properties in Interlaken and Zurich.

Why is GSMN a good investment?

Beat Röthlisberger: We are good at acquiring and restructuring poorly performing clinics and turning them into solid EBITDAR generators within a limited amount of time. This business model has been very successful in the past years, and we will continue to apply it until we reach our goal of 25 clinics in Switzerland. Growing competition and regulatory environment will push independent clinics to join groups like GSMN.

How does SHP continue to grow?

Christoph Syz: The new hospital financing law opened up the possibility for private operators because investments and maintenance work cannot be financed through DRGs and need other financing solutions or partners. On top of this, many Swiss healthcare-related properties are old and need substantial renovation or renewal – one of the core competencies of SHP.

Could the AEVIS model also be applied in other countries?

Antoine Hubert: Of course, AEVIS investments are not limited to Switzerland. Until now, we did not find any opportunity matching our strategy. The exception is our Nescens business, which offers cosmetics and better-aging services that will be internationalised in the years to come.

What importance will the hotel business have in the future?

Beat Sigg: Our plans are to grow our leading Swiss five star hotel Group and for it to become as important for AEVIS as the other two divisions.

This means further acquisitions?

Beat Sigg: Growth can take place in different ways. There could be either transactions, cooperation, management or rent. Through our board members Mr. Seiler and Mr. Reybier we are already connected with leading luxury hotels in Geneva and Zermatt.

Finally, what are the priorities for the current year 2015?

Beat Röthlisberger: We plan to mostly focus on patient satisfaction and operational efficiency within our clinics. Important medical, human resources and financial improvement projects have been initiated to achieve our goals.

Christoph Syz: SHP will start extensive renovations and/or enlargement works in several clinics, and this will require our attention in order to secure tight project and cost management.

Beat Sigg: The priority is to further internationalise our marketing efforts in order to withstand the strength of the Swiss currency and at the same time advance the modernisation plans for our hotels in Zurich and Interlaken, which will undergo a repositioning in the years to come.



Genolier Swiss Medical Network grows to 14 clinics in Switzerland

Genolier Swiss Medical Network (GSMN) continued to expand, primarily based on acquisitions, and enlarged its portfolio to 14 clinics by the end of 2014. Schmerzklinik Basel AG is consolidated under GSMN since 1 January 2014, Genolier Swiss Visio Network SA since 1 July 2014 and IRJB Institut de Radiologie du Jura Bernois SA since 1 September 2014. In total, the 14 clinics of GSMN realised a turnover of CHF 461.2 million, 6.3% more than in the previous year (2013: CHF 435.6 million) and an EBITDA of CHF 34.5 million (2013: CHF 37.8 million), corresponding to an EBITDA margin of 7.5%.

Consolidation of past acquisitions

The realignment of recently acquired clinics had an impact on results, as revenue growth rates were slightly reduced and one-time expenses had a negative impact on profitability. As a consequence, the GSMN management will continue to monitor costs very closely and target increased efficiency improvements in 2015, while maintaining and improving care quality. It will focus especially on patient satisfaction, quality control and operational efficiency within the clinics. Important medical, human resources and financial improvement projects have been initiated. In the long-term, GSMN strives to achieve an EBITDA margin of around 22%. Most of the more mature clinics in the network are above this threshold, demonstrating the ability of GSMN to integrate, restructure and optimise the operational performance of single clinics over time. This ability was highlighted i.e. by the turnaround of Privatklinik Lindberg in Winterthur, which started in 2012 and is today fully on target, with a notably improved EBITDAR in 2014.

Further integrations

Following the integration of Schmerzklinik Basel in January 2014, GSMN had the opportunity to further expand its activities and acquired a majority stake in Visionplus SA, Lausanne in order to develop its activity in ophthalmic medicine and surgery. The company, renamed Genolier Swiss Visio Network SA, is active in the field of ophthalmology, mainly at Clinique de Montchoisi in Lausanne. It also fulfils an important networking function between all the ophthalmological services within the Group. Furthermore, GSMN entered into its first public-private partnership in autumn 2014. The public entity Hôpital du Jura bernois SA in Saint-Imier and GSMN Neuchatel SA formed a cooperative entity named "IRJB Institut de Radiologie du Jura bernois SA", offering radiology services as well as an ophthalmology consultancy.

Pursuing its vision, GSMN continued its development in the current business year and acquired 100% of the shares of Montbrillant SA, owning the private Clinique Montbrillant situated in La-Chaux-de-Fonds, at the end of the first quarter 2015. The agreement will allow GSMN to provide medical services to the whole canton of Neuchâtel and to become an unavoidable partner of the public sector. Clinique Montbrillant is mainly specialised in orthopaedics, ophthalmology, gynaecology and general surgery.

Well-known physicians joined the network

In the past year GSMN attracted nearly 60 additional physicians, despite the much demanding process required to convince physicians to join a new Group as a partner. This shows the attractiveness of GSMN not only as a brand but also as a Group offering the opportunity to practise state-of-the-art medicine in an entrepreneurial environment with a decentralised and networked structure. During the year under review, GSMN clinics conducted nearly 40'000 surgical interventions, operated more than 900 beds and counted around 1'250 admitting physicians.

CANTON	CLINIC	AVAILABLE BEDS	ADMITTING PHYSICIANS	EMPLOYEES
Contracted clinics				
Vaud	Clinique de Genolier	128	196	357
Vaud	Clinique de Montchoisi	22	105	107
Vaud	Clinique Valmont	75	5	120
Zurich	Privatklinik Bethanien	96	240	250
Zurich	Privatklinik Lindberg	73	90	130
Zurich	Pyramide am See*	56	125	127
Neuchâtel	Clinique Montbrillant**	25	35	60
Listed clinics				
Fribourg	Clinique Générale	60	85	150
Geneva	Centre Médical des Eaux-Vives	-	20	29
Neuchâtel	Hôpital de la Providence	56	50	230
Valais	Clinique de Valère	40	50	180
Solothurn	Privatklinik Obach	61	42	125
Aargau	Privatklinik Villa im Park	40	35	124
Basel	Schmerzklinik Basel	15	28	92
Ticino	Clinica Sant'Anna	80	70	200
Ticino	Clinica Ars Medica	75	36	180
Total		902	1'212	2'461

* affiliated clinic

** acquired in 2015

Substantial investment programme

Privatklinik Obach, for example, did undergo major renovation and modernisation works, including a new restaurant and lobby as well as new patient rooms. At Clinique de Genolier, the Group's flagship establishment, an extensive renovation programme that was initiated in 2011 with the renewal of the operating theatres was completed. More than CHF 17 million have been invested in Genolier alone. Overall, GSMN invested around 8% of its turnover or more than CHF 40 million in infrastructure, renovations and human resources during the reporting period.

Market environment becoming more complex

Represented in the most relevant national and cantonal health organisations, GSMN was again very active in the permanent struggle for a more efficient healthcare system. In parallel, no efforts have been spared to actively prepare the 2015 hospital planning process for its 8 listed clinics and to closely monitor its contractual relations with insurance companies. One of the key advantages of GSMN is its presence in all three linguistic regions of Switzerland. This provides a critical mass which allows GSMN to be considered as an unavoidable negotiation partner of national importance for all stakeholders, which focus on three main fields:

- Insuring an equal treatment between contracted (private clinics which are not on the canton's hospital list) and listed clinics (which are accepted on the list). Most contracted clinics focusing on patients with private insurance do not receive the basic reimbursement amount under the DRG system (Swiss Diagnosis Related Groups), especially in the cantons of Geneva, Vaud and Zurich. On the other hand, the affected clinics cannot use funds generated by private services to finance compulsory health insurance services.
- Challenging the cost pressure from insurance companies leading to shrinking baserates on an individual level (cantons, clinics) and also for supplementary services, especially at contracted clinics.
- Maintaining the attractiveness of private insurance coverage since public hospitals engage in distortion of competition due to the support of local governments which are at the same time owners, financiers, policymakers and regulator.

The current implementation of the hospital financing legislation is often protective and different from canton to canton, while the principle of free circulation of the patient, one of the central elements of the 2012 law revision, has not yet really been implemented. GSMN will therefore continue to be active on a federal and cantonal level and promote a system that supports unbiased competition in a sector where private actors are essential to maintain the basic values of a liberal society but also contribute to cost control and quality level of world class health system.

Outlook 2015

TARMED (the ambulatory tariff structure) price reductions of 8.5% for 2015 will have an impact on the reimbursements. GSMN will therefore have to take additional measures to increase efficiency and cost-effectiveness. On the other hand, these new tariffs will especially affect poorly managed private clinics and many public hospitals with substandard competitiveness. As a result, consolidation in the industry could intensify even more, and GSMN is permanently identifying acquisition opportunities. The pipeline currently looks promising, and it is expected that GSMN will continue to expand its unique network of medical excellence also in 2015.

Raymond Loretan
Executive Chairman of the Board

Beat Röthlisberger
CEO



Real estate portfolio grows to CHF 684 million

The properties of Swiss Healthcare Properties AG (SHP) meet specific demands of the healthcare industry and were once again an important contributor to the results of AEVIS. The well-maintained properties generated a rental income of CHF 31.7 million in 2014, up from CHF 28.4 million a year earlier. It is important to note that very sustainable rents are applied within the Group, on the order of 6% of the annual turnover of a clinic. The real estate pillar is also an important contributor to the operating profits of the Group and achieved an EBITDA of CHF 27.71 million in the year under review (2013: CHF 23.85 million). The equity ratio remained at a solid 48% and the average interest rate on the various mortgages was 1.86% at the end of 2014.

28 attractive premises

SHP continued to expand in the year under review. In early February 2014 the building of Air Glaciers in Sion (canton Valais) was purchased. The tenant provides ambulance transport by helicopter, and its hangar will host garages, a repair shop and offices. Air Glacier is the sole tenant of the available 2'285 m² rental space. In the same month, SHP acquired two buildings in Rothrist (canton Aargau), consisting of Privatklinik im Park with a rental surface of 2'882 m², and the neighbouring medical centre with a surface of 1'438 m². An additional building belonging to Amida SA in Clarens (canton Vaud) was acquired in the current business year 2015. Private Clinic CIC Riviera will remain the sole tenant and independent operator of the 3'470 m² surface, which will be renovated and further enlarged through 2016.

After these integrations, the real estate portfolio of SHP consisted of 28 properties on 12 sites, representing a total rentable surface of 120'000 m². The current portfolio has a further development potential of approximately 15'000 to 20'000 rentable m², which can be increased to 35'000 m² with new zoning plans. The portfolio value as per 31 December 2014 as estimated by Wüest & Partner was CHF 684 million.

CANTON	BUILDING	MAIN USE	RENTAL AREA (M ²)	PARKING SPACES
Vaud	Clinique de Genolier	Multi-specialty clinic	18'724.2	
Vaud	Bâtiment CRG	Medical practices, offices	4'039.0	
Vaud	Les Hauts de Genolier	Medical and assisted living	10'140.5	
Vaud	Genolier parking	Indoor/outdoor parking	-	388
Vaud	Clinique de Montchoisi	Multi-specialty clinic	3'441.0	43
Vaud	Clinique Valmont	Rehabilitation clinic	6'733.0	22
Fribourg	Clinique Générale	Multi-specialty clinic	6'540.1	
Ticino	Clinica Ars Medica	Multi-specialty clinic	7'397.1	123
Ticino	Clinica Sant'Anna	Multi-specialty clinic	11'555.5	
Ticino	Sant'Anna villa 1	Medical related use	631.3	
Ticino	Sant'Anna villa 2	Medical practices and offices	1'977.9	
Ticino	Sant'Anna parking indoor	Indoor parking		76
Ticino	Sant'Anna parking outdoor	Outdoor parking		112
Ticino	Sant'Anna villa Meridiana	Residential use	344.0	
Solothurn	Privatklinik Obach	Multi-specialty clinic	4'186.5	11
Solothurn	Obachpark	Offices	1'652.4	81
Solothurn	Obachstrasse 33	Medical practices and offices	193	1
Valais	Clinique de Valère	Multi-specialty clinic	3'605.0	
Zurich	Privatklinik Lindberg	Multi-specialty clinic	11'543.5	27
Zurich	Personalhaus Buchegg	Offices	1'016.6	54
Zurich	Personalhaus Tannegg	Offices	518.5	2
Zurich	Parkhaus Lindberg	Indoor/outdoor parking		34
Zurich	Privatklinik Bethanien	Multi-specialty clinic	14'613.0	68
Zurich	Restelbergstrasse 25-27	Medical practices and offices	915.0	
Zurich	Restelbergstrasse 29	Residential use	841.0	
Argau	Privatklinik Villa im Park	Multi-specialty clinic	2'882.0	16
Argau	Villa im Park Arztehaus	Medical practices	1'438.0	61
Valais	Air Glacier (ambulance transport by helicopter)	Hangar, garage, offices	2'284.9	14
Vaud	Clinic CIC Riviera*	Multi-specialty clinic	3'470.0	30
Total			120'490	1'162

* acquired in 2015

Rock solid tenant base

With the completed acquisitions, SHP was able to further diversify both its portfolio and tenant bases. All the properties were fully let at the end of December 2014, and most of them were rented and operated by GSMN clinics. Healthcare-related real estate will continue to be in demand due to the dynamics of the healthcare sector. The volatility in this market niche should be significantly lower than in other real estate sectors in Switzerland, as tenants and their needs are not prone to sudden changes, nor are they dependent on general demand for real estate. The very solid tenant base makes the business of SHP stable and predictable.

Targeted development plans

SHP plans to further optimise its portfolio with targeted developments and the enlargement of existing premises, as several GSMN clinics, which are part of the AEVIS Group, require additional floor space to develop their activities. Patrimonium Healthcare Property Advisors AG (PHPA) coordinates the realisation of future expansions and extensions in collaboration with architects, urban development agencies and local authorities.

The following works are planned for 2015 and beyond. At Privatklinik Villa im Park (canton Aargau), the construction of an additional building should commence soon. The building will offer an additional rental space of 2'300 m² and will include 28 new rooms, 3 operating theatres and an underground parking. An urban development firm was assigned to develop a new land use plan for Clinique de Genolier (canton Vaud), which should be validated by the local and cantonal authorities within the next few months. And in Winterthur and Lugano, area development plans for the GSMN clinics will be evaluated to secure the long-term prosperity of these clinics. New consultation rooms for doctors are already available at Clinica Ars Medica in Gravesano (canton Ticino), covering an area of 678 m².

Outlook 2015

SHP plans to grow its portfolio and is evaluating further acquisitions of real estate in healthcare-related fields. In 2015 the property portfolio of SHP is estimated to generate a rental income of nearly CHF 37.6 million. Further investments in the renovation or modernisation of its buildings have begun and will help to maintain and improve their value.

Antoine Hubert
Chairman of the Board

Christoph Syz
CEO



Victoria-Jungfrau Collection AG fosters market position

The four luxury hotels of Victoria-Jungfrau Collection – the Victoria-Jungfrau Grand Hotel & Spa in Interlaken, the Palace in Lucerne, the Eden au Lac in Zurich and the Bellevue Palace in Berne – performed well in 2014. Good occupancy rates throughout the year resulted in further gains in market share and a turnover of CHF 74.7 million, 3.6% more than in the previous year (2013: CHF 72.2 million).

EBITDA reaches CHF 5.2 million

All the hotels of the Group are set in historical buildings and stand for tradition, offering unique spa & wellness experiences, culinary diversity, genuine hospitality and individual luxury experiences. This offering was appreciated in the year under review and led to customer bookings of 162'863 overnight stays, despite the challenging market environment. Furthermore, guests spent more on average, bringing the average room rate by 5.1% to CHF 371.

KEY FACTS	TOTAL NUMBER OF ROOMS	SUITES AND JUNIOR SUITES	TOTAL SURFACE (IN M ²)	EMPLOYEES
Victoria-Jungfrau Grand Hotel & Spa*	224	102	44'269	243
Eden au Lac*	50	5	1'419	55
Palace Luzern	129	65	3'337	110
Bellevue Palace	128	24	3'296	129

* Buildings fully-owned by Victoria-Jungfrau Collection AG

Some anticipated synergies resulted in cost savings in procurement, marketing and administration. Combined with better sales and internal efficiency gains, the profitability of Victoria-Jungfrau Collection increased, resulting in an EBITDA of CHF 5.2 million, up 144.2% from the previous year (2013: CHF 2.1 million). EBIT reached CHF 0.5 million, compared to an operating loss of CHF 2.4 million a year ago.

Well-diversified client portfolio

The international marketing strategy that is being applied has borne fruit. Victoria-Jungfrau Collection is not dependent on a few markets but profits from a broad and well-diversified customer base. The most important countries of origin are Switzerland, the United States, Germany, China and the Gulf states. This customer mix also offers a natural hedge against currency movements. Euro-based customers accounted for only about 10% of all guests in 2014.

Specific market dynamics will gain momentum and support hotels with a flexible, international approach. Beside reduced customer loyalty, the most important trend is the appearance of the “hybrid customer”. This client is not a typical 5-star guest anymore but a traveller that enjoys various forms of business or leisure trips and allots funds very flexibly within a given budget that combines travelling, hotel, dining and entertainment. This offers the opportunity to attract new customer segments, while at the same time threatening the number of core customers.

Experienced team

A solid organisation with an entrepreneurial spirit resulted from the successful integration of Victoria-Jungfrau Collection into AEVIS, and the progress achieved was well recognized internally. This achievement would not have been possible without the strong and experienced team in place. Victoria-Jungfrau Collection counts many long-term employees at all levels, due in part to the training and development opportunities within the Group.

Investment programme in the making

Renovation and modernisation plans are currently being evaluated in order to both upgrade the existing facilities and turn Victoria-Jungfrau Collection into the benchmark for luxury hotels in Switzerland. The Palace in Lucerne will soon offer a new dining terrace while the restaurant La Terrasse at the Victoria-Jungfrau Grand Hotel & Spa in Interlaken will receive a facelift in 2015. Furthermore, the Group expects to communicate ideas for the repositioning of the Eden au Lac in Zurich in the course of 2015.

New Board of Directors

After the integration of Victoria-Jungfrau Collection into AEVIS in spring 2014 the Board of Directors was strengthened with additional members. The board now consists of Mark Ineichen, Beat R. Sigg, Antoine Hubert, Antoine Kohler, Raymond Loretan, Michel Reybier and the new president Christian Seiler. It is foreseen that all these members will stand for re-election at the upcoming Annual General Meeting of Victoria-Jungfrau Collection.

Outlook 2015

With its diversified customer base Victoria-Jungfrau Collection is well positioned to defend its market position, even though Swiss customers seem to be more conservative at the moment. Renovation and development plans for the four hotels are being evaluated, as investments in infrastructure and services are key to ensure a high level of quality. Victoria-Jungfrau Collection’s third party owned hotels will remain a challenge and the successful repositioning of the hotel group will take time and require substantial investments.

Christian Seiler
Chairman of the Board

Beat R. Sigg
CEO

DIEN

BEAUTE AU

AVENE

NUXE

AVENE



En Suisse, nous savons faire des montres.
Nous savons aussi arrêter le temps...



Other participations

Les Hauts de Genolier

Les Hauts de Genolier is a unique concept, offering an alliance between premier hotel services and medical care supplied by adjacent 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 achieved good occupancy rates in its 63 prestigious apartments leading to a turnover of CHF 8.5 million and an EBITDA of CHF 0.6 in the year under review.

Ambulance services

AS Ambulances Services, in which AEVIS holds a 93.4% stake, is a leading private ambulance operator in Geneva. The company is specialised in repatriations, urgent patient transports and hospital transfers. AS Ambulances Services operates 12 vehicles, employs 43 people and achieved sales of CHF 6.1 million in 2014. AEVIS and AS Ambulance Services will be able to increase the field of activity in the Lake Geneva region following the cooperation with Ambulances Odier SA announced in December 2014.

Ambulances Odier SA was founded in 1939 and also employs about 50 people. The company generates a turnover of approx. CHF 6 million per year with 12 vehicles operating from 3 bases. The agreed collaboration will enable both AS Ambulances Services SA and Ambulances Odier SA to act in a mutually reinforcing way and to optimise their coverage in Geneva. Both structures are remaining legally independent but are being supervised by a common management committee.

Nescens

With its better-aging activities, AEVIS has established a unique position covering different domains under one single brand "Nescens". The four pillars of this division are: Nescens Check-up Centres (linked with GSMN clinics), Nescens better-aging therapies (linked with La Reserve Hotel & Spa), Nescens aesthetic surgery and medicine (Clinique Nescens – Paris Spontini) and Nescens cosmeceuticals (Laboratoires Genolier). AEVIS holds 36.2% of Nescens SA, the company managing the better-aging brand, and 84% of Genolier Laboratoires, which is producing the cosmeceuticals. AEVIS holds 100% of Clinique Spontini SAS, which realised a turnover of CHF 4.9 million and an EBITDA of CHF -1.3 million in 2014.



4

CORPORATE GOVERNANCE



Corporate Governance report of AEVIS Holding SA

The AEVIS Corporate Governance Report has been prepared in compliance with the requirements of the Directive on Information relating to Corporate Governance, prepared by SIX Swiss Exchange. Cross-references are made to other sections of the Annual Report in order to avoid duplication. The Articles of Association of AEVIS will be amended at the Annual General Meeting of 2015 in order to fulfill the requirements of the Ordinance against Excessive Compensation (OaEC). The complete, current Articles of Association of AEVIS Holding SA are available online at www.aevis.com in the section "The Company".

1. Group structure and shareholders

1.1. Group structure

1.1.1. Operational group structure

The Group's operational structure is divided into four main business segments: healthcare, medical real estate, life sciences (better and successful aging) and hotels. The group comprises other smaller subsidiaries including a patient hotel and an ambulance company. Each business segment is managed by an Executive Committee, reporting to their respective Board of Directors.

1.1.2. All listed companies belonging to the issuer's group

AEVIS Holding SA, the Group's parent company (hereinafter "AEVIS" or "the Company"), is a listed corporation headquartered rue Georges-Jordil 4 at 1700 Fribourg (Switzerland). The company's shares are listed on the Domestic Standard of SIX Swiss Exchange (ISIN CH0012488190). As at 31.12.2014, its market capitalisation stood at CHF 648 million. The AEVIS Group (hereinafter "the Group") is active in the healthcare sector, life sciences, services to people, lifestyle, hotel and hotel-related activities.

1.1.3. All unlisted companies belonging to the issuer's group

As at 31.12.2014, AEVIS had following subsidiaries, none of which are listed:

NAME	REGISTERED OFFICE	ACTIVITY	SHARE CAPITAL	%
Genolier Swiss Medical Network SA	Genolier (VD)	Holding company of private clinics	100'000	100.0
Swiss Healthcare Properties SA	Fribourg (FR)	Healthcare real estate	10'000'000	100.0
Société Clinique Spontini SAS	Paris (France)	Aesthetic clinic in Paris (France)	2'000'000 (EUR)	100.0
Les Hauts de Genolier SA	Genolier (VD)	Patient hotel	200'000	100.0
SHI Swiss Hotels Investment S.A.	Fribourg (FR)	Hotel investments	200'000	100.0
AS Ambulances Services SA	Genève (GE)	Ambulance services	500'000	93.4
Laboratoires Genolier SA	Genolier (VD)	Cosmetics	866'700	84.0
Victoria-Jungfrau Collection AG	Interlaken (BE)	Holding company of hotels	28'000'000	71.2
Patrimonium Healthcare Property Advisors AG	Baar (ZG)	Real estate management	100'000	50.0
NESCENS SA	Genolier (VD)	Better aging	300'000	36.17
Swiss Stem Cell Science SA	Fribourg (FR)	Stem Cells	100'000	70.0
AGEFI, Société de l'Agence Economique et Financière S.A.	Lausanne (VD)	Publishing	665'000	49.0
Agefi Com SA	Genève (GE)	Publishing (dormant)	200'000	49.0
Academy & Finances SA	Genève (GE)	Organisation of seminars	250'000	22.5
Publications Financières LSI SA	Genève (GE)	Publishing (dormant)	100'000	100.0

More information can be found in note 31 (List of group companies) from the Swiss GAAP FER consolidated financial statements.

Full consolidation is applied if AEVIS controls operations of the subsidiary. The equity method is used if AEVIS 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:

	31.12.2014 NUMBER OF SHARES	31.12.2014 %	31.12.2013 NUMBER OF SHARES	31.12.2013 %
Group Hubert/Reybier/M.R.S.I. Medical Research, Services and Investments SA*	11'880'039	82.52	11'927'105	83.17

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

AEVIS received no disclosures of shareholdings for the year under review.

1.3. Cross-shareholdings

There are no cross-shareholdings exceeding 5% of capital shareholdings or voting rights on both sides.

2. Capital Structure

2.1. Capital

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

31.12.2014	NUMBER OF SHARES	NOMINAL VALUE PER SHARE (in CHF)	TOTAL CAPITAL (in CHF)
Share capital	14'396'295	5	71'981'475
Conditional capital	6'243'550	5	31'217'750
Authorised capital	7'100'000	5	35'500'000

2.2. Authorised and conditional capital in particular

Authorised capital (article 10 of the Articles of Association)

The Board of Directors is authorised to increase the share capital of a maximum of CHF 35'500'000 through the issuance of a maximum of 7'100'000 fully paid-up registered shares with a nominal value of CHF 5 each until 03.06.2016. 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

(articles 10bis and 10ter of the Articles of Association)

The share capital may be increased, through the exercise of conversion rights by a maximum of CHF 25'000'000 through the issuance of a maximum of 5'000'000 fully paid-up registered shares with a nominal value of CHF 5 each. According to article 10bis of the Articles of Association, conversion rights can be granted to holders of convertible bonds.

The share capital may be increased, through the exercise of option rights by a maximum of CHF 6'217'750 divided into a maximum of 1'243'550 fully paid-up registered shares with a nominal value of CHF 5 each. According to article 10ter of the Articles of Association, option rights can be granted to employees, consultants and directors of the Company or its subsidiaries and in accordance with a stock-option plan as defined by the Board of Directors. The preferred subscription rights of shareholders are withdrawn. Shares acquired through exercise of option rights have the same limitations of transferability as described under 2.6 below.

2.3. Changes in capital

	NUMBER OF SHARES	SHARE CAPITAL (IN CHF)
Balance at 01.01.2012	7'078'479	35'392'395
Contribution in kind of Swiss Healthcare Properties AG	5'600'000	28'000'000
Conditional capital increase	68'050	340'250
Balance at 01.01.2013	12'746'529	63'732'645
Authorised capital increase	1'593'316	7'966'580
Balance at 01.01.2014	14'339'845	71'699'225
Conditional capital increase (executed on 11.02.2015)	56'450	282'250
Balance at 31.12.2014	14'396'295	71'981'475

On 11.02.2015, AEVIS registered a conditional capital increase resulting from the exercise of 56'450 option rights at 31.12.2014. The share capital was increased by CHF 282'250, divided into 56'450 new registered shares.

2.4. Shares and participation certificates

AEVIS' capital is composed of registered shares only. At 31.12.2014, the number of fully paid-up registered shares with a nominal value of CHF 5 each was 14'396'295. According to article 16 of the Articles of Association, each share recorded in the share register as a share with voting rights confers the right to one vote to its holder. Shareholders have the right to receive dividends. There are no participation certificates.

2.5. Dividend-right certificates

There are no dividend-right certificates.

2.6. Limitations on transferability and nominee registration

Article 7 of the Articles of Association defines the restrictions on transferability. 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.

2.7. Convertible bonds and options

As at 31.12.2014, AEVIS had no convertible bonds outstanding.

During 2014, 100'000 option rights were granted. The only options issued by AEVIS are for its management and employees' compensation plans. A detailed overview of the option plans can be found in the Compensation Report under Section 3.4 – Share based payment plans.

3. Board of Directors

3.1. Members of the Board of Directors

The Board of Directors of AEVIS Holding SA is adapted to the optimal management of its holdings and relations with its shareholders. Its members cover the necessary financial, legal and political skills to address the challenges of AEVIS' scope of business.

As at 31.12.2014, the Board of Directors of AEVIS was composed of the following members.

	FUNCTION	YEAR OF BIRTH	NATIONALITY
Christian Wenger	Chairman	1964	Swiss
Raymond Loretan	Vice-chairman	1955	Swiss
Antoine Hubert	Delegate of the Board	1966	Swiss
Michel Reybier	Member	1945	French
Antoine Kohler	Member	1956	Swiss
Cédric A. George	Member	1952	Swiss

With the exception of Antoine Hubert, all Board members are Non-executive Members.

With the exception of Michel Reybier, all Non-executive Board members are independent, were not part of the AEVIS management and have no important business connections with AEVIS.

There are no cross-involvements on Boards of Directors of listed companies.

3.2. Professional background and other activities and vested interests

Christian Wenger, Chairman

Member of the Audit and Compliance Committee

Member of the Strategy and Investment Committee

With a doctor in law degree from the University of Zurich and following post-graduate studies at Duke University Law School in North Carolina, Dr. Christian Wenger is a partner of the law firm Wenger & Vieli in Zurich and specializes in commercial and business law. He serves as Board Member of several listed companies (Falcon Private Bank AG, Looser Holding AG and Peach Property Group AG). He is Chairman of the Board of Pavatex Holding AG, UCC Holding AG and UCC Immobilien AG. He is Board Member of Amazing Lab (Madrid), Chemolio Holding AG, Hempel Special Metals AG, Medbase AG, Trisport AG, Trüb AG and Xeltis AG. He is Chairman of the Foundation BlueLion and Member of the Foundation Zoo AG. Furthermore, he is a member of the Executive Committee SECA (Swiss Private Equity & Corporate Finance Association), and a member of the Swiss-American Chamber of Commerce. In 2003, he founded CTI Invest, a private investor platform (association) linked to the Commission for Technology and Innovation (CTI), which he has chaired since its establishment. Dr. Christian Wenger represents the shareholdings of CHH FINANCIERE SA.

Raymond Loretan, Vice-Chairman

Member of the Strategy and Investment Committee

Raymond Loretan holds a law degree from the University of Fribourg and a diploma in European Organizations from the University of Strasbourg. Before joining the Group in January 2007, 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.

Within the Group, Raymond Loretan is executive Chairman of the Board of Directors of Genolier Swiss Medical Network SA. He is Chairman of the Board of Directors of GSMN Suisse SA (formerly GSMN Vaud SA and GSMN Zurich AG), Centre Médico-Chirurgical des Eaux-Vives SA and Les Hauts de Genolier SA. He is Vice-chairman of the Board of Directors of Clinique Générale Ste-Anne SA, Ars Medica Clinic SA, Salus Medica Clinic SA, Privatklinik Obach AG, Clinique Médico-Chirurgicale de Valère SA, Klinik Villa im Park AG and Schmerzklinik Basel AG. Raymond Loretan is also Board Member of Victoria-Jungfrau Collection AG, GSMN Neuchâtel SA, Klinik Pyramide am See AG and SHI Swiss Hotels Investments SA.

In addition, he is Chairman of the Board of Directors of the Swiss Public Broadcasting Corporation (SRG SSR), founding associate of the consultancy practice FBL associés (www.fbla.ch) in Geneva, Chairman of the board of the "Société Suisse des Explosifs", Vice-chairman of the Cave "Vins des Chevaliers" and Member of the Board of the Center for Humanitarian Dialogue.

Antoine Hubert, Delegate of the Board

Member of the Strategy and Investment Committee

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.

Within the Group, Antoine Hubert is Chairman of the Board of Swiss Healthcare Properties AG and Société Clinique Spontini SAS. He is Vice-chairman of the Board of Directors of GSMN Suisse SA (formerly GSMN Vaud SA and GSMN Zurich AG), Centre Médico-Chirurgical des Eaux-Vives SA and Les Hauts de Genolier SA. He is a Board Member of Genolier Swiss Medical Network SA, Clinique Générale Ste-Anne SA, Privatklinik Obach AG, Ars Medica Clinic SA, Salus Medica Clinic SA, GSMN Neuchâtel SA, Clinique Médico-Chirurgicale de Valère SA, Klinik Villa im Park AG, Schmerzklinik Basel, Victoria-Jungfrau Collections AG, VJC-Management AG, Grand Hotel Victoria Jungfrau AG, Palace Hotel Luzern AG, Hotel Eden au Lac AG, Hotel Bellevue Palace AG, Park Résidence AG, Swiss Hospitality Properties AG, NESSENS SA, Laboratoires Genolier SA, SHI Swiss Hotels Investments SA, Swiss Stem Cell Science SA, Patrimonium Healthcare Property Advisors AG and Agefi, société de l'agence économique et financière SA.

In addition, Antoine Hubert is Board Member of Lifewatch AG.

Michel Reybier, Non-Executive Member

Chairman of the Strategy and Investment Committee

Member of the Audit and Compliance Committee

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 industry. He is founder and owner of the La Réserve hotel Group and a co-founder and shareholder of the Mama Shelter hotels. Furthermore, he is a shareholder of Seiler Hotels Zermatt AG.

Within the Group, Michel Reybier is Vice-chairman of Victoria-Jungfrau Collections AG. He is a Board Member of Genolier Swiss Medical Network SA, Swiss Healthcare Properties AG, Les Hauts de Genolier SA, NESSENS SA, Swiss Stem Cell Science SA, Patrimonium Healthcare Property Advisors AG, SHI Swiss Hotels Investments SA, VJC-Management AG, Grand Hotel Victoria Jungfrau AG, Palace Hotel Luzern AG, Hotel Eden au Lac AG, Hotel Bellevue Palace AG and and Park Résidence AG.

In addition, Michel Reybier is Board Member of Seiler Hotels Zermatt AG.

Antoine Kohler, Non-Executive Member

Chairman of the Audit and Compliance Committee

Member of the Nomination and Compensation Committee

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.

Within the Group, Antoine Kohler is Board Member of Genolier Swiss Medical Network SA, Victoria-Jungfrau Collection AG, GSMN Suisse SA (formerly GSMN Vaud SA and GSMN Zurich AG), Centre Médico-Chirurgical des Eaux-Vives SA and Les Hauts de Genolier SA.

In addition, Antoine Kohler is, amongst others, Chairman of Cicor Technologies Ltd., Boudry (until 23.04.2015), Deputy Chairman of Mitsubishi UFJ Wealth Management Bank (Switzerland) Ltd., Geneva and a Board Member of Sixt AG, Sixt rent-a-car AG and Sixt Leasing (Schweiz) AG in Basel.

Dr Cédric A. George, Non-Executive Member

Chairman of the Nominations and Compensation Committee

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 Delegate of the Board of Klinik Pyramide am See AG which he founded in 1993. Dr George also founded a private Centre for Plastic Surgery in Zurich where he runs a private medical practice.

Within the Group, Dr Cédric A. George is a Board Member of Genolier Swiss Medical Network SA.

3.3. Number of permitted activities

No Board Members may hold more than five additional mandates in listed companies and 25 mandates in non-listed companies. The following mandates are not subject to these limitations:

- Mandates in companies that are controlled by AEVIS
- Mandates which a Board Member holds at the request of AEVIS or companies controlled by it. No Board Member should hold more than ten such mandates.
- Mandates in associations, charitable organisations, foundations, trusts and employee welfare foundations. No Board Member should hold more than ten such mandates.

3.4. Elections and terms of office

The Board of Directors consists of three or more Members. The Chairman and the Board Members are elected individually by the Annual General Meeting for a period of one year till the end of the next Annual General Meeting. Re-election of the Chairman and the Board Members is permitted. If the office of the Chairman becomes vacant, the Board of Directors appoints a Chairman for the remaining term of office. The Board of Directors elects one Vice-chairman and the members of the committees other than the Nomination and Compensation Committee. The Board of Directors currently has six members. In 2014, the Annual General Meeting confirmed Christian Wenger as the Chairman of the Board of Directors. The Board of Directors appointed Raymond Loretan as Vice-chairman.

MEMBER	ELECTION	EXPIRES
Christian Wenger	July 2012	2015
Raymond Loretan*	November 2006	2015
Antoine Hubert*	June 2009	2015
Michel Reybier	June 2011	2015
Antoine Kohler*	June 2008	2015
Cédric A. George	September 2010	2015

* Raymond Loretan, Antoine Hubert and Antoine Kohler were not member of the Board between 09.06.2010 and 06.09.2010.

The Nomination and Compensation Committee Members are elected individually by the Annual General Meeting for a period of one year till the end of the next Annual General Meeting. Only independent Board Members may be elected to the Committee. The Board of Directors elects the Chairman of the Nomination and Remuneration Committee amongst the elected Nomination and Remuneration Committee Members. If the Nomination and Compensation Committee is no longer complete, the Board of Directors designates substitutes amongst its Members for the remaining term of office. The Nomination and Compensation Committee currently has two members.

MEMBER	ELECTION	EXPIRES
Cédric A. George	June 2014	2015
Antoine Kohler	June 2014	2015

The independent proxy is elected by the Annual General Meeting for a period of one year till the end of the next Annual General Meeting. Re-election of the independent proxy is permitted. If the function of independent proxy is vacant, the Board of Directors appoints the independent proxy for the next Annual General Meeting.

3.5. Internal organisation structure

3.5.1. Allocation of tasks within the Board of Directors

	AUDIT AND COMPLIANCE COMMITTEE	NOMINATION AND COMPENSATION COMMITTEE	STRATEGY AND INVESTMENT COMMITTEE
Christian Wenger	Member		Member
Raymond Loretan			Member
Antoine Hubert			Member
Michel Reybier	Member		Chairman
Antoine Kohler	Chairman	Member	
Cédric George		Chairman	Member
Dr Philippe Glasson*			Member

* Vice-chairman of the Board of Directors of Genolier Swiss Medical Network SA

3.5.2. Tasks and area of responsibility for each Committee of the Board of Directors

The Nomination and Compensation Committee is chaired by an independent and Non-executive Board Member and is composed of at least two independent Board Members. The Nomination and Compensation Committee Members are elected individually by the Annual General Meeting for a term of office until completion of the next Annual General Meeting. Members of the Nomination and Compensation Committee whose term of office has expired are immediately eligible for re-election.

The Nomination and Compensation Committee assists the Board of Directors in the establishment and the periodic revision of the compensation strategy and directives. The Committee prepares the proposals of the Board of Directors to the Annual General Meeting regarding the compensation of the Chairman of the Board, the Board Members and the Senior Management. It determines the principles for remuneration of the Board Members and the Senior Management and submits them to the Board of Directors for approval. It oversees and discusses the overall remuneration policy and the remuneration principles of the company and the Group and keeps the Board updated. The Committee also determines the employee participation schemes, including an allocation of shares, share options or other financial instruments to the Board Members, the Senior Management and other beneficiaries and submits them to the Board for approval. The Nomination and Compensation Committee also establishes the principles for the selection of candidates to the Board, selects candidates for election or re-election and submits them to the Board. The Board of Directors may assign additional tasks to the Nomination and Compensation Committee.

In 2014, the Nomination and Compensation Committee met once. The average length of meeting is 1.5 hours.

The Audit and Compliance Committee is chaired by an independent Non-executive Board Member and is composed of at least three Board Members, of which one has to be independent. The members are elected by the Board of Directors. The Audit and Compliance Committee supports the Board in ensuring the accuracy of the financial statements, the quality of the Internal Control System and the information provided to the shareholders and third parties. Its main duties include the preliminary examination of the financial statements, the discussion of the accounting principles, the supervision of the Internal Control System, the review of the Group's risk assessment, the relation with the external auditors and the assessment of the quality of their audit.

In 2014 the Audit and Compliance Committee met three times. The average length of meeting is 2.5 hours.

The Strategy and Investment Committee is composed of at least two Board Members, elected by the Board of Directors. The Committee reviews the Group's strategic development in its core business as well as other businesses closely related thereto. It also coordinates the significant investment projects.

In 2014, the Strategy and Investment Committee met once.

3.5.3. Working methods of the Board of Directors and its Committees

According to its organisational rules, the Board of Directors of AEVIS meets at least four times a year. Extraordinary meetings, either formal or by means of telephone conferencing, may take place in the course of the year. In 2014, the Board of Directors met four times and five times by means of telephone conferencing. The average attendance at the Board meetings was 100%. The average length of meeting is three to six hours. 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 and the Delegate of the 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. No quorum is necessary to complete formalities regarding share-capital increases, subsequent paying-up of capital or the issuing of participation certificates.

The Senior Management and members of the Executive Committees of AEVIS' subsidiaries may take part in Board of Directors meetings.

AEVIS' main subsidiaries hold separate Board meetings. The Chairman of the Board of AEVIS attends the Board meetings of Genolier Swiss Medical Network SA.

3.6. Definition of areas of responsibility

The Board of Directors is the ultimate governing body of the Company. It fulfills the function of defining the Group strategy, monitoring and directly controlling management.

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

- Provide the ultimate governance of the Company and issue the necessary instructions;
- Determine the Company's organisation;
- Set the principles of accounting, financial control and financial planning as far as required for the Company's management;

- Appoint and revoke the persons entrusted with the management and representation of the Company;
- Provide the ultimate supervision of the persons entrusted with the management of the company, especially in view of their compliance with the law, the Articles of Association, regulations and instructions given;
- Establish the annual report, prepare the Annual General Meeting and carry out its resolutions;
- Notify the judge in the event of over-indebtedness.

According to the organisational rules, the Board has delegated the day-to-day management, the controlling of ongoing operations as well as the risk analysis follow-up to the Delegate of the Board, who can sub-delegate to members of the Senior Management of AEVIS and to the Executive Committee of each subsidiary. The Delegate of the Board is responsible for the implementation of the decisions taken by the Board of Directors.

3.7. Information and control instruments with regard to the Senior Management

The Delegate of the Board of AEVIS Holding SA conducts the operational management of the Company pursuant to the organisational rules and reports to the Board of Directors of AEVIS on a regular basis. The Chairman of the Board also holds regular coordination and information meetings with the Delegate of the Board.

The Senior Management of AEVIS and the Executive Committees of its subsidiaries, of which the Delegate of the Board is a member, convene regularly to report on operational business issues.

The Group's Financial Department compiles 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 Senior Management and analysed during the regular coordinating meetings. The Board of Directors meets regularly and receives prior to the Board meetings all relevant key data, including the condensed report. The data is analysed in detail during each Board meeting and Board Members are informed on the operational business.

The company has implemented an Internal Control System (ICS), which is coordinated by the ICS Manager on group level and implemented in its subsidiaries. The risk management was introduced in 2009 and is reviewed yearly by the Senior Management and the Audit and Compliance Committee. The Board of Directors yearly discusses and approves the identified risks.

4. Senior Management

4.1. Senior Management

AEVIS Holding wants the Senior Management to be focused on the long-term, with steady growth in turnover and profitability, allowing regular investments that will guarantee its sustainability. As at 31.12.2014, the Senior Management of AEVIS Holding SA was composed of the following persons:

	FUNCTION	YEAR OF BIRTH	NATIONALITY
Antoine Hubert	Delegate of the Board	1966	Swiss
Gilles Frachon	CFO	1950	French

4.2. Other activities and vested interests

Antoine Hubert

See point 3.2.

Gilles Frachon

Chief Financial Officer

Gilles Frachon is Chief Financial Officer of AEVIS Holding SA and member of the Senior Management. He is also Chairman of HMC Gestion SA, the holding company of Director Michel Reybier, since 1997, and Chairman of the Executive Committee of Domaines Reybier SA. 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.

Within the Group, Gilles Frachon is Board Member of Clinique Générale Ste-Anne SA, Salus Medica Clinic SA, Ars Medica Clinic SA, Swiss Healthcare Properties AG and Société Clinique Spontini SAS.

In addition, Gilles Frachon is Chairman of MJ France SAS and Foncière PLM. He is Board Member of Reybier & Partners Investment SARL, RDC SA, Reybier Developpement SA and Embassair Holding.

4.3. Number of permitted activities

No member of the Senior Management may hold more than three additional mandates in listed companies and ten mandates in non-listed companies. The following mandates are not subject to these limitations:

- Mandates in companies that are controlled by AEVIS
- Mandates which a Member of the Senior Management holds at the request of AEVIS or companies controlled by it. No Member of the Senior Management should hold more than ten such mandates.
- Mandates in associations, charitable organisations, foundations, trusts and employee welfare foundations. No Member of the Senior Management should hold more than ten such mandates.

4.4. Management contracts

The Company has signed no management contracts with third parties.

5. Compensation, shareholdings and loans

All information on the compensation of AEVIS' Board of Directors and the Senior Management is provided in the separate Compensation Report.

6. Shareholders' Participation

6.1 Voting rights and representation restrictions

All shareholders recorded in the share register with voting rights are entitled to attend and vote at the Annual General Meetings. Each share recorded in the share register with a right to vote entitles the holder to one vote at Annual General Meetings.

In accordance with article 16 of the Articles of Association, any shareholder recorded in the share register may be represented at the Annual General Meeting by the independent proxy, another shareholder or a third party.

No exceptions on voting right restrictions were granted in the year under review.

The Board of Directors specifies the process and conditions for issuing authorisations and instructions to the independent proxy.

Shareholders may issue voting instructions both for proposals relating to agenda items set out in the invitation to the Annual General Meeting and for undisclosed new proposals. Shareholders have the option to receive their documents for the Annual General Meeting or issue proxies and instructions to the independent proxy electronically via the Sherpany online platform.

6.2. Quorums required by the articles of association

The Annual General Meeting passes resolutions and makes elections, if not otherwise required by law (article 704 Swiss Code of Obligations), with an absolute majority of the votes represented at the meeting (as per article 703 Swiss Code of Obligations).

6.3. Convocation of the Annual General Meeting of Shareholders

In accordance with articles 13 and 14 of the Articles of Association, the Annual General Meeting is convened once a year within six months of the end of the financial year. The Board of Director, the auditor, the liquidator or one or a number of shareholders together representing at least 10% of the share capital may request that an Extraordinary General Meeting be convened.

Invitations to the Annual General Meeting are issued at least twenty days before the date set for the meeting, by being published in the Swiss Official Gazette of Commerce or by means of a letter sent by priority mail to all shareholders, if these are known in the share register. The invitation must set out all agenda items together with the proposals of the Board of Directors and any shareholders who have requested that an Annual General Meeting be convened.

6.4. Inclusion of items on the 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 Swiss Code of Obligations, 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. Entries in the share register

As common practice, the share register is closed approximately 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

There are no such agreements.

8. Auditing body

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

Berney & Associés SA Société Fiduciaire, Geneva was first appointed on 09.06.2010 as auditor of AEVIS and of the Consolidated Financial Statements of the Group. The term of office is renewable each year for a period of one year by the Annual General Meeting.

Gregor Wrzosowski is the auditor in charge for supervising the auditing of the statutory annual accounts and consolidated accounts of AEVIS Holding SA since 31.12.2012.

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 500'000.00 for the business year 2014.

8.3. Additional fees

During 2014, Berney & Associés SA Société Fiduciaire charged additional auditing fees of CHF 110'431.75 and other tax and advisory services of CHF 191'376.00. The total additional fees amounted to CHF 301'807.75.

8.4. Informational instruments pertaining to an external audit

The Audit and Compliance 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 and Compliance 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 Delegate of the Board and the Chief Financial Officer of the Group meet with the auditor in charge. A report is regularly made to the Board of Directors.

The Audit and Compliance 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 and Compliance Committee before being drawn up for the Board of Directors prior to the approval of the annual financial statements by the Board of Directors.

During 2014, the auditor participated to one meeting of the Audit and Compliance 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.aevis.com), the 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.

The Annual General Meeting of shareholders for the 2014 fiscal year will take place in Interlaken on Monday 29.06.2015. A full corporate calendar is available on the company's website.

Contact

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Compensation Report 2014

The AEVIS Compensation Report has been prepared in compliance with the requirements of the Ordinance against Excessive Compensation (OaEC). This Compensation Report will be submitted to the advisory vote of the shareholders at the Annual General Meeting of 2015.

The Articles of Association will be amended at the Annual General Meeting of 2015 in order to fulfill the requirements of the OaEC. The Articles mentioned in this Compensation Report refer to the new Articles of Associations to be amended at the Annual General Meeting of 2015.

1. Governance

The Board of Directors has the overall responsibility of defining the compensation principles used within the Group, based on a proposal of the Nomination and Compensation Committee.

The Board of Directors approves the compensation of its Chairman, its Members and the Senior Management. The compensation of Board members and Senior Management is subject to approval by the Annual General Meeting.

The Nomination and Compensation Committee is chaired by an independent and Non-executive Board Member and is composed of at least two independent Board members. The Nomination and Compensation Committee Members are elected individually by the Annual General Meeting for a term of office until completion of the next Annual General Meeting. Members of the Nomination and Compensation Committee whose term of office has expired are immediately eligible for re-election.

On 31.12.2014, the Nomination and Compensation Committee was composed of Cédric George (Chairman) and Antoine Kohler.

The Nomination and Compensation Committee assists the Board of Directors in the establishment and the periodic revision of the compensation strategy and directives. The Committee prepares the proposals of the Board of Directors to the Annual General Meeting regarding the compensation of the Chairman of the Board, the Board Members and the Senior Management. It determines the principles for remuneration of the Board Members and the Senior Management and submits them to the Board of Directors for approval. It oversees and discusses the overall remuneration policy and the remuneration principles of the company and the Group and keeps the Board updated. The Committee also determines the employee participation schemes, including an allocation of shares, share options or other financial instruments to the Board Members, the Senior Management and other beneficiaries and submits them to the Board for approval. The Nomination and Compensation Committee also establishes the principles for the selection of candidates to the Board, selects candidates for election or re-election

and submits them to the Board. The Board of Directors may assign additional tasks to the Nomination and Compensation Committee.

A Nomination and Compensation Committee Charter governs the Nomination and Compensation Committee.

2. Board of Directors

2.1. Principles of compensation

According to article 23 quinquies of the Articles of Association, non-executive Board Members receive a fixed compensation, which takes into account the position and level of responsibility of the beneficiary. At least 20% and up to 50% of their compensation must be converted in AEVIS shares, with a two-year blocking period. The number of AEVIS shares is determined by taking the closing price of the share on the SIX Swiss Exchange over a period of 30 days. The payment in cash and the conversion in shares are executed yearly before the end of the term of office. From the date of allocation, the shares have both voting and dividend rights. The remuneration is accounted for using the accrual principle.

The Annual General Meeting approves the proposal of the Board of Directors in relation to the maximum aggregate amount of the compensation of the Board of Directors for the period until the next Annual General Meeting. The Board of Directors can submit to the approval of the Annual General Meeting different or additional proposals covering the same period or different periods.

In the event the Annual General Meeting does not approve a proposal of the Board, the Board determines, taking into account all pertinent criteria, the total (maximum) amount or the partial respective (maximum) amounts and submits the(se) amount(s) thus determined to the approval of an Annual General Meeting.

Notwithstanding the previously stated information, the company or companies controlled by it can pay remunerations prior to the approval of the Annual General Meeting, subject to the approval by the Annual General Meeting.

2.2. Compensation in 2014

NAME	POSITION	TOTAL (x CHF 1'000)	OF WHICH CASH	OF WHICH BLOCKED SHARES	PREVIOUS PERIOD
Christian Wenger	Chairman	100	75	25	100
Raymond Loretan	Vice-chairman	-	-	-	-
Antoine Hubert	Delegate of the Board	-	-	-	-
Cédric A. George	Member	50	40	10	50
Antoine Kohler	Member	50	25	25	50
Michel Reybier	Member	50	25	25	50

These are net amounts. Social insurance and pension contributions are paid by the company. Antoine Hubert and Raymond Loretan are employed by a Group's subsidiary and do not receive any Board Member compensation.

2.3. Shareholding in 2014

NAME	POSITION	2014 NUMBER OF SHARES HELD*	2014 NUMBER OF OPTIONS HELD	2013 NUMBER OF SHARES HELD*	2013 NUMBER OF OPTIONS HELD
Christian Wenger**	Chairman	405'541	-	404'799	-
Raymond Loretan	Vice-chairman	44'050	20'000	29'050	35'000
Antoine Hubert and Michel Reybier***	Delegate of the Board	11'880'039	267'500****	11'927'105	150'000
Cédric A. George	Member	15'776	-	15'479	-
Antoine Kohler	Member	1'712	-	970	-

* Including the blocked shares received as Board Member compensation

** Representing the shareholding of CHH Financière S.A. – SPF

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

**** Held by Antoine Hubert

2.4. Other audited information regarding the Board of Directors

2.4.1. Loans

There are no loans to any Board Members, except for the current account of Antoine Hubert classified in accounts receivable from shareholders and related parties (2014: CHF 1'579'131.18; 2013: CHF 831'401). See also Note 25 Related Parties from the Swiss GAAP FER consolidated financial statements.

Loans to Board Members can be granted at market conditions and cannot exceed CHF 20 million in total.

2.4.2. Additional fees

There were no other additional fees or remuneration paid by AEVIS or any of its group companies to Board Members in 2014, with the exception of Antoine Hubert and Raymond Loretan, who are employed by a group company.

2.4.3. Compensation and loans for former Board Members

There is no compensation conferred during 2014 neither loan outstanding to former Board Members.

3. Senior Management

3.1. Principles of compensation

According to article 23 quinquies of the Articles of Association, the compensation of Senior Management is based on fixed and/or variable elements. Total compensation takes into account the position and level of responsibility of the beneficiary and their achievement of objectives. The fixed compensation includes the base salary and can include other elements of remuneration. The variable remuneration is linked to performance measures (business success and personal objectives) and to the level of responsibility of the beneficiary. The Board of Directors or, if this competence has been delegated, the Nomination and Compensation Committee, determines the performance measures and the target levels of the elements of variable remuneration, as well as their fulfilment. The Compensation can be paid in cash, in shares and/or other types of benefits. It can also be paid in the form of financial instruments or share based units. The Board of Directors or, if this competence has been delegated, the Nomination and Compensation Committee, determines the grant conditions, the vesting conditions and the revoking of rights. Remuneration can be paid by the company or companies controlled by it.

The variable compensation is always paid in the following year, after the publication of the full year results.

The Annual General Meeting approves the proposal of the Board of Directors in relation to the maximum aggregate amount of the compensation of the Senior Management of the previous fiscal year.

The Board of Directors can submit to the approval of the Annual General Meeting different or additional proposals covering the same period or different periods.

In the event the Annual General Meeting does not approve a proposal of the Board, the Board determines, taking into account all pertinent criteria, the total (maximum) amount or the partial respective (maximum) amounts and submits the(se) amount(s) thus determined to the approval of an Annual General Meeting.

Notwithstanding the previously stated information, the company or companies controlled by it, can pay remunerations prior to the approval of the Annual General Meeting, subject to the approval by the Annual General Meeting.

According to article 23 quater of the Articles of Association, an additional amount of 40% of the total amount of compensation payable to the Senior Management that was last approved by the Annual General Meeting for the relevant period is available for the member(s) of the Senior Management appointed after the Annual General Meeting that voted on the total amount of compensation.

3.2. Compensation in 2014

The total remuneration of the Senior Management (including social insurance and pension contributions) amounts to CHF 0.83 million (2013: CHF 0.96 million). Stock options were granted in 2014 for an amount of CHF 0.3 million (2013: nil).

The highest compensation in 2014 was conferred to Antoine Hubert, Delegate of the Board.

in 1'000 CHF	2014 HIGHEST COMPEN- SATION	2014 OTHER MEMBERS	2014 TOTAL SENIOR MANAGE- MENT	2013 HIGHEST COMPEN- SATION	2013 OTHER MEMBERS	2013 TOTAL SENIOR MANAGE- MENT
Annual base salary	396	-	396	278	226	504
Variable cash compensation	-	-	-	50	256	306
Stock options	316*	-	316	-	-	-
Pension Scheme contribution	119	-	119	47	101	148
Total	831	-	831	375	583	958

* Black-Scholes model

The comparison between the compensation of 2014 and 2013 could be misleading, as the composition of the Senior Management has changed in April 2014.

3.3. Shareholding in 2014

NAME	POSITION	2014 NUMBER OF SHARES HELD	2014 NUMBER OF OPTIONS HELD	2013 NUMBER OF SHARES HELD	2013 NUMBER OF OPTIONS HELD
Antoine Hubert	Delegate of the Board	3'190'218	267'500	3'250'859	150'000
Gilles Frachon	CFO	46'993	40'000	65'000	40'000

3.4. Share based payment plans

In 2011, a stock option plan in favour of management and employees was implemented. 59'950 options were granted, each giving rights to subscribe for one share at a unit price of CHF 19.

In 2012, a stock option plan in favour of management and employees was implemented. 630'500 options were granted, each giving rights to subscribe for one share at a unit price of CHF 28. In case of resignation, non-vested options are forfeited.

In 2014, a stock option plan in favour of the Delegate of the Board was implemented. 100'000 options were granted, each giving rights to subscribe for one share at a unit price of CHF 34.

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 DATE	VESTING CONDITIONS	EXERCISE DATE	EXPIRY DATE
10/11-A	Group Senior Management and Group Management September 2011	59'950 CHF 19	Service condition	31.12.2014	31.12.2014
12-A	Group Senior Management, Group Management and Consultants December 2012	630'500 CHF 28	Service condition	31.12.2016	31.12.2016
14-A	Delegate of the Board February 2014	100'000 CHF 34	Service condition	31.12.2017	31.12.2017

The movements of share-based plans during 2013 and 2014 are the following:

	PLAN 10/11-A	PLAN 12-A	PLAN 14-A
Outstanding options at 01.01.2013	59'950	630'500	-
Exercised during the year	-	-	-
Expired during the year	-	-	-
Granted during the year	-	-	-
Forfeited options during the year	-	-	-
Outstanding options at 01.01.2014	59'950	630'500	-
Expired during the year	-	-	-
Exercised during the year	56'450	-	-
Granted during the year	-	-	100'000
Forfeited options during the year	3'500	30'000	-
Outstanding options at 31.12.2014	-	600'500	100'000

3.5. Other audited information regarding the Senior Management

3.5.1. Loans

There are no loans to any member of the Senior Management, except for the current account of Antoine Hubert classified in accounts receivable from shareholders and related parties (2014: CHF 1'579'131.18; 2013: CHF 831'401). See also Note 25 Related Parties from the Swiss GAAP FER consolidated financial statements.

Loans to members of the Senior Management can be granted at market conditions and cannot exceed CHF 20 million in total.

3.5.2. Additional fees

During 2014, CHF 32'500 was paid to Gilles Frachon for his terms as Board Member of Ars Medica Clinic SA, Salus Medica Clinic SA and Clinique Générale Ste-Anne SA.

There were no other additional fees or remuneration paid by AEVIS or any of its group companies to the Senior Management.

3.5.3. Compensation and loans for former members of the Senior Management

There is no compensation conferred during 2014 neither loan outstanding to former members of the Senior Management.

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF AEVIS HOLDING SA, FRIBOURG

We have audited the content of sections 2.2 to 2.4 and sections 3.2 to 3.5 of the Compensation Report dated 30 April 2015 of AEVIS Holding SA for the year ended 31 December 2014.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the Compensation Report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying Compensation Report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the Compensation Report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the Compensation Report.

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

Opinion

In our opinion, the Compensation Report of AEVIS Holding SA for the year ended 31 December 2014 complies with Swiss law and articles 14–16 of the Ordinance.

BERNEY & ASSOCIES SA

Société Fiduciaire



Gregor WRZOSOWSKI
Licensed Audit Expert
Auditor in charge



Gregory GRIEB
Licensed Audit Expert

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CONSOLIDATED
FINANCIAL
STATEMENTS OF
AEVIS HOLDING SA

Consolidated Income Statement

(In thousands of CHF)	Notes	2014	2013
Revenue		538'705	449'540
Other revenue	4	3'667	5'129
Total revenue		542'372	454'669
External services		(57'485)	(52'217)
Net revenue	4	484'887	402'452
Production expenses		(108'122)	(90'898)
Personnel expenses	5	(219'180)	(177'985)
Other operating expenses	6	(92'182)	(72'814)
EBITDA (Earnings before interest, taxes, depreciation and amortisation)		65'403	60'755
Depreciation on tangible assets	13	(33'733)	(29'660)
Amortisation on intangible assets	14	(3'579)	(4'168)
Profit from operating activities		28'091	26'927
Financial result	7	(20'502)	(15'325)
Share of profit / (loss) of equity accounted investees		214	(161)
Ordinary result		7'803	11'441
Extraordinary result	8	(1'416)	(123)
Profit before taxes		6'387	11'318
Income taxes	9	(138)	(4'341)
Profit for the period before minority interests		6'249	6'977
Minority interests		(131)	1'698
Profit for the period		6'118	8'675

Consolidated Balance Sheet

(In thousands of CHF)	Notes	31.12.2014	31.12.2013
Assets			
Cash and cash equivalents		48'574	29'065
Trade receivables	10	98'922	100'819
Other receivables	11	41'232	23'592
Accrued income and prepaid expenses		22'057	19'703
Inventories	12	16'489	14'000
Total current assets		227'274	187'179
Fixed assets	13	1'015'238	782'323
Intangible assets	14	23'345	17'805
Financial assets	15	22'747	18'350
Total non-current assets		1'061'330	818'478
Total assets		1'288'604	1'005'657
Liabilities and equity			
Trade payables	16	66'565	73'690
Other current liabilities	17	20'390	12'900
Short-term financial liabilities	18	137'986	211'667
Other borrowings		2'394	1'467
Accrued expenses and deferred income	19	32'242	31'933
Short-term provisions	20	375	2'773
Total current liabilities		259'952	334'430
Long-term financial liabilities	18	578'622	344'573
Other borrowings		15'527	12'635
Other non-current liabilities	17	12'192	12'584
Deferred income		3'708	3'339
Long-term provisions	20	99'401	65'177
Total non-current liabilities		709'450	438'308
Total liabilities		969'402	772'738
Equity			
Share capital	21	71'981	71'699
Share premium		232'249	239'591
Treasury shares	21.1	(248)	(344)
Offset goodwill		(44'626)	(85'899)
Currency translation differences		(151)	10
Retained earnings		11'251	5'171
Equity before minority interests		270'456	230'228
Minority interests		48'746	2'691
Total equity including minority interests		319'202	232'919
Total liabilities and equity		1'288'604	1'005'657

Consolidated Statement of Changes in Equity

(In thousands of CHF)	Share capital	Share premium	Treasury shares	Offset goodwill	Currency translation differences	Retained earnings / (accumulated deficit)	Total before minority interests	Minority interests	Total equity
Balance at 1 January 2013	63'733	205'252	(3'428)	(103'956)	(23)	(4'056)	157'522	4'018	161'540
Profit for the period	-	-	-	-	-	8'675	8'675	(1'698)	6'977
Capital contribution distribution	-	(3'755)	-	-	-	-	(3'755)	-	(3'755)
Capital increase	7'966	38'094	-	-	-	-	46'060	-	46'060
Acquisition of subsidiaries	-	-	-	18'057	-	-	18'057	371	18'428
Purchase of treasury shares	-	-	(17'565)	-	-	-	(17'565)	-	(17'565)
Sale of treasury shares	-	-	20'649	-	-	552	21'201	-	21'201
Currency translation differences	-	-	-	-	33	-	33	-	33
Balance at 31 December 2013	71'699	239'591	(344)	(85'899)	10	5'171	230'228	2'691	232'919
Profit for the period	-	-	-	-	-	6'118	6'118	131	6'249
Capital contribution distribution	-	(7'826)	-	-	-	-	(7'826)	-	(7'826)
Capital increase	282	762	-	-	-	-	1'044	-	1'044
Acquisition of subsidiaries	-	-	-	41'273	-	-	41'273	45'971	87'244
Purchase of minority interests	-	-	-	-	-	(38)	(38)	(47)	(85)
Purchase of treasury shares	-	-	(12'105)	-	-	-	(12'105)	-	(12'105)
Sale of treasury shares	-	(278)	12'201	-	-	-	11'923	-	11'923
Currency translation differences	-	-	-	-	(161)	-	(161)	-	(161)
Balance at 31 December 2014	71'981	232'249	(248)	(44'626)	(151)	11'251	270'456	48'746	319'202

Consolidated Cash Flow Statement

(In thousands of CHF)	2014	2013
Profit for the period	6'118	8'675
Minority interests	131	(1'698)
Changes in provisions (incl. deferred taxes)	(2'997)	(2'670)
Depreciation and amortisation	37'312	33'828
Gain from sale of tangible assets	(35)	-
Share of (profit) / loss of equity accounted investees	(214)	161
Change in contribution reserve and other non-cash items	(209)	(1'809)
Cash flow from operating activities before changes in working capital	40'106	36'487
Change in trade receivables	7'766	(4'320)
Change in inventories	(194)	(1'024)
Change in other receivables and prepaid expenses	(15'558)	(14'948)
Change in trade payables	(10'757)	9'677
Change in other liabilities and accrued expenses	(2'732)	15'802
Cash flow from operating activities	18'631	41'675
Purchase of fixed assets	(56'134)	(148'611)
Disposal of fixed assets	1'509	-
Purchase of intangible assets	(2'867)	(2'193)
Acquisition of subsidiary, net of cash acquired	(43'235)	(48'616)
Change in financial assets and loans to associates	65	(1'562)
Cash flow used in investing activities	(100'661)	(200'982)
Distribution to shareholders	(7'826)	(3'755)
Proceeds from issuance of share capital, net of costs	1'044	46'060
Proceeds from issuance of bond	145'000	100'000
Sale / (purchase) of treasury shares	(4'058)	(12'871)
Change in minority interests	(85)	-
Change in short-term financial liabilities	(58'410)	8'277
Change in long-term financial liabilities	26'196	41'281
Change in other long-term liabilities and borrowings	(310)	(280)
Cash flow from financing activities	101'552	178'712
Currency translation effect on cash and cash equivalents	(13)	(135)
Change in cash and cash equivalents	19'509	19'269
Cash and cash equivalents at beginning of the period	29'065	9'796
Cash and cash equivalents at the end of the period	48'574	29'065

Notes to the Consolidated Financial Statements

1. General information

AEVIS Holding SA (hereafter “The Company”) has its registered and principal offices at rue Georges-Jordil 4, 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, healthcare and hotels.

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 April 28, 2015. Final approval is subject to acceptance by the annual general meeting of shareholders on June 29, 2015.

3. Accounting policies

3.1 Consolidation

The consolidated financial statements of the Company for the year ended 31 December 2014 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 net assets of a newly acquired company are measured at fair values at the date of acquisition. Any difference between purchase price and net assets is offset with equity. In an acquisition achieved in stages (step acquisition), the difference between purchase price and net assets is determined on each separate transactions at the

corresponding acquisition date. 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

The consolidated financial statements are presented in Swiss francs (CHF). 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 the income statement. Financial statements of subsidiaries reporting in foreign currencies are translated into Swiss francs (CHF) during consolidation process using year-end rates for balance sheet items, historical rates for equity and average rates of the year for income and cash flow statements. The translation differences are recognised in equity. Exchange differences arising from long-term intercompany loans with an equity character are booked to equity.

3.3 Income statement

3.3.1 Revenue

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

3.3.2 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.

3.3.3 Income taxes

Income taxes comprise current and deferred taxes. Current taxes are the expected tax payables on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payables in respect of previous years.

Deferred taxes are 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 taxes are 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.

3.4 Balance sheet

3.4.1 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

3.4.2 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.

3.4.3 Inventories

Inventories 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.

3.4.4 Fixed assets

Building position includes the building structure (roof, building facade, structure and basic installation such as heating) while all interior are included in leasehold improvements. Lands are not depreciated. 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 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 are as follows:

- Building 67–100 years
- Machinery and equipment 5–10 years
- Furniture 5–10 years
- Vehicles 4–8 years
- Leasehold improvements are 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.

3.4.5 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 10 years).

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

3.4.6 Intangible assets

Intangible assets include IT software, internet websites, trademarks and other intangible assets issued from acquisitions. Intangible assets are amortised over their estimated useful lives (3 to 15 years). Amortisation is recognised in income statement on a straight-line basis.

3.4.7 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.

3.4.8 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.

3.4.9 Trade and other payables

Trade and other payables are recognised at nominal value.

3.4.10 Financial liabilities and other borrowings

Financial liabilities and other borrowings are recognised at nominal value. Transaction costs are recognised in the income statement over the fixed period of the loans or borrowings. Financial liabilities and other borrowings are classified as short-term liabilities when payable or renewable within 12 months.

3.4.11 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.

3.4.12 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.

3.5 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.

3.5.1 Change in accounting method

During 2014, the Group has re-evaluated the useful life of certain intangible assets. Based on the results the Group decided to increase the useful economic life of the re-evaluated intangible asset categories. The calculations for the evaluation of the intangible assets were made by an independent third party using the discounted cash-flow method. The change has an impact in the consolidated income statement of CHF 3.3 million.

During 2013, the Group was given the opportunity to acquire several medical leased machineries, at the end of the lease contract. These contracts were previously considered as operating leases. Thus, the Group reclassified these leasing in finance leases. The change was accounted for prospectively and the positive effect in 2013 is CHF 1.1 million, mainly due to the difference between the length of the lease contract (4 to 5 years) and the estimated useful lives of medical machinery (7 to 8 years).

3.6 Changes in scope of consolidation

The following changes to the scope of consolidation took place in 2014:

ENTITY	EVENT / DATE	CAPITAL SHARE 31.12.2014	CAPITAL SHARE 31.12.2013
Schmerzklinik Basel AG	Acquired on 01.01.2014	100.00%	-
Victoria-Jungfrau Collection AG (Holding)	Public tender offer executed on 01.04.2014	71.17%	-
Genolier Swiss Visio Network SA	Partially acquired on 01.07.2014	80.00%	-
IRJB Institut de Radiologie du Jura Bernois SA	Established on 11.07.2014	51.00%	-
Swiss Stem Cell Science SA	Established on 22.12.2014	70.00%	-
Laboratoires Genolier SA	Increase in participation on 28.10.2014	84.00%	33.33%
AS Ambulances Services SA	Increase in participation during 2014	93.40%	79.60%
Clinique médico-chirurgicale de Valère SA	Increase in participation during 2014	92.30%	86.90%
Patrimonium Healthcare Property Advisors AG	Partially acquired on 01.07.2014	50.00%	-
NESCENS SA	Increase in participation on 28.10.2014	36.17%	33.00%
SAV-IOL SA	Sold on 01.07.2014	-	20.00%

The Victoria Jungfrau Collection AG is a holding company and the group consists of several subsidiaries. For further information see note 31.

4. Net revenue and other revenue

(In thousands of CHF)	2014	2013
Private clinics	396'240	378'511
Hotels	61'062	-
Other healthcare and wellness activities	22'734	18'725
Real estate revenues	31'749	29'670
Net revenue of the segments	511'785	426'906
Inter-segment transactions (mainly related to operating rent)	(32'094)	(29'335)
Reversal negative goodwill*	1'000	3'600
Corporate	4'196	1'281
Net consolidated revenue of the Group	484'887	402'452

* An amount of CHF 1.0 million (2013: CHF 3.6 million) of other revenue relates to the partial reversal of the provision for negative goodwill, which was set up at the date of acquisition (see note 20).

5. Personnel expenses

(In thousands of CHF)	2014	2013
Salaries and wages	187'072	150'973
Social security expenses	18'951	16'232
Pension expenses	10'341	8'587
Other personnel expenses	2'816	2'193
Total personnel expenses	219'180	177'985
Number of employees		
Full Time Equivalents at year end	2'513	1'858

6. Other operating expenses

(In thousands of CHF)	2014	2013
Administrative expenses	20'751	14'815
Marketing expenses	13'085	9'997
Rental expenses	11'444	7'512
Maintenance expenses	29'539	24'662
Energy expenses	6'950	5'503
Other expenses	10'413	10'325
Total other operating expenses	92'182	72'814

7. Financial result

(In thousands of CHF)	2014	2013
Interest income	816	700
Other financial income	177	-
Total financial income	993	700
Interest expenses	(20'042)	(14'485)
Other financial expenses	(1'453)	(1'540)
Total financial expenses	(21'495)	(16'025)
Financial result	(20'502)	(15'325)

The increase in interest expenses compared to previous year's figures, is related to the increase in mortgage loans due to acquisition of subsidiaries and real estate properties and to the bonds issued by the Company (see note 18).

8. Extraordinary result

(In thousands of CHF)	2014	2013
Legal cases related to previous years	(861)	(123)
Others	(555)	-
Extraordinary result	(1'416)	(123)

During 2014, the Group received additional invoices for an amount of CHF 0.3 million (2013: CHF 0.5 million) related to the legal case of 2010. Moreover, following several court decisions rendered in 2014, an additional amount of CHF 0.6 million (2013: nil) was booked as extraordinary expense. The Group has filed countersuits in order to obtain indemnity and to cover the occurred costs.

The other items in the extraordinary result mainly consist of a loss from phishing which occurred in one of the groups subsidiaries. As a result the Group has reassessed its internal control system and implemented new controls to prevent such an event in the future.

9. Income taxes

(In thousands of CHF)	2014	2013
Current taxes	(2'711)	(4'766)
Deferred taxes	2'573	425
Total income taxes	(138)	(4'341)

10. Trade receivables

(In thousands of CHF)	2014	2013
Third parties	103'842	105'894
Other related parties	3	-
Allowance for doubtful receivables	(4'923)	(5'075)
Total trade receivables	98'922	100'819

11. Other receivables

(In thousands of CHF)	2014	2013
Third parties	21'406	7'850
Associates	1'717	-
Shareholders	16'729	14'407
Other related parties	1'380	1'335
Total other receivables	41'232	23'592

12. Inventories

(In thousands of CHF)	2014	2013
Medical supplies	10'424	10'557
Pharmaceutical products	2'907	1'892
Hotel and restaurant goods	1'899	391
Other inventories	1'259	1'160
Total inventories	16'489	14'000

13. Fixed assets

(In thousands of CHF)	LANDS AND BUILDINGS	MEDICAL MACHINERY AND EQUIPMENT	LEASE-HOLD IMPROVEMENTS	UNDER CONSTRUCTION	OTHERS	TOTAL
Cost						
Balance at 1 January 2013	428'482	109'462	143'990	9'384	3'068	694'386
Change in scope of consolidation	50'265	8'776	34'794	-	18	93'853
Additions	109'305	17'471	9'396	12'986	611	149'769
Disposals	-	(7'971)	(461)	-	(130)	(8'562)
Reclassifications	(1'077)	(50)	23'725	(17'577)	-	5'021
Translation adjustments	-	18	152	-	-	170
Balance at 31 December 2013	586'975	127'706	211'596	4'793	3'567	934'637
Change in scope of consolidation	176'215	14'584	114'768	735	16	306'318
Additions	24'754	18'823	6'088	13'966	956	64'587
Disposals	(740)	(8'323)	-	-	(508)	(9'571)
Reclassifications	17'841	252	(6'947)	(9'105)	516	2'557
Translation adjustments	-	(27)	(138)	(1)	-	(166)
Balance at 31 December 2014	805'045	153'015	325'367	10'388	4'547	1'298'362
Accumulated depreciation						
Balance at 1 January 2013	2'030	79'901	37'130	-	1'368	120'429
Change in scope of consolidation	21	4'459	1'283	-	5	5'768
Depreciation for the year	5'286	11'584	12'137	-	653	29'660
Disposals	-	(7'971)	(461)	-	(130)	(8'562)
Reclassification	-	(19)	5'040	-	-	5'021
Translation adjustments	-	(1)	(1)	-	-	(2)
Balance at 31 December 2013	7'337	87'953	55'128	-	1'896	152'314
Change in scope of consolidation	15'961	10'612	75'554	-	16	102'143
Depreciation for the year	7'050	12'341	13'549	-	793	33'733
Disposals	(12)	(7'303)	-	-	(375)	(7'690)
Reclassification	1'739	(121)	978	-	51	2'647
Translation adjustments	-	(12)	(11)	-	-	(23)
Balance at 31 December 2014	32'075	103'470	145'198	-	2'381	283'124
Carrying amounts						
At 31 December 2013	579'638	39'753	156'468	4'793	1'671	782'323
At 31 December 2014	772'970	49'545	180'169	10'388	2'166	1'015'238
Net book value of leased equipment						
At 31 December 2013		15'203			1'479	16'682
At 31 December 2014		18'003			1'954	19'957
Fire insurance value						
At 31 December 2013						726'739
At 31 December 2014						1'105'605

14. Intangible assets

(In thousands of CHF)	TRADEMARKS	SOFTWARE AND OTHER INTANGIBLE ASSETS	TOTAL
Cost			
Balance at 1 January 2013	11'675	5'439	17'114
Change in scope of consolidation	3'161	3'815	6'976
Additions	-	2'193	2'193
Disposals	-	(75)	(75)
Translation adjustments	-	12	12
Balance at 31 December 2013	14'836	11'384	26'220
Change in scope of consolidation	1'434	5'338	6'772
Additions	-	2'867	2'867
Disposals	-	(59)	(59)
Reclassifications	-	1'472	1'472
Translation adjustments	-	(15)	(15)
Balance at 31 December 2014	16'270	20'987	37'257
Accumulated amortisation			
Balance at 1 January 2013	2'335	1'987	4'322
Change in scope of consolidation	-	-	-
Amortisation for the year	2'793	1'375	4'168
Disposals	-	(75)	(75)
Translation adjustments	-	-	-
Balance at 31 December 2013	5'128	3'287	8'415
Change in scope of consolidation	47	548	595
Amortisation for the year	821	2'758	3'579
Disposals	-	(59)	(59)
Reclassifications	-	1'382	1'382
Translation adjustments	-	(1)	(1)
Balance at 31 December 2014	5'996	7'915	13'911
Carrying amounts			
At 31 December 2013	9'708	8'097	17'805
At 31 December 2014	10'274	13'072	23'345

15. Financial assets

(In thousands of CHF)	2014	2013
Equity accounted investees	3'170	4'470
Loan to associates	-	-
Employer contribution reserves	1'396	1'251
Other financial assets	4'190	1'637
Deferred tax assets	13'991	10'992
Total financial assets	22'747	18'350

Equity accounted investees are disclosed net of share losses of CHF 1.0 million (2013: CHF 1.4 million) for which the Group has no obligation. Additionally, goodwill has been directly offset with equity at the amount of CHF 2.2 million (2013: CHF 3.6 million).

Loans to associates are fully depreciated. The gross value of the loans amounts to CHF 2.2 million (2013: CHF 3.1 million).

The Group did not recognise deferred tax assets of CHF 3.6 million (2013: CHF 3.9 million) relating to unused tax losses amounting to CHF 17.1 million (2013: CHF 17.3 million) because it is not likely that future taxable profits will be available against which the Group can offset tax losses. The applicable average tax rate of the Group is 22% (prior year 22%).

16. Trade payables

(In thousands of CHF)	2014	2013
Third parties	66'121	72'822
Associates	419	-
Other related parties	25	868
Total trade payables	66'565	73'690

17. Other liabilities

(In thousands of CHF)	2014	2013
Third parties	32'214	25'484
Associates	368	-
Total other liabilities	32'582	25'484
of which short-term	20'390	12'900
Long-term	12'192	12'584

18. Financial liabilities

(In thousands of CHF)	2014	2013
Bank overdrafts	212	53'790
Current portion of bank loans	29'803	2'214
Financial leases current	6'675	4'847
Current portion of mortgage loans*	101'296	150'816
Total short-term financial liabilities	137'986	211'667
Bank loans	2'271	27'714
Financial leases non-current	6'360	4'622
Mortgage loans	244'991	132'237
Bond issued by the company	325'000	180'000
Total long-term financial liabilities	578'622	344'573

* Mortgage loans are classified as short-term when payable or renewable within 12 months, even if they are concluded for an indefinite term with notice periods from 3 to 12 months.

As a guarantee for bank overdrafts, the Group pledged trade receivables for an amount of CHF 53.4 million as at 31 December 2014 (2013: CHF 57.8 million). Mortgage loans are secured by real estate, pledged for an amount of CHF 773.0 million (2013: CHF 579.6 million). The information about the bonds issued by AEVIS Holding SA is detailed in the table below:

	AEV12	AEV13	AEV14
Bond type	Fixed rate	Fixed rate	Fixed rate
Nominal amount	CHF 80.0 million	CHF 100.0 million	CHF 145.0 million
Securities number	CH0187896698	CH0214926096	CH0240109592
Interest rate	4.25%	3.50%	2.75%
Term	03.08.2012 to 03.08.2016	02.07.2013 to 02.07.2018	04.06.2014 to 04.06.2019
Maturity	03.08.2016 at par value	02.07.2018 at par value	04.06.2019 at par value

19. Accrued expenses and deferred income

(In thousands of CHF)	2014	2013
Accrued personnel expenses	9'214	5'510
Accrued tax expenses	3'514	4'412
Deferred income	1'592	861
Other accrued expenses	17'922	21'150
Total accrued expenses and deferred income	32'242	31'933

The accrued personnel expenses include pension plan liabilities (contributions) at the amount of CHF 1.5 million (2013: CHF 0.9 million).

20. Provisions

(In thousands of CHF)	DEFERRED TAX LIABILITIES	LEGAL OBLIGA- TIONS	NEGATIVE GOODWILL	OTHERS	TOTAL
Balance at 1 January 2013	55'080	2'361	-	385	57'826
Change in scope of consolidation	7'244	-	4'600	950	12'794
Additions	8'251	-	-	-	8'251
Utilisation	-	(110)	-	(117)	(227)
Reversals	(5'854)	(295)	(3'600)	(945)	(10'694)
Balance at 31 December 2013	64'721	1'956	1'000	273	67'950
<i>Of which short-term</i>	-	1'500	1'000	273	2'773
<i>Long-term</i>	64'721	456	-	-	65'177
Change in scope of consolidation	34'831	-	-	-	34'831
Additions	1'664	46	-	-	1'710
Utilisation	-	(1'419)	-	(60)	(1'479)
Reversals	(2'189)	(21)	(1'000)	(18)	(3'228)
Translation adjustments	(8)				(8)
Balance at 31 December 2014	99'019	562	-	195	99'776
<i>Of which short-term</i>	-	180	-	195	375
<i>Long-term</i>	99'019	382	-	-	99'401

The provisions for the legal obligations were discounted at an interest rate of 2.5%.

21. Equity

At 31 December 2014, the share capital of CHF 72.0 million (2013: 71.7 million) consists of 14'396'295 fully paid-up registered shares (2013: 14'339'845) of par value CHF 5 each. The legally non-distributable reserves of the Company amount to CHF 27.9 million (2013: CHF 30.7 million).

Information regarding authorised and conditional capital is mentioned under section 2.2 of the corporate governance report. The significant shareholders are mentioned under section 1.2 of the corporate governance report.

21.1 Treasury shares

	NUMBER OF SHARES 2014	NUMBER OF SHARES 2013	in thousands of CHF	
			2014	2013
Balance at 1 January	10'267	123'800	344	3'428
Purchase of treasury shares	347'004	556'270	12'105	17'565
Sale of treasury shares	(351'392)	(669'803)	(12'201)	(20'649)
Balance at 31 December	5'879	10'267	248	344

In 2014, the group purchased 347'004 treasury shares at an average price of CHF 34.88 per share (2013: 556'270 at CHF 31.58) and sold 351'392 shares at an average price of CHF 34.57 (2013: 669'803 at CHF 31.80).

22. Non-cancellable operating leases

(In thousands of CHF)	2014	2013
Less than one year	10'585	3'982
Between one and three years	15'884	7'309
More than three years	72'986	50'943
Total non-cancellable operating lease rentals	99'455	62'234

The non-cancellable lease rentals are mainly related to the third party buildings in which some group entities are operating. The increase compared to previous year is mostly due to the change in scope of consolidation.

23. Capital commitments

The Group has commitments to complete leasehold improvements and to purchase equipment for a total amount of CHF 24.1 million as at 31 December 2014 (2013: CHF 13.3 million). The Company is also committed to purchase 220'000 of its own shares in April 2015, for a partial purchase consideration to be paid with treasury shares.

24. Contingent liabilities

As part of the introduction on 1 January 2012 of the new Swiss Health Insurance Act, providers and insurers have to negotiate a baserate and submit it to the state (canton) authority for confirmation. For now, some states did not yet confirm the definitive baserate and the federal price supervisor has been consulted. Therefore, in some of the listed hospitals of the Group, part of the invoices are based on a provisional baserate published by the state or on a non-confirmed baserate. Due to these uncertainties, the Group is not able to assess with sufficient reliability the impact on its financial statements of such final decisions regarding the DRGs' prices but, based on its experience in those cantons where baserates are definitive, is confident that the provisional rates used in 2012 will not materially differ from the final baserates to be applied. Therefore no provisions were set up.

25. Transactions with related parties

Business transactions with related parties are based on arm's length conditions. All transactions are reported in the consolidated financial statements for 2014 and 2013.

The corresponding receivables and payables are reported separately in the respective notes to the consolidated financial statements (see notes 10, 11, 16 and 17).

(In thousands of CHF)	2014	2013
Transactions with associates		
Net revenue	1'118	-
Other operating expenses	1'762	-
Transactions with shareholders		
Financial income	561	570
Transactions with other related parties		
Net revenue	66	-
Other operating expenses	1'214	2'306
Financial income	45	46

Patrimonium Healthcare Property Advisors AG (PHPA) became an associated company in 2014. Beforehand, it was controlled by significant shareholders of AEVIS. In 2014 transactions with PHPA are thus reported as transactions with associates, whereas in 2013, they were reported as transactions with other related parties.

26. Acquisition of subsidiaries

The acquisitions made in 2014 were 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 (see note 3.6).

(In thousands of CHF)	2014	2013
Cash and cash equivalents	33'546	2'120
Other current assets	12'607	14'077
Fixed assets	204'175	88'084
Intangible assets	6'177	6'976
Other non-current assets	4'481	2'963
Assets	260'986	114'220
Short-term financial liabilities	17'947	3'641
Other current liabilities	13'250	10'440
Long-term financial liabilities	22'385	8'463
Other non-current liabilities	3'737	8'774
Provisions	34'831	12'794
Liabilities	92'150	44'112
Total net assets acquired	168'836	70'108

27. Goodwill

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

(In thousands of CHF)	2014	2013
Cost		
Balance at 1 January	117'190	110'141
Additions through business combinations	7'823	7'049
Disposals	-	-
Balance at 31 December	125'013	117'190
Accumulated amortisation		
Balance at 1 January	102'092	95'689
Amortisation for the year (5 years)	6'220	6'403
Disposals	-	-
Impairments	-	-
Balance at 31 December	108'312	102'092
Carrying amounts		
At 31 December	16'701	15'098

Impact on net earnings and balance sheet:

(In thousands of CHF)	2014	2013
Profit for the period	6'118	8'675
Amortisation of the goodwill	(6'220)	(6'403)
Impairment of the goodwill	-	-
Net earnings with capitalised goodwill	(102)	2'272
Equity including minority interests	319'202	232'919
Capitalised goodwill	16'701	15'098
Equity with capitalised goodwill	335'904	248'017

28. Pension plan institutions

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

EMPLOYER CONTRIBUTION RESERVE - ECR (in thousands of CHF)	NOMINAL VALUE ECR	WAIVER OF USAGE	BALANCE SHEET	CHANGE IN 2014	BALANCE SHEET	RESULT FROM ECR IN PERSONNEL EXPENSES		CHANGE IN SCOPE OF CONSOLIDATION
	31.12.2014	31.12.2014	31.12.2014		31.12.2013	2014	2013	2014
Pension institutions	886	-	886	-	746	3	-	137
Pension institutions without surplus / deficit	510	-	510	-	505	5	-	-
Total	1'396	-	1'396	-	1'251	8	-	137

ECONOMICAL BENEFIT / OBLIGATION AND PENSION BENEFIT EXPENSES (in thousands of CHF)	SURPLUS / DEFICIT		ECONOMICAL PART OF THE ORGANISATION	CHANGE TO PRIOR YEAR OR RECOGNISED IN THE CURRENT RESULT OF THE PERIOD	CONTRIBUTIONS CONCERNING THE BUSINESS PERIOD*	PENSION BENEFIT EXPENSES WITHIN PERSONNEL EXPENSES	
	31.12.2014	31.12.2014	31.12.2013			2014	2013
Pension institutions	-	-	-	-	-	9'276	7'811
Pension institutions without surplus / deficit	-	-	-	-	-	1'065	776
Total	-	-	-	-	-	10'341	8'587

* Including result from employer contribution reserves

29. Subsequent events

On January 13, 2015, AS Ambulance Services SA acquired 100% of the ambulance services company Ambulances Odier SA in Geneva (canton Geneva).

On January 22, 2015, Swiss Healthcare Properties SA acquired a building in Clarens (canton Vaud). The building, which currently has a rental surface of 3'470 m², will be renovated and enlarged until 2016. The new rental surface will then be 7'566 m².

On February 18, 2015, Genolier Swiss Medical Network SA acquired the remaining 20% minority stake of GSMN Zürich AG and now holds 100% of the registered shares.

In March 2015, GSMN Zürich AG was merged into GSMN Vaud SA which was then renamed to GSMN Suisse SA with retroactive effect from 30.09.2014.

On March 30, 2015, GSMN Neuchâtel SA, a subsidiary of Genolier Swiss Medical Network SA, acquired 100% of Montbrillant SA, which holds the private Clinique Montbrillant in La Chaux-de-Fonds (canton Neuchâtel). The clinic is mainly specialised in orthopaedics, ophthalmology, gynaecology and general surgery.

30. Risk assessment disclosure

The Senior management proceeds to an annual review of the risks and protection measures. Risk assessment is reviewed by the Executive Committee, discussed in the audit committee and approved by the Board of Directors.

31. List of Group companies

NAME	LOCATION	ACTIVITY		% 2014	% 2013
AEVIS Holding SA	Fribourg	Holding company	a)	100.0	100.0
Genolier Swiss Medical Network SA	Genolier	Holding company of private clinics division	a)	100.0	100.0
Private clinics					
GSMN Suisse SA (formerly GSMN Vaud SA) ¹⁾	Genolier	Clinics	a)	100.0	100.0
GSMN Zürich AG (merged) ¹⁾	Zurich	Clinics	a)	80.0	80.0
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
Privatklinik Obach AG	Solothurn	Clinic	a)	100.0	100.0
Ars Medica Clinic SA	Gravesano	Clinic	a)	100.0	100.0
Salus Medica Clinic SA	Sorengo	Clinic	a)	100.0	100.0
Klinik Pyramide am See AG	Zurich	Clinic	b)	20.0	20.0
GSMN Neuchâtel SA	Neuchâtel	Clinic	a)	100.0	100.0
Klinik Villa im Park AG	Rothrist	Clinic	a)	100.0	100.0
Schmerzlinik Basel AG	Basel	Clinic	a)	100.0	-
Clinique médico-chirurgicale de Valère SA	Sion	Clinic	a)	92.3	86.9
Other healthcare and wellness activities					
Les Hauts de Genolier SA	Genolier	Patient hotel	a)	100.0	100.0
Société Clinique Spontini SAS	Paris	Aesthetic clinic in France	a)	100.0	100.0
AS Ambulances Services SA	Geneva	Ambulance services	a)	93.4	79.6
IRP Institut de Radiologie Providence SA	Neuchâtel	Radiology institute	a)	51.0	51.0
IRJB Institut de Radiologie du Jura Bernois SA	Saint-Imier	Radiology institute	a)	51.0	-
Laboratoires Genolier SA	Genolier	Cosmetics	a)	84.0	33.3
Genolier Swiss Visio Network SA	Genolier	Ophthalmology	a)	80.0	-
Swiss Stem Cell Science SA	Fribourg	Stem Cells	a)	70.0	-
NESCENS SA	Genolier	Better-aging	b)	36.2	33.0
SAV-IOL SA	Hauterive	Ophthalmology	b)	-	20.0
Real estate and hotels					
Swiss Healthcare Properties AG ²⁾	Fribourg	Healthcare real estate	a)	100.0	100.0
Immobiliare Villa Anna SA ²⁾	Sorengo	Healthcare real estate	a)	-	100.0
Clinique de Valère Immobilière SA ²⁾	Sion	Healthcare real estate	a)	-	100.0
Patrimonium Healthcare Property Advisors AG	Baar	Real estate management	b)	50.0	-
SHI Swiss Hotels Investments S.A.	Fribourg	Hotel investments	a)	100.0	100.0
Victoria-Jungfrau Collection AG	Interlaken	Holding company of hotels	a)	71.2	-
VJC-Management AG	Interlaken	Management company	a)	71.2	-
Grand Hotel Victoria-Jungfrau AG	Interlaken	Hotel	a)	71.2	-
Palace Hotel Luzern AG	Luzern	Hotel	a)	71.2	-
Hotel Eden au Lac AG	Zurich	Hotel	a)	71.2	-
Hotel Bellevue Palace AG	Bern	Hotel	a)	71.2	-
Park Résidence AG	Interlaken	Real estate	a)	71.2	-
Swiss Hospitality Properties AG	Interlaken	Real estate	a)	71.2	-
Publishing					
Publications Financières LSI SA	Geneva	Publishing (dormant)	a)	100.0	100.0
AGEFI, Société de l'Agence Economique et Financière S.A.	Lausanne	Publishing	b)	49.0	49.0
Agefi Com SA	Geneva	Publishing (dormant)	b)	49.0	49.0
Academy & Finance SA	Geneva	Organisation of seminars	b)	22.5	22.5

a) Fully consolidated

b) Equity method

¹⁾ GSMN Zürich AG was merged in March 2015 into GSMN Vaud SA which was then renamed to GSMN Suisse SA with retroactive effect from 30.09.2014.

²⁾ Immobiliare Villa Anna SA and Clinique de Valère Immobilière SA were merged into Swiss Healthcare Properties AG with effect from 01.01.2014.

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF AEVIS HOLDING SA, FRIBOURG

Report of the Statutory Auditor on the Consolidated Financial Statements

As statutory auditor, we have audited the accompanying consolidated financial statements of AEVIS Holding SA, which comprise the consolidated balance sheet as at 31 December 2014 and the consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and notes to the consolidated financial statements presented on pages 70 to 93 for the year then ended.

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 2014 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



Gregor WRZOSOWSKI

Licensed Audit Expert
Auditor in charge



Gregory GRIEB

Licensed Audit Expert

Geneva, 30 April 2015

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STATUTORY
FINANCIAL
STATEMENTS OF
AEVIS HOLDING SA

Statutory Balance Sheet

(in thousands of CHF)	NOTES	31.12.2014	31.12.2013
Assets			
Cash and cash equivalents		1'796	13'669
Marketable securities – treasury shares		248	341
Accounts receivable from third parties		8'053	4'829
Account receivable from shareholders and related parties	3	15'627	14'823
Prepaid expenses		5'226	4'687
Total current assets		30'950	38'349
Investments, net	2	108'040	35'329
Loans to subsidiaries and associates	3.1	349'494	275'882
Equipment		32	-
Intangible assets		7	17
Total non-current assets		457'574	311'228
Total assets		488'524	349'577
Liabilities and shareholders' equity			
Current portion of bank loans and other borrowings		500	1'267
Accounts payable		698	1'314
Accounts payable to subsidiaries		-	25
Accrued expenses		6'142	3'959
Total current liabilities		7'340	6'565
Bank loans and other borrowings		-	14'850
Loans from subsidiaries		12'000	-
Bonds issued by the Company		325'000	180'000
Total non-current liabilities		337'000	194'850
Total liabilities		344'340	201'415
Shareholders' equity			
Share capital		71'981	71'699
General statutory reserve:		85'195	92'163
Thereof general reserve		83	83
Thereof capital contribution reserve		85'112	92'080
Reserve for treasury shares		248	344
Thereof capital contribution reserve		248	344
Accumulated deficit		(13'240)	(16'044)
Total shareholders' equity		144'184	148'162
Total liabilities and shareholders' equity		488'524	349'577

Statutory Income Statement

(in thousands of CHF)	NOTES	2014	2013
Dividend income		6'380	8'000
Financial income		9'792	6'169
Services and other income		185	46
Total income		16'357	14'215
General and administrative expenses		(1'613)	(1'062)
Depreciation on investments and loans		(740)	(2'640)
Financial expenses		(11'201)	(6'268)
Total expenses		(13'554)	(9'970)
Net income for the year		2'804	4'245

Statutory Shareholders' equity

(In thousands of CHF)	SHARE CAPITAL	GENERAL STATUTORY RESERVE		RESERVE FOR TREASURY SHARES THEREOF CAPITAL CONTRIBUTION RESERVE	ACCU-MULATED DEFICIT	TOTAL
		GENERAL RESERVE	CAPITAL CONTRIBUTION RESERVE			
Balance at 1 January 2013	63'733	83	54'657	3'428	(20'289)	101'612
Profit for the year	-	-	-	-	4'245	4'245
Distribution from capital contribution reserve	-	-	(3'755)	-	-	(3'755)
Capital increase	7'966	-	38'094	-	-	46'060
Change of reserve for treasury shares	-	-	3'084	(3'084)	-	-
Balance at 31 December 2013	71'699	83	92'080	344	(16'044)	148'162
Profit for the year	-	-	-	-	2'804	2'804
Distribution from capital contribution reserve	-	-	(7'826)	-	-	(7'826)
Capital increase	282	-	762	-	-	1'044
Change of reserve for treasury shares	-	-	96	(96)	-	-
Balance at 31 December 2014	71'981	83	85'112	248	(13'240)	144'184

Notes to the Statutory Financial Statements

1. Introduction

The financial statements of AEVIS Holding 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 2014 amount to CHF 3.5 million (2013: CHF 2.8 million).

At year end, the company owned the following investments:

Name	Location	Activity	2014 %	2014 share capital in thousand	2013 %	2013 share capital in thousand
Genolier Swiss Medical Network SA	Genolier	Holding company of private clinics division	100.0	CHF 100	100.0	CHF 100
Swiss Healthcare Properties SA	Fribourg	Healthcare real estate	100.0	CHF 10'000	100.0	CHF 200
Les Hauts de Genolier SA	Genolier	Patient hotel	100.0	CHF 200	100.0	CHF 200
Société Clinique Spontini SAS	Paris	Aesthetic clinic in France	100.0	EUR 2'000	100.0	EUR 2'000
Publications Financières LSI SA	Geneva	Publishing (dormant)	100.0	CHF 100	100.0	CHF 100
SHI Swiss Hotels Investments S.A.	Fribourg	Hotel investments	100.0	CHF 200	100.0	CHF 200
AS Ambulances Services SA	Geneva	Ambulance services	93.4	CHF 500	79.6	CHF 500
Victoria-Jungfrau Collection AG	Interlaken	Holding company of hotels	71.2	CHF 28'000	-	-
Swiss Stem Cell Science SA	Fribourg	Stem Cells	70.0	CHF 100	-	-
Patrimonium Healthcare Property Advisors AG	Baar	Real estate management	50.0	CHF 100	-	-
AGEFI, Société de l'Agence Economique et Financière S.A.	Lausanne	Publishing	49.0	CHF 665	49.0	CHF 665
Agefi Com SA	Geneva	Publishing (dormant)	49.0	CHF 200	49.0	CHF 200
Laboratoires Genolier SA	Genolier	Cosmetics	84.0	CHF 867	33.3	CHF 167
NESCENS SA	Genolier	Better-aging	36.2	CHF 300	33.0	CHF 300
Academy & Finance SA	Geneva	Organisation of seminars	22.5	CHF 250	22.5	CHF 250
SAV-IOL SA	Hauterive	Ophthalmology	-	-	20.0	CHF 199

3. Accounts receivable from shareholders and related parties

At 31 December 2014, a total amount of CHF 15.6 million (2013: CHF 14.8 million) was due to the Company by respectively the shareholders for an amount of CHF 14.4 million (2013: CHF 3.4 million) and by related parties for CHF 1.2 million (2013: 11.4 million).

3.1 Loans to subsidiaries and associates

Loans to associates are presented at 31 December 2014 net of an allowance of CHF 2.2 million (2013: CHF 3.5 million). Loans to subsidiaries include subordinated loans amounting to CHF 282.6 million (2013: CHF 166.6 million).

4. Authorised and conditional capital

Information regarding authorised and conditional capital is mentioned in section 2.2 of the Corporate Governance Report.

5. Treasury shares

Information regarding treasury shares is mentioned in note 21.1 of the Swiss GAAP FER consolidated financial statements.

6. Significant shareholders

Information regarding significant shareholders is mentioned under section 1.2 of the Corporate Governance Report.

7. Commitments and contingent liabilities

The Company is committed to provide certain subsidiaries with sufficient funds to cover potential lack of liquidity. At 31 December 2014, the total commitments amounted to CHF 8.3 million (2013: CHF 8.8 million). The Company is also committed to purchase 220'000 of its own shares in April 2015, for a partial purchase consideration to be paid with treasury shares.

The Company pledged the shares of Genolier Swiss Medical Network SA for a total amount of CHF 0.1 million (2013: CHF 0.1 million) as a guarantee for bank loans of CHF 25.0 million (2013: CHF 25.0 million).

8. Additional information requested by the Swiss Code of Obligations

8.1 Annual remuneration of the Board of Directors

Information regarding annual remuneration of the Board of Directors is mentioned under section 2.2 of the Compensation Report 2014.

8.2 Loans to members of the Board of Directors

Information regarding loans to members of the Board of Directors is mentioned under section 2.4.1 of the Compensation Report 2014.

8.3 Annual remuneration of the Senior Management

Information regarding annual remuneration of the Senior Management is mentioned under section 3.2 of the Compensation Report 2014.

8.4 Share and stock options ownership

Information regarding share and stock options ownership is mentioned under section 2.3 and 3.3 of the Compensation Report 2014.

8.5 Other compensations and loans

Except the above mentioned compensations and loans, no other compensations such as non-cash benefits, severance payments or other special remunerations were made and no other loans were granted to members of the Board of Directors and the Senior Management during the current and the previous year. Additionally no compensations that were not at arm's length were paid to current or former members of the Board of Directors and the Senior Management nor to any persons affiliated with them.

9. Bonds issued by the Company

Information regarding bonds issued by the Company is mentioned in note 18 of the Swiss GAAP FER consolidated financial statements.

10. Risk assessment disclosure

AEVIS Holding 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 AEVIS Holding SA are also covered by this risk analysis.

Proposed appropriation of retained earnings

The Board of Directors proposes to the Annual General Meeting of Shareholders to approve following appropriation of accumulated deficit:

(in thousands of CHF)	2014	2013
Accumulated deficit carried forward	(16'044)	(20'289)
Profit of the year	2'804	4'245
Reclassification and change of reserve for treasury shares	-	-
Accumulated deficit at year-end to be carried forward	(13'240)	(16'044)

Proposed distribution from capital contribution reserve

The Board of Directors proposes to the Annual General Meeting of Shareholders the distribution of CHF 0.55 (2013: CHF 0.55) per share from capital contribution reserve.

(in thousands of CHF)	2014	2013
Capital contribution reserve before proposed distribution ¹⁾	85'360	92'424
Distribution from capital contribution reserve ²⁾	(7'915)	(7'826)
Capital contribution reserve after proposed distribution	77'445	84'598

¹⁾ The capital contribution reserve is a component of the general statutory reserve. An amount of CHF 0.2 million (2013: CHF 0.3 million) is used to cover the reserve for treasury shares and an additional amount to cover accumulated deficit of CHF 13.2 million (2013: CHF 16.0 million).

²⁾ Based on distribution of CHF 0.55 per share on 14'390'416 eligible issued shares as at 31.12.2014 (2013: CHF 0.55 per share on 14'268'999 eligible issued shares). The distribution from capital contribution reserve is not subject to withholding tax. Treasury shares are not entitled to distribution.

REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS TO THE GENERAL MEETING OF AEVIS HOLDING SA, FRIBOURG

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of AEVIS Holding SA, which comprise the balance sheet as at 31 December 2014 and the income statement, shareholder's equity and notes presented on pages 98 to 103 for the year then ended.

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 2014 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 further confirm that the proposed appropriation of retained earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

BERNEY & ASSOCIES SA

Société Fiduciaire



Gregor WRZOSOWSKI

Licensed Audit Expert
Auditor in charge



Gregory GRIEB

Licensed Audit Expert

Geneva, 30 April 2015

