

Capio AB (publ)

Interim report January – March 2016

January – March 2016

- Net sales was MSEK 3,603 (3,478). Organic sales growth was 3.7% (2.9) and total sales growth was 3.6% (3.2)
- Operating result (EBITDA)¹ was MSEK 296 (291) with an operating margin of 8.2% (8.4). EBITDA increased by 1.7%
- Operating result (EBITA)¹ was MSEK 195 (191) with an operating margin of 5.4% (5.5). EBITA increased by 2.1%
- Earnings per share² was SEK 0.86 (0.59) and adjusted earnings per share² was SEK 0.97 (0.75)
- The timing of Easter holidays impacted the development in the quarter negatively with an estimated result impact of MSEK -20
- Net capex RTM was MSEK 432, which corresponded to 3.2% of net sales
- Net debt as of March 31, 2016 was MSEK 3,009, which corresponded to a financial leverage of 3.0x

CEO comments:

“Our efforts to implement Modern Medicine and Modern Management are giving results.”

- **Continued AVLOS reduction in all segments**
- **Good patient growth in the French segment**
- **Productivity improvements in Proximity Care in Sweden according to plan**
- **Strong focus on price compensation in France**
- **Increased acute care capacity at Capio S:t Görän’s Hospital in Sweden**

Solid operational development

Our strong focus on medical development in the Group continued to deliver improvements in the first quarter 2016. Better treatment methods have reduced the average length of stay (AVLOS) by -5% compared to the first quarter last year. This is more notable in France and Germany where treatment times in general are long and less in the Nordics with already short treatment times. Shorter stays in hospital not only means a quicker recovery for the patients, but also less exposure to the hospital environment with less infections as a result.

Our Rapid Recovery approach has in France resulted in good growth in patient volumes, even when considering the impact last year from the limited doctor strike against the French government. The number of outpatients has grown by about 11% and the number of inpatients has grown by almost 6% in France during the first quarter 2016. Inpatient growth in the Nordics was also strong with a 4% growth overall which included a 7% inpatient growth in Capio S:t Görän.

Our ambition to increase productivity in Proximity Care in Sweden is following the plan made during autumn 2015, reducing the number of employees with a full year number of -90 FTE in 2016. As the Stockholm County Council is changing from per visit payment to a higher degree of fixed capitation payment, as most other county councils already have done, the number of doctor visits has also decreased according to plan.

Sound financial development

The operational development in the segments is positively impacting the financial development. The Group’s organic sales growth is up close to one percentage point from 2.9% to 3.7% despite the negative Easter effect in the first quarter, which is primarily seen in the Nordics and Germany (Easter holidays occurred in March this year but in April 2015).

¹ Refer to page 23 for definitions of EBITDA and EBITA.

² Earnings per share and adjusted earnings per share before and after dilution were the same. Refer to note 2 for calculations of earnings per share.

This is a translation of the original Swedish interim report. In the event of difference between the English translation and the Swedish original, the Swedish interim report shall prevail.

The operating result (EBITA) was up 2.1% despite the Easter effect with an estimated impact of MSEK -20.

In France, last year’s price decrease of -2.5% has been fully compensated for during the quarter. The 2016 price decrease effective March 1 has so far been partly compensated for, resulting in stable results. While reinforced productivity measures deployed in 2015 are delivering according to plan, additional activities are introduced to compensate for the 2016 price decrease. We strongly believe in our strategic focus on Rapid Recovery and the ongoing shift from in- to outpatient care, which is well in line with national ambitions to improve French healthcare.

Our main focus for the rest of 2016

Following the challenging pricing environment in France our most important target is to fully compensate this year’s price decrease. The ongoing AVLOS reduction has not yet been fully reflected in the personnel costs. Thus we are intensively working with this potential and have also increased our focus on procurement activities.

In the Nordics, our most important target is to complete the ongoing productivity project and implement the employee reduction program in Proximity Care. This is well on way and when completed we will accelerate the work to implement digitalized consultation pathways for patients.

Capio S:t Görän has during April 2016 opened the new accident and emergency department (A&E) with capacity to receive more than 100,000 patients per year. During the start-up phase of the new A&E patient volumes will gradually build up and we estimate a 40% volume growth over the coming 5 years. To accommodate this growth the hospital will be enlarged with approximately 60 new beds (333 beds today), during the same period of time, which together with a continued shortening of AVLOS will facilitate this growth.

Our strategy of Modern Medicine and Modern Management works, both to handle challenging market conditions and to drive new business opportunities in our current platform and through acquisitions.

Thomas Berglund
President and CEO

The Group and the segments in brief

Capio Group

	JAN - MAR			FULL YEAR	
	2016	2015	Change, %	RTM	2015
Net sales	3,603	3,478	3.6	13,611	13,486
Total sales growth, %	3.6	3.2		2.3	2.2
Organic sales growth, %	3.7	2.9		3.1	2.9
Operating result (EBITDA)	296	291	1.7	1,006	1,001
Operating margin (EBITDA), %	8.2	8.4		7.4	7.4
Operating result (EBITA)	195	191	2.1	596	592
Operating margin (EBITA), %	5.4	5.5		4.4	4.4
Profit for the period¹	122	73		243	194
Adjusted profit for the period¹	136	94	44.7	368	326
Earnings per share, SEK ²	0.86	0.59		1.76	1.45
Adjusted earnings per share, SEK ²	0.97	0.75		2.68	2.44
Net capital expenditure	-96	-55		-432	-391
In % of net sales	2.7	1.6		3.2	2.9
Net debt	3,009	3,426		3,009	2,936
Financial leverage	3.0	3.2		3.0	2.9

Segments

Capio Nordic

	JAN - MAR			FULL YEAR	
	2016	2015	Change, %	RTM	2015
Net sales	1,904	1,841	3.4	7,306	7,243
Total sales growth, %	3.4	2.3		1.9	1.6
Organic sales growth, %	3.0	5.3		4.0	4.6
Operating result (EBITDA)	112	104	7.7	466	458
Operating margin (EBITDA), %	5.9	5.7		6.4	6.3
Operating result (EBITA)	77	70	10.0	323	316
Operating margin (EBITA), %	4.0	3.8		4.4	4.4
Net capital expenditure	-44	-20		-159	-135
In % of net sales	2.3	1.1		2.2	1.9

Capio France

	JAN - MAR			FULL YEAR	
	2016	2015	Change, %	RTM	2015
Net sales	1,387	1,313	5.6	5,172	5,098
Total sales growth, %	5.6	7.2		4.3	4.7
Organic sales growth, %	5.1	0.5		1.9	0.7
Operating result (EBITDA)	170	170	0.0	529	529
Operating margin (EBITDA), %	12.2	12.9		10.2	10.4
Operating result (EBITA)	111	110	0.9	287	286
Operating margin (EBITA), %	8.0	8.4		5.6	5.6
Net capital expenditure	-41	-30		-221	-210
In % of net sales	3.0	2.3		4.3	4.1

Capio Germany

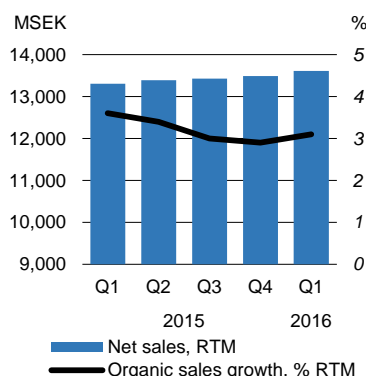
	JAN - MAR			FULL YEAR	
	2016	2015	Change, %	RTM	2015
Net sales	312	324	-3.7	1,133	1,145
Total sales growth, %	-3.7	5.9		-0.7	2.0
Organic sales growth, %	1.7	-0.2		2.6	2.0
Operating result (EBITDA)	38	40	-5.0	92	94
Operating margin (EBITDA), %	12.1	12.5		8.1	8.2
Operating result (EBITA)	32	35	-8.6	71	74
Operating margin (EBITA), %	10.2	10.8		6.3	6.4
Net capital expenditure	-10	-5		-45	-40
In % of net sales	3.2	1.5		4.0	3.5

¹ Profit attributable to parent company shareholders. Refer to note 2 for a reconciliation of reported and adjusted profit for the period and to page 23 for definition of adjusted profit for the period.

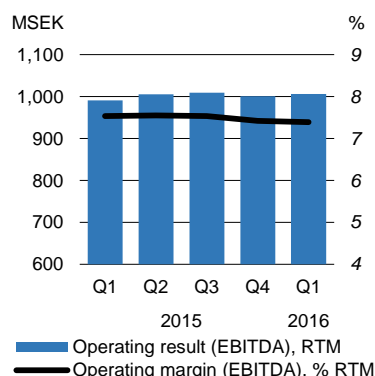
² Refers to average number of outstanding shares and earnings per share before and after dilution. Refer to note 2 for calculations of earnings per share.

Financial targets

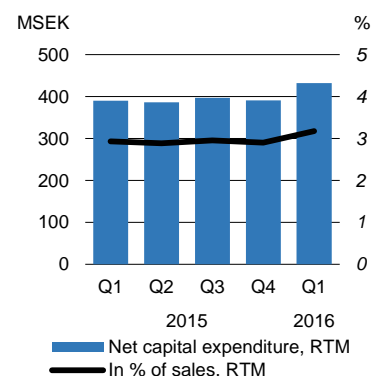
Net sales and organic sales growth (RTM)



Operating result (EBITDA) and margin (RTM)¹



Net capital expenditure and in % of sales (RTM)



Net sales growth

- The target is to grow organically at least in line with the market and add acquisition growth at least at a similar rate over time

Operating result (EBITDA)

- The target is to grow operating result at a higher rate than sales growth through increased productivity and operational leverage

Net capital expenditure

- The target with present business mix is to keep net capex around 3% of net sales per year including Modern Medicine and expansion related capex

¹ Development adjusted for structural changes made in June 2014. Refer to Capio Annual Report 2015 note 33.

Average length of stay (AVLOS) – measuring Modern Medicine

AVLOS by segment, Days	JAN - MAR			FULL YEAR					
	2016	%	2015	RTM	2015	%	2014	%	2013
Capio Nordic	4.12	-2.4	4.22	4.09	4.12	-1.0	4.16	-1.2	4.21
Capio Nordic excluding geriatrics	2.95	-2.0	3.01	2.92	2.93	-2.7	3.01	-3.2	3.11
Capio France	4.45	-6.3	4.75	4.53	4.61	-2.9	4.75	-3.7	4.93
Capio Germany	4.31	-5.1	4.54	4.55	4.61	-4.4	4.82	0.0	4.82
Capio Group	4.35	-5.0	4.58	4.43	4.49	-3.0	4.63	-2.5	4.75

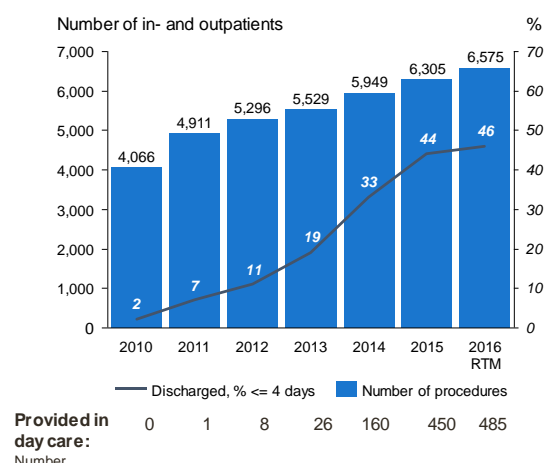
Refer to page 23 for definition of AVLOS.

Implementing Modern Medicine, treatment times can be reduced by Rapid Recovery after treatment. This means shorter stays in hospital reducing the patient's exposure to the hospital environment and sometimes the patient can leave the hospital already the same day as the treatment is completed. The scientific background for Modern Medicine was developed 20 years ago and starts with the fact that most treatments have side effects that impact the body and make recovery slower. If these side effects can be reduced, the body will recover more rapidly, and discharge criteria can be reached faster. The productivity gains of shorter AVLOS can either be used to treat more patients in the same number of beds or to reduce resources.

Hip and knee replacements – an example of Modern Medicine

Hip and knee replacements in Capio France continued to grow during the first quarter 2016, positively impacted by the use of Modern Medicine as more doctors and patients are coming to our hospitals. The length of stay continued to decrease during the quarter and compared with the same RTM period last year the share of patients being discharged within four days increased by nine percentage points (March 2015 RTM at 37%). The number of hip and knee prosthesis surgeries provided as outpatient care in relation to the total number of procedures continued to increase during the same period. This is an example of how Capio adapts to and contributes to driving Modern Medicine as hip and knee prosthesis surgery in outpatient care, with sustained or improved quality, has only recently been possible due to changes in treatment methods and procedures.

Hip and knee prosthesis surgery Capio France



Group development

Capio Group

	JAN - MAR			FULL YEAR	
	2016	2015	Change, %	RTM	2015
KPI; Production, productivity and resources					
Number of outpatients	1,104.4	1,118.3	-1.2	4,384.3	4,398.2
Number of inpatients	60.2	58.6	2.7	224.1	222.5
Number of patients, kNumber	1,164.6	1,176.9	-1.0	4,608.4	4,620.7
AVLOS, Days	4.35	4.58	-5.0	4.43	4.49
Number of employees (FTE)	12,184	12,057	1.1	12,392	12,360
Income statement					
Net sales	3,603	3,478	3.6	13,611	13,486
<i>Total sales growth, %</i>	3.6	3.2		2.3	2.2
<i>Organic sales growth, %</i>	3.7	2.9		3.1	2.9
Operating result (EBITDA)	296	291	1.7	1,006	1,001
<i>Operating margin (EBITDA), %</i>	8.2	8.4		7.4	7.4
Operating result (EBITA)	195	191	2.1	596	592
<i>Operating margin (EBITA), %</i>	5.4	5.5		4.4	4.4
Profit for the period	122	73		243	194
Adjusted profit for the period	136	94	44.7	368	326
Earnings per share, SEK	0.86	0.59		1.76	1.45
Adjusted earnings per share, SEK	0.97	0.75		2.68	2.44

January – March 2016

Organic sales growth was driven by volume growth in Capio Nordic and Capio France. Organic sales growth outpaced patient growth, mainly impacted by a higher case mix. The lower outpatient volumes were related to the Nordic segment (an expired contract within psychiatric care, timing of Easter holidays and a lower number of patient visits within primary care). Price growth was limited in the quarter following the general price reductions in France.

The operating result (EBITDA) increased by MSEK 5, corresponding to a growth of 1.7%. EBITA increased by MSEK 4 corresponding to a growth of 2.1%. The result growth in the quarter was driven by sales growth combined with operational leverage from productivity improvements in the Nordic segment. Operating result and margin in the Nordic and German segments were negatively impacted by the timing of Easter holidays (estimated result impact of MSEK -20). In France the margin was impacted by the general price reductions. The strategic focus on Modern Medicine and Rapid Recovery as well as Modern Management led to shorter AVLOS in all segments in the quarter. Patient growth was lower than the FTE growth following the higher case mix and timing of Easter holidays.

The operating result (EBIT) included amortizations of MSEK -19 (-18) and restructuring and other non-recurring items and acquisition related costs of MSEK 0 (-11).

The profit for the period included net financial expenses of MSEK -22 (-61) and income tax of MSEK -31 (-27). Net interest was positively impacted by lower interest rates as well as the refinancing and new share issue made in conjunction with the IPO in June 2015. The effective income tax rate was 20% (27%).

Earnings per share (EPS) (before and after dilution) was SEK 0.86 (0.59) in the quarter. Adjusted EPS (before and after dilution) was SEK 0.97 (0.75). The positive development was driven by an improved operating result combined with a lower finance net and a lower effective income tax rate.

Development in the segments

Capio Nordic

	JAN - MAR			FULL YEAR	
	2016	2015	Change, %	RTM	2015
KPI; Production, productivity and resources					
Number of outpatients	907.9	940.8	-3.5	3,640.1	3,673.0
Number of inpatients	13.1	12.6	4.0	50.9	50.4
Number of patients, kNumber	921.0	953.4	-3.4	3,691.0	3,723.4
AVLOS, Days	4.12	4.22	-2.4	4.09	4.12
Number of employees (FTE)	5,599	5,574	0.4	5,761	5,755
Income statement					
Net sales outpatients	1,321	1,284	2.9	5,054	5,017
Net sales inpatients	547	520	5.2	2,082	2,055
Net sales other	36	37	-2.7	170	171
Net sales	1,904	1,841	3.4	7,306	7,243
Total sales growth, %	3.4	2.3		1.9	1.6
Organic sales growth, %	3.0	5.3		4.0	4.6
Operating result (EBITDA)	112	104	7.7	466	458
Operating margin (EBITDA), %	5.9	5.7		6.4	6.3
Operating result (EBITA)	77	70	10.0	323	316
Operating margin (EBITA), %	4.0	3.8		4.4	4.4
Cash flow					
Net capital expenditure	-44	-20		-159	-135
In % of net sales	2.3	1.1		2.2	1.9

Capio Nordic January – March 2016

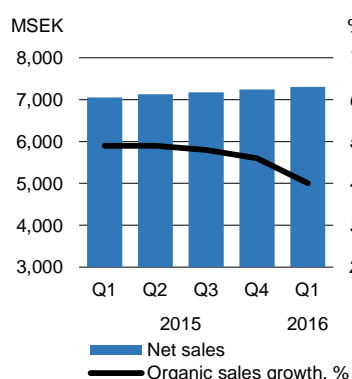
Organic sales growth was driven by volume growth in the specialist free healthcare choice and contract businesses in Sweden (mainly acute and geriatric care in Stockholm) combined with a higher case mix. Organic sales growth was negatively impacted by an expired contract within psychiatric care (-0.6% effect on organic sales growth). The total sales growth in the quarter was positively impacted by the acquired businesses in Norway from November 2015. The lower number of outpatient visits was mainly related to the expired contract within psychiatric care and a general decrease due to the timing of Easter holidays as well as to primary care in Stockholm as the County Council is changing from per visit payment to fixed capitation payment.

The operating result (EBITDA) increased by 7.7% and EBITA increased by 10.0%. Results and margin were positively impacted by increased sales growth combined with productivity improvements and negatively impacted by the timing of Easter holidays. The acquisitions in Norway impacted results positively. The ongoing program to increase productivity within primary care was implemented according to plan, which impacted the result and margin positively. The strategic focus on Modern Medicine and Modern Management led to shorter AVLOS (-2.4%) in the quarter. The number of FTEs increased more than the number of patients following the higher case mix.

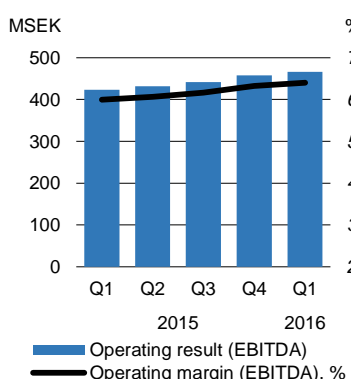
Net capital expenditure (net capex) in the quarter was mainly related to maintenance capex. The increase was mainly related to the new accident & emergency department at Capio S:t Görän's Hospital that opened at the end of April.

Quarterly development from the first quarter 2015 to the first quarter 2016

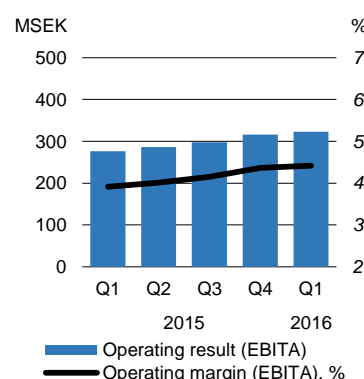
Net sales and organic sales growth (RTM)¹



Operating result (EBITDA) and margin (RTM)¹



Operating result (EBITA) and margin (RTM)¹



¹ Development adjusted for the handover of a Nordic contract business in 2014. Refer to Capio Annual Report 2015 note 33.

Development in the segments (cont.)

Capio France

	JAN - MAR			FULL YEAR	
	2016	2015	Change, %	RTM	2015
KPI; Production, productivity and resources					
Number of outpatients	151.5	136.9	10.7	571.1	556.5
Number of inpatients	36.7	34.8	5.5	135.0	133.1
Number of patients, kNumber	188.2	171.7	9.6	706.1	689.6
AVLOS, Days	4.45	4.75	-6.3	4.53	4.61
Number of employees (FTE)	5,324	5,111	4.2	5,349	5,296
Income statement					
Net sales outpatients	418	371	12.7	1,506	1,459
Net sales inpatients	786	761	3.3	2,932	2,907
Net sales other	183	181	1.1	734	732
Net sales	1,387	1,313	5.6	5,172	5,098
Total sales growth, %	5.6	7.2		4.3	4.7
Organic sales growth, %	5.1	0.5		1.9	0.7
Operating result (EBITDA)	170	170	0.0	529	529
Operating margin (EBITDA), %	12.2	12.9		10.2	10.4
Operating result (EBITA)	111	110	0.9	287	286
Operating margin (EBITA), %	8.0	8.4		5.6	5.6
Cash flow					
Net capital expenditure	-41	-30		-221	-210
In % of net sales	3.0	2.3		4.3	4.1

Capio France January – March 2016

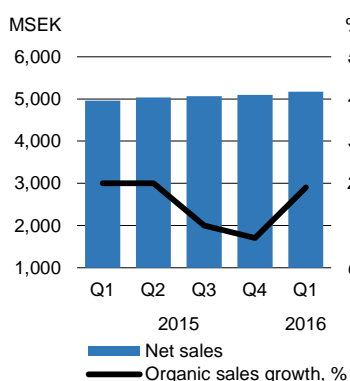
Organic sales growth in the quarter was driven by volume, positively impacted by completed expansion projects and additional doctors. Patient growth was 9.6%, positively impacted by volume growth in all seven regions of operation and the acquisition of the Parisis hospital during the first quarter 2015. The shift from in- to outpatient treatments continued. The organic growth was negatively impacted by the general price reductions of -2.15% from March 1, 2016 and -2.50% from March 1, 2015; in total impacting net sales and results by MSEK -25 corresponding to -2.2% of medical sales. The national doctors' strike in the first quarter last year impacted net sales and number of patients negatively in 2015. Exchange rate fluctuations had a negative impact on total sales growth and at comparable exchange rates total sales growth was 6.3% (1.2).

The operating result (EBITDA) was stable, while EBITA increased by 0.9%. The operating result and margin were positively impacted by the volume growth and the continued implementation of the Modern Medicine and Rapid Recovery strategy. AVLOS decreased by -6.3% which will improve staff productivity further during 2016. The higher number of FTE was driven by the full year effect of the Parisis acquisition, expansion projects as well as from the higher volumes. The operating result and margin were negatively impacted by price reductions. The price change in 2015 was compensated for while actions to compensate for the 2016 price reduction are currently being implemented. All but one of the four hospitals underperforming in 2015 showed improvements in the quarter.

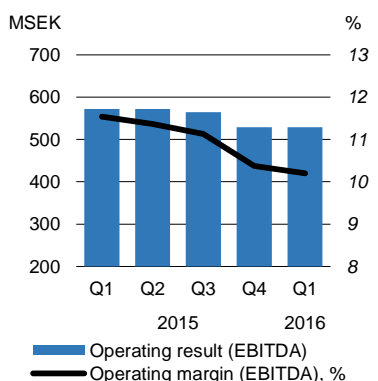
Net capital expenditure (net capex) in the quarter was mainly related to maintenance capex. The first quarter 2015 was positively impacted by the divestment of non-core assets (MSEK 25).

Quarterly development from the first quarter 2015 to the first quarter 2016

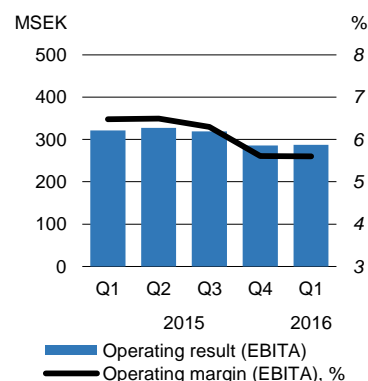
Net sales and organic sales growth (RTM)



Operating result (EBITDA) and margin (RTM)¹



Operating result (EBITA) and margin (RTM)¹



¹ Development adjusted for the sale and leaseback transaction in 2014. Refer to Capio Annual Report 2015 note 33.

Development in the segments (cont.)

Capio Germany

	JAN - MAR			FULL YEAR	
	2016	2015	Change, %	RTM	2015
KPI; Production, productivity and resources					
Number of outpatients	45.0	40.7	10.6	173.0	168.7
Number of inpatients	10.4	11.1	-6.3	38.3	39.0
Number of patients, kNumber	55.4	51.8	6.9	211.3	207.7
AVLOS, Days	4.31	4.54	-5.1	4.55	4.61
Number of employees (FTE)	1,225	1,335	-8.2	1,248	1,275
Income statement					
Net sales outpatients	32	29	10.3	117	114
Net sales inpatients	267	281	-5.0	992	1,006
Net sales other	13	14	-7.1	24	25
Net sales	312	324	-3.7	1,133	1,145
Total sales growth, %	-3.7	5.9		-0.7	2.0
Organic sales growth, %	1.7	-0.2		2.6	2.0
Operating result (EBITDA)	38	40	-5.0	92	94
Operating margin (EBITDA), %	12.1	12.5		8.1	8.2
Operating result (EBITA)	32	35	-8.6	71	74
Operating margin (EBITA), %	10.2	10.8		6.3	6.4
Cash flow					
Net capital expenditure	-10	-5		-45	-40
In % of net sales	3.2	1.5		4.0	3.5

Capio Germany January – March 2016

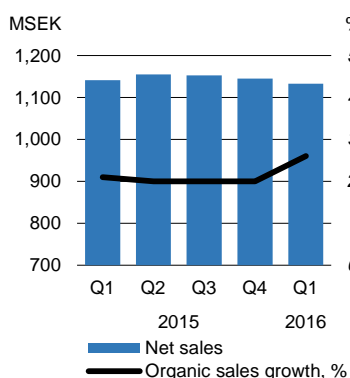
Organic sales growth in the quarter was positively impacted by higher outpatient volumes and slightly higher prices. Patient growth was 6.9%, driven by the introduction of new medical specialties (mainly additional outpatient authorizations) in some of the general hospitals, while negatively impacted by the timing of Easter holidays. Total sales growth was negatively impacted by the divestment of the Maximilian hospital as of June 30, 2015. Changes in exchange rates had a slightly negative impact on total sales growth and at comparable exchange rates total sales growth was -3.1% (-0.2%).

The operating result (EBITDA) decreased by -5.0% and EBITA decreased by -8.6%. Operating result and margin were impacted by the timing of Easter holidays, which negatively impacted activities in the specialist hospitals. The strategic focus on Modern Medicine led to shorter AVLOS (-5.1%). The number of FTEs decreased in the quarter following the divestment of the Maximilian hospital.

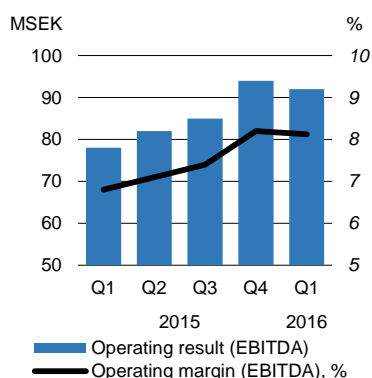
Net capital expenditure (net capex) in the quarter was mainly related to maintenance capex and the construction project in one of the general hospitals.

Quarterly development from the first quarter 2015 to the first quarter 2016

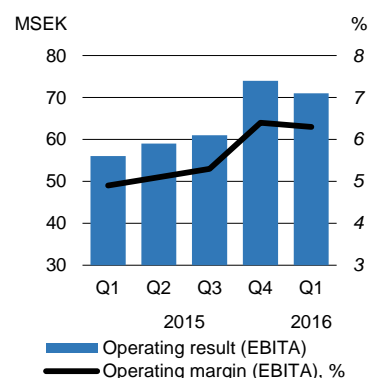
Net sales and organic sales growth (RTM)



Operating result (EBITDA) and margin (RTM)



Operating result (EBITA) and margin (RTM)



Cash flow

Capio Group	JAN - MAR		FULL YEAR	
	2016	2015	RTM	2015
Net debt opening	-2,936	-3,440	-3,426	-3,440
Operating result (EBITA)	195	191	596	592
Capital expenditure	-97	-80	-449	-432
Divestments of fixed assets	1	25	17	41
Net capital expenditure	-96	-55	-432	-391
In % of net sales	2.7	1.6	3.2	2.9
Add-back depreciation	101	100	410	409
Net investments	5	45	-22	18
Change in net customer receivables	-117	-157	29	-11
Other changes in operating capital employed	-64	21	-110	-25
Operating cash flow	19	100	493	574
Cash conversion, %	9.7	52.4	82.7	97.0
Income taxes paid	-6	-16	-32	-42
Free cash flow before financial items	13	84	461	532
Cash conversion, %	6.7	44.0	77.3	89.9
Net financial items paid	-24	-49	-128	-153
Free cash flow after financial items	-11	35	333	379
Cash conversion, %	-5.6	18.3	55.9	64.0
Acquisitions and divestments of companies	-4	-47	-24	-67
Received/paid restructuring and other non-recurring items	-7	-38	-379	-410
Shareholder transactions	0	0	667	667
Net cash flow	-22	-50	597	569
Cash conversion, %	-11.3	-26.2	100.2	96.1
Other items affecting net debt	-51	64	-180	-65
Net debt closing	-3,009	-3,426	-3,009	-2,936

Cash flow January – March 2016

Capex in the quarter was mainly maintenance related and above last year, impacted by investments in Capio S:t Göran's Hospital in Capio Nordic. The first quarter 2015 was positively impacted by the divestment of non-core assets in Capio France (MSEK 25).

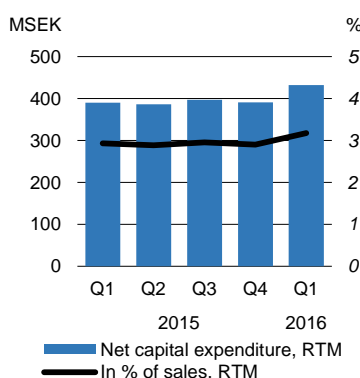
Depreciation was in line with last year. Changes in net customer receivables were mainly related to seasonal effects (higher activity in March than in December) as well as an improved DSO in the Nordic and German segments. Other changes in operating capital employed were impacted by timing of payments (phasing combined with a change from quarterly to monthly payments of social contributions in Capio France).

Income tax payments were impacted by lower tax instalments in Capio France. Lower net financial items paid were due to lower interest rates and the reduced debt level following the new share issue in connection with the IPO in June 2015. Acquisitions/divestments were related to an outpatient authorization in Capio Germany. Received/paid restructuring and other non-recurring items in the quarter were related to settlement of items from 2015.

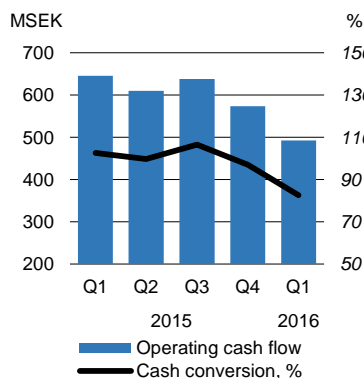
Other items affecting net debt were mainly related to changes in exchange rates and new finance leases.

Quarterly development from the first quarter 2015 to the first quarter 2016

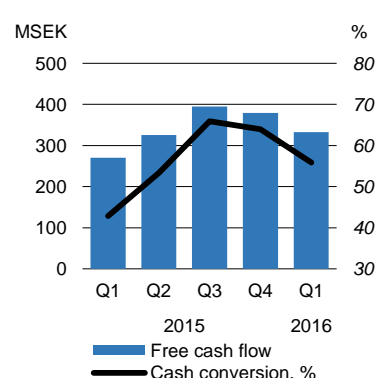
Net capex and in % of net sales (RTM)



Operating CF and cash conversion (RTM)



Free CF after fin. items and cash conv. (RTM)



Capital employed and financing

Capio Group	2016	2015	
	31 Mar	31 Dec	31 Mar
Operating capital employed	1,566	1,388	1,453
<i>In % of net sales</i>	11.5	10.3	10.9
Other capital employed	6,603	6,549	6,155
Capital employed	8,169	7,937	7,608
<i>Return on capital employed, %</i>	7.3	7.5	8.3
Net debt	3,009	2,936	3,426
<i>Financial leverage</i>	3.0	2.9	3.2
Equity	5,160	5,001	4,182
Financing	8,169	7,937	7,608

Capital employed as of March 31, 2016

The increase in operating capital employed compared with December 31, 2015 was mainly related to seasonal effects as the higher activity in March compared to December impacted net customer receivables. Operating capital employed also increased due to a decrease of operating liabilities, impacted by timing of payments (phasing combined with a change from quarterly to monthly payments of social contributions in Capio France).

Compared with December 31, 2015 total capital employed was negatively impacted by changes in operating capital employed as well as changes in exchange rates (the Swedish krona weakened compared to the Euro). The return on capital employed was 7.3% (7.5 as of December 31, 2015), negatively impacted by two Easter holiday periods in the RTM operating result (EBITA).

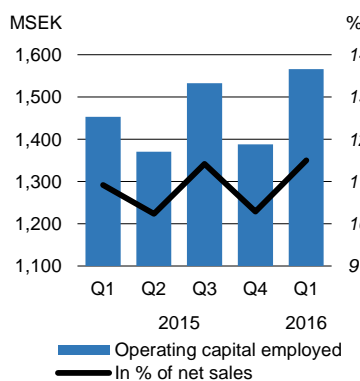
Financing as of March 31, 2016

The increase in net debt was related to a negative net cash flow, an increase in finance leases and changes in exchange rates (the Swedish krona weakened compared to the Euro).

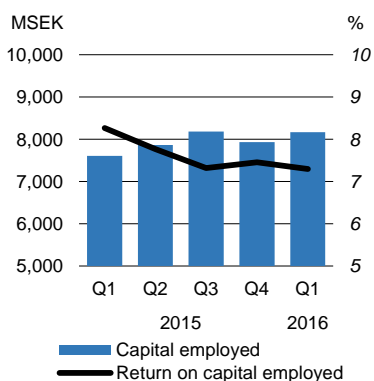
The new financing facility that was set in place in conjunction with the IPO contains two financial covenants; one covenant with a maximum financial leverage and one covenant with a minimum interest cover. As of March 31, 2016 Capio was in compliance with and had satisfactory headroom under both covenants.

Quarterly development from the first quarter 2015 to the first quarter 2016

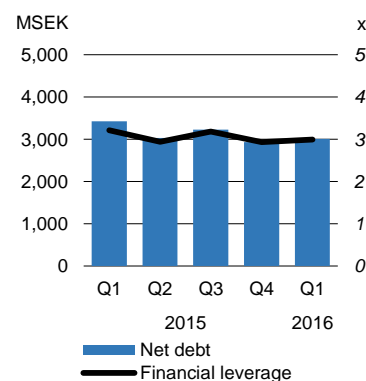
Operating capital employed and in % of net sales



Capital employed and ROCE



Net debt and financial leverage



Significant events during the period

Capio increases management focus on Modern Medicine and Modern Management

To accelerate the execution of Capio's strategy – Modern Medicine and Modern Management, the company has strengthened its focus and organization of the Group Management, effective March 18, 2016. The management of the Group is structured in Group Management and Operating Management teams for the three geographical segments – Capio Nordic, Capio France and Capio Germany. Group Management works in close cooperation with the Operating Management teams developing Capio in line with its strategy.

Group Management

Thomas Berglund CEO and head of Capio Nordic, Olof Bengtsson CFO, Henrik Brehmer SVP Group Communication & Public Affairs, Philippe Durand Business area manager France, Sveneric Svensson Chief Medical Officer (CMO) and François Demesmay Deputy Chief Medical Officer (CMO). François has previously upheld the position of CMO in Capio France.

Sale of shares in Capio AB (publ) by Apax Europe and Apax France

On March 18, 2016 Apax Europe and Apax France announced a placement of in total 18 million Capio shares to institutional investors. Following the sale Apax Europe's holding in Capio was 17.8% (25,176,793 shares) and Apax France no longer held any shares in Capio.

Tariffs for healthcare reimbursement in France 2016

On March 8, 2016 the French government announced that tariffs to reimburse healthcare in France during 2016 are being decreased by -2.15%, compared to 2015 tariff levels. The new tariffs are valid as of March 1, 2016. In March 2015 the tariffs were decreased by -2.50%.

Capio's operating model, based on Modern Medicine and Modern Management, is designed to drive quality and productivity in healthcare. Extensive programs to compensate the 2015 tariff decrease has been in place since the first quarter 2015, thus Capio is better prepared in 2016. Capio France is now speeding up these programs within its 22 hospitals and specialist clinics to start compensating for the 2016 tariff decrease.

Convertible debenture loan to employees

The Board of Directors has decided that a proposal will be made to the Annual General Meeting to issue a convertible debenture loan during 2016 as a long term incentive program in which employees in the Capio Group will have the possibility to participate.

The proposed conditions of the convertible debenture loan are a duration of 5 years and a maximum total value of MSEK 200, which will give an approximate dilution of 2.5% at a share price of SEK 50 and with a 20% conversion premium. The proposed terms and conditions have been made public on

www.capio.com.

Significant events after the period

Capio France takes next step in the Médipôle Lyon Villeurbanne project

As announced on March 21, 2016 Capio France has on April 1, 2016 acquired the hospital Clinique du Grand Large in Lyon, France, with annual sales of MEUR 10 and 7,000 patients, from Mutualité Française. The hospital is specialized in surgical activities. Also effective on April 1, 2016, Capio France has divested the rehabilitation activities in the specialist clinic Capio Centre Bayard in Lyon, with annual sales of MEUR 7 and 2,100 patients, to Mutualité. The transactions are not expected to have any significant impact on the results or financial position of Capio France in 2016.

Risks and uncertainties

Political, operational and financial risks

The Group is exposed, through its international operations, to a variety of risks that may give rise to fluctuation in profit/loss, other comprehensive income and cash flow. Key areas of risk encompass political, operational and financial risks. Various policies govern the management of key risks. Refer to the Capio Annual Report 2015 for a further description of risks and risk management.

Seasonal variations

The Group's net sales and operating result fluctuate across the year, mainly due to lower elective (planned) activity during the summer period and lower activity during the holiday season at the end of the year. Operations are also impacted by e.g. Easter holiday and bank holidays, whichever could occur in different months/quarters in different years. The Group's cash flow is normally stronger in the second half of the year, impacted by some seasonal effects including improvements in working capital. The above factors should be taken into consideration when making assessments on the basis of interim financial information.

Condensed financial reports

Condensed statement of comprehensive income – Capio Group

	JAN - MAR		FULL YEAR	
	2016	2015	RTM	2015
Net sales	3,603	3,478	13,611	13,486
Direct costs	-2,970	-2,877	-11,423	-11,330
Gross result	633	601	2,188	2,156
Administrative expenses	-438	-410	-1,592	-1,564
Operating result (EBITA)	195	191	596	592
Amortization on surplus values	-19	-18	-76	-75
Restructuring and other non-recurring items and acquisition related costs	0	-11	-35	-46
Operating result (EBIT)	176	162	485	471
Net interest	-18	-46	-107	-135
Other financial items	-4	-15	-81	-92
Profit after financial items	154	101	297	244
Income tax	-31	-27	-53	-49
Profit for the period	123	74	244	195
Operating result (EBITDA)	296	291	1,006	1,001
Earnings per share, SEK ¹	0.86	0.59	1.76	1.45
Adjusted earnings per share, SEK ¹	0.97	0.75	2.68	2.44
Other comprehensive income that will be reclassified into profit/loss:				
Hedge effect in foreign investment	0	13	-13	0
Exchange differences on translation of foreign operations	28	-76	0	-104
Revaluation reserve, cash flow hedging	0	1	4	5
Income taxes related to other comprehensive income	0	0	-1	-1
Other comprehensive income that will be reclassified into profit/loss, net of income tax	28	-62	-10	-100
Other comprehensive income that will not be reclassified into profit/loss:				
Revaluation of defined benefit plans	9	0	43	34
Income taxes related to other comprehensive income	-2	0	-11	-9
Other comprehensive income that will not be reclassified into profit/loss, net of income tax	7	0	32	25
Total comprehensive income for the period, net of income tax	158	12	266	120
Profit attributable to:				
Parent Company shareholders	122	73	243	194
Non-controlling interest	1	1	1	1
	123	74	244	195
Total comprehensive income attributable to:				
Parent Company shareholders	157	11	265	119
Non-controlling interest	1	1	1	1
	158	12	266	120

¹ Earnings per share and adjusted earnings per share before and after dilution were the same. Refer to note 2 for calculations of earnings per share.

Condensed financial reports (cont.)

Condensed balance sheet – Capio Group

	2016		2015	
	31 Mar		31 Dec	31 Mar
Intangible assets	6,898		6,855	6,899
Tangible fixed assets	2,252		2,229	2,253
Financial fixed assets	598		597	613
Total fixed assets	9,748		9,681	9,765
Inventories	220		215	211
Accounts receivables - trade	692		662	693
Short-term investments and interest-bearing receivables	2		2	2
Cash and cash equivalents	20		118	485
Other current assets	1,222		1,072	1,304
Total current assets	2,156		2,069	2,695
Total assets	11,904		11,750	12,460
Equity attributable to Parent Company shareholders	5,138		4,981	4,163
Equity attributable to non-controlling interest	22		20	19
Total equity	5,160		5,001	4,182
Provisions for employee benefits	330		338	374
Deferred income tax liabilities	605		604	639
Long-term liabilities, interest-bearing	2,978		3,018	3,895
Long-term liabilities and provisions, non-interest-bearing	106		114	183
Total long-term liabilities and provisions	4,019		4,074	5,091
Current liabilities, interest-bearing	109		93	51
Accounts payable – trade	600		672	621
Current income tax liabilities	32		4	370
Accrued expenses and prepaid income	1,480		1,355	1,506
Other current liabilities	504		551	639
Total current liabilities	2,725		2,675	3,187
Total liabilities, provisions and shareholders' equity	11,904		11,750	12,460
Pledged assets	1,374		1,389	11,664
Contingent liabilities	8		4	7

Condensed statement of cash flow – Capio Group

	JAN - MAR		FULL YEAR	
	2016	2015	RTM	2015
Operating result (EBIT)	176	162	485	471
Reversal of depreciations/amortizations and impairments	121	118	456	453
Items not affecting cash flow ¹	0	-11	2	-9
Interest received and paid	-24	-49	-159	-184
Taxes paid	-6	-15	-414	-423
Cash flow from operating activities before changes in working capital	267	205	370	308
Change in net working capital	-189	-153	-91	-55
Cash flow from operating activities	78	52	279	253
Acquisitions and divestments of companies and financial assets	2	-17	-12	-31
Payment to non-controlling interest	0	-8	-7	-15
Investments in tangible and intangible fixed assets	-97	-80	-449	-432
Divestments of tangible fixed assets	7	25	107	125
Cash flow from investment activities	-88	-80	-361	-353
Increase/decrease in external loans	-30	0	2,464	2,494
Amortizations	-56	-46	-3,504	-3,494
Capital contribution	0	0	750	750
Transaction costs for the IPO and new share issue	-2	0	-75	-73
Cash flow from financing activities	-88	-46	-365	-323
Cash flow from operations	-98	-74	-447	-423
Currency differences in cash and cash equivalents	0	-2	-18	-20
Change in cash and cash equivalents	-98	-76	-465	-443
Opening balance, cash and cash equivalents	118	561	485	561
Closing balance, cash and cash equivalents	20	485	20	118

¹ Related to capital gains.

Condensed financial reports (cont.)

Changes in shareholders' equity – Capio Group

	Share capital	Other contributed capital	Other reserves	Translation reserve	Retained earnings	Non-controlling interest	Shareholders' equity
Opening balance at January 1, 2015	39	0	-162	338	3,945	20	4,180
Profit for the year					73	1	74
Other comprehensive income			1	-63			-62
Total comprehensive income	0	0	1	-63	73	1	12
Change in non-controlling interest					-8	-2	-10
Total transactions with shareholders	0	0	0	0	-8	-2	-10
Closing balance at March 31, 2015	39	0	-161	275	4,010	19	4,182

	Share capital	Other contributed capital	Other reserves	Translation reserve	Retained earnings	Non-controlling interest	Shareholders' equity
Opening balance at January 1, 2015	39	0	-162	338	3,945	20	4,180
Profit for the year					194	1	195
Other comprehensive income			29	-104			-75
Total comprehensive income	0	0	29	-104	194	1	120
Stock dividend issue	25				-25		0
New share issue	8	742					750
Transaction costs for new share issue		-41					-41
Tax effect on items recorded directly in equity		9					9
Change in non-controlling interest					-16	-1	-17
Total transactions with shareholders	33	710	0	0	-41	-1	701
Closing balance at December 31, 2015	72	710	-133	234	4,098	20	5,001

	Share capital	Other contributed capital	Other reserves	Translation reserve	Retained earnings	Non-controlling interest	Shareholders' equity
Opening balance at January 1, 2016	72	710	-133	234	4,098	20	5,001
Profit for the year					122	1	123
Other comprehensive income			7	28			35
Total comprehensive income	0	0	7	28	122	1	158
Change in non-controlling interest						1	1
Total transactions with shareholders	0	0	0	0	0	1	1
Closing balance at March 31, 2016	72	710	-126	262	4,220	22	5,160

Parent Company

Condensed income statement – Parent Company

	JAN - MAR		FULL YEAR
	2016	2015	2015
Net sales	6	2	11
Gross result	6	2	11
Administrative expenses	-8	-3	-53
Operating profit/loss	-2	-1	-42
Financial items	0	112	187
Profit/loss after financial items	-2	111	145
Income tax	-	-	9
Profit/loss for the period	-2	111	154

Condensed balance sheet – Parent Company

	2016	2015	
	31 Mar	31 Dec	31 Mar
Fixed assets	4,009	4,009	3,991
Current assets	774	778	22
Total assets	4,783	4,787	4,013
Equity	4,763	4,765	4,003
Liabilities	20	22	10
Total equity and liabilities	4,783	4,787	4,013
Pledged assets	-	-	3,991
Contingent liabilities	-	-	-

The Group's Parent Company, Capio AB (publ), is not involved in any operating activities. It only provides Group management functions.

January – March 2016

The Parent Company's net sales and gross result in the period derive from management fees charged to subsidiaries. The administrative expenses in the quarter were mainly related to personnel costs. The administrative expenses in the full year 2015 were mainly related to costs for the listing on Nasdaq OMX Stockholm, amounting to MSEK -40.5

There were no financial income or expenses in the period. Financial items in the first quarter 2015 were fully related to a dividend from the subsidiary Capio Group Services AB of MSEK 112. The full year 2015 also included a group contribution received from the subsidiary Capio Shared Services AB of MSEK 75.

As of March 31, 2016

The Parent Company's fixed assets as of March 31, 2016 amounted to MSEK 4,009 (4,009 as of December 31, 2015) and mainly comprised shares in subsidiaries. Current assets as of March 31, 2016 amounted to MSEK 774 (778 as of December 31, 2015) and were mainly related to cash and cash equivalents impacted by the new share issue net of paid transaction costs and a receivable related to the group contribution received from Capio Shared Services AB (the same as of December 31, 2015).

Shareholders' equity as of March 31, 2016 amounted to MSEK 4,763 (4,765 as of December 31, 2015). The increase compared with March 31, 2015 was mainly explained by the new share issue less transaction costs of MSEK -31.5 net of income tax (total cost of MSEK -40.5 and income tax of MSEK 9), the dividend received from Capio Group Services AB and the group contribution received from Capio Shared Services AB. The Parent Company's liabilities amounted to MSEK 20 as of March 31, 2016 (22 as of December 31, 2015) and were mainly related to accrued expenses for the listing process and the new share issue as well as personnel related accruals.

Following the refinancing of the Group on July 3, 2015, the Parent Company's pledged assets were fully released.

Notes

1. Accounting principles

All amounts in the interim report are stated in millions of Swedish kronor (MSEK) if not else stated.

This report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable rules in the Swedish Annual Accounts Act. Capio's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups. The applied accounting principles are available in Capio's Annual Report 2015 and also on the Group's website www.capio.com. The Parent Company's financial statements are prepared in accordance with chapter nine of the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 2 Accounting for Legal Entities.

Effects of amended and revised IFRS 2016

Amended or revised standards that are mandatory for the Group's financial year 2016 have had no impact on the Group's financial statements.

Other significant estimates

For critical estimates and assessments, provisions and contingent liabilities refer to Capio's Annual Report 2015. If no significant events have occurred relating to the information in the 2015 Annual Report, no further comments are made in the interim report.

2. Earnings per share

	JAN - MAR		FULL YEAR	
	2016	2015	RTM	2015
Average number of outstanding shares (before and after dilution), Number ¹	141,159,661	125,695,743	137,261,906	133,448,885
Profit/loss for the period attributable to Parent Company shareholders net of income tax, MSEK	122	73	243	194
Adjusted profit/loss for the period attributable to Parent Company shareholders net of income tax, MSEK ²	136	94	368	326
Earnings per share (before and after dilution), SEK³	0.86	0.59	1.76	1.45
Adjusted earnings per share (before and after dilution), SEK^{2,3}	0.97	0.75	2.68	2.44

¹ Total number of outstanding shares was 141,159,661 as of March 31, 2016 (all common shares).

² Adjusted for amortization of group surplus values, restructuring and other non-recurring items and acquisition related costs and write-downs of capitalized borrowing costs, net of income tax.

³ Refer to definitions on page 23.

Reconciliation of reported and adjusted profit/loss

MSEK	JAN - MAR		FULL YEAR	
	2016	2015	RTM	2015
Profit/loss for the period attributable to Parent Company shareholders net of income tax	122	73	243	194
Amortization on surplus values	19	18	76	75
Restructuring and other non-recurring items and acquisition related costs	0	11	35	46
Write-off of capitalized borrowing costs	0	0	50	50
Income tax related to adjustments	-5	-8	-36	-39
Adjusted profit/loss for the period attributable to Parent Company shareholders net of income tax	136	94	368	326

Notes (cont.)

3. Segments

Capio organizes its business in three operational segments: Capio Nordic (Sweden and Norway), Capio France and Capio Germany. The segments provide a wide range of healthcare services and the organization is structured to facilitate the provision of healthcare at the most efficient care level for each patient. Further information about the segments are found in Capio Annual Report 2015 (Business overview). The units in the segments are consolidated in accordance with the same principles applied for the Group as whole. Transactions between Group companies and business areas are conducted on a strictly commercial basis. Other in this context relates to the Parent Company and a number of holding companies. Within segment Capio Nordic a customer relationship based on one contract corresponded to a total net sales of MSEK 445 during the first quarter 2016 (Jan-Mar 2015: MSEK 419; Jan-Dec 2015: 1,648), which is equivalent to more than 10% of the Group's net sales.

	JAN - MAR				FULL YEAR			
	2016	%	2015	%	RTM	%	2015	%
Net sales and organic sales growth								
Capio Nordic	1,904	3.0	1,841	5.3	7,306	4.0	7,243	4.6
Capio France	1,387	5.1	1,313	0.5	5,172	1.9	5,098	0.7
Capio Germany	312	1.7	324	-0.2	1,133	2.6	1,145	2.0
Other	0		0		0		0	
Eliminations	-		-		-		-	
Capio Group	3,603	3.7	3,478	2.9	13,611	3.1	13,486	2.9
Operating result (EBITDA) and margin								
Capio Nordic	112	5.9	104	5.7	466	6.4	458	6.3
Capio France	170	12.2	170	12.9	529	10.2	529	10.4
Capio Germany	38	12.1	40	12.5	92	8.1	94	8.2
Other	-24		-23		-81		-80	
Eliminations	-		-		-		-	
Capio Group	296	8.2	291	8.4	1,006	7.4	1,001	7.4
Operating result (EBITA) and margin								
Capio Nordic	77	4.0	70	3.8	323	4.4	316	4.4
Capio France	111	8.0	110	8.4	287	5.6	286	5.6
Capio Germany	32	10.2	35	10.8	71	6.3	74	6.4
Other	-25		-24		-85		-84	
Eliminations	-		-		-		-	
Capio Group	195	5.4	191	5.5	596	4.4	592	4.4
Operating result (EBIT) and margin								
Capio Nordic	64	3.4	59	3.2	261	3.6	256	3.5
Capio France	108	7.8	99	7.5	284	5.5	275	5.4
Capio Germany	27	8.7	28	8.6	67	5.9	68	5.9
Other	-23		-24		-127		-128	
Eliminations	-		-		-		-	
Capio Group	176	4.9	162	4.7	485	3.6	471	3.5
Capital expenditure and in % of net sales								
Capio Nordic	-45	2.4	-20	1.1	-165	2.3	-140	1.9
Capio France	-41	3.0	-55	4.2	-232	4.5	-246	4.8
Capio Germany	-10	3.2	-5	1.5	-45	4.0	-40	3.5
Other	-1		0		-7		-6	
Eliminations	-		-		-		-	
Capio Group	-97	2.7	-80	2.3	-449	3.3	-432	3.2
Assets								
Capio Nordic	4,667		4,726		4,667		4,640	
Capio France	6,283		7,233		6,283		6,157	
Capio Germany	1,356		1,415		1,356		1,313	
Other	2,818		2,103		2,818		2,886	
Eliminations	-3,220		-3,017		-3,220		-3,246	
Capio Group	11,904		12,460		11,904		11,750	
Liabilities								
Capio Nordic	2,409		2,451		2,409		2,430	
Capio France	3,503		4,546		3,503		3,461	
Capio Germany	1,003		1,096		1,003		981	
Other	3,049		3,202		3,049		3,123	
Eliminations	-3,220		-3,017		-3,220		-3,246	
Capio Group	6,744		8,278		6,744		6,749	

Notes (cont.)

4. Financial instruments

Derivatives are reported as level 2 and used for the purpose of hedging interest rates. The derivatives were valued using the mid-point of the yield curve prevailing on the reporting date and represent the net present value of the difference between the contracted rate and the valuation rate. Any change in the fair value of the interest rate cap transaction signed in December 2015 is recognized in the income statement and amounted to MSEK -1 as of March 31, 2016. Changes in the fair value of the interest rate swaps were recognized in other comprehensive

income (hedge accounting) however these contracts expired during the fourth quarter 2015. The table discloses the portion of the market value arising from future changes in market interest rates.

	31 Mar		31 Dec
	2016	2015	2015
Interest swaps ¹	-	-4	-
Interest rate cap (Option)	-1	-	0

¹ Cash flow hedge.

In terms of financial assets and liabilities other than those disclosed in the table below, fair value is deemed to be approximately equal to their book values. These assets and liabilities are valued at amortized costs. They are not valued at fair value through profit and loss but their fair values are disclosed. Fair value is calculated in accordance with a

discounted cash flow method and they are allocated to the fair value hierarchy level 3. A full comparison of fair value and book value for all financial assets and liabilities is disclosed in note 16 in the Annual Report 2015.

	31 Mar 2016		31 Dec 2015		31 Mar 2015	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
Commitments in financial leasing	614	628	600	615	590	605
Bank loans	2,418	2,444	2,449	2,477	3,288	3,344
Total	3,032	3,072	3,050	3,091	3,878	3,949

Signatures

The Board of Directors and the Chief Executive Officer hereby certify that the interim report gives a true and fair view of the Parent Company's and Group's operations, financial position and profit/loss and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Capio AB (publ)

Gothenburg, May 11, 2016

Anders Narvinger
Chairman

Thomas Berglund
Chief Executive Officer

Gunnar Németh
Vice Chairman

Neal Dignum

Fredrik Näslund

Gun Nilsson

Håkan Winberg

Kevin Thompson
Employee representative

Julia Turner
Employee representative

Quarterly overview

Income statement by quarter – Group

	2016	2015				FULL YEAR	
	Q1	Q4	Q3	Q2	Q1	RTM	2015
Net sales outpatients	1,771	1,722	1,489	1,694	1,685	6,676	6,590
<i>In % of net sales</i>	49.2	49.1	48.7	49.2	48.5	49.1	48.8
Net sales inpatients	1,600	1,539	1,350	1,517	1,562	6,006	5,968
<i>In % of net sales</i>	44.4	43.8	44.2	44.1	44.9	44.1	44.3
Net sales other	232	251	216	230	231	929	928
<i>In % of net sales</i>	6.4	7.1	7.1	6.7	6.6	6.8	6.9
Net sales	3,603	3,512	3,055	3,441	3,478	13,611	13,486
<i>Total sales growth, %</i>	3.6	1.7	1.1	2.5	3.2	2.3	2.2
<i>Organic sales growth, %</i>	3.7	2.7	2.3	3.5	2.9	3.1	2.9
Direct cost	-2,970	-2,938	-2,610	-2,905	-2,877	-11,423	-11,330
Gross result	633	574	445	536	601	2,188	2,156
<i>Gross margin, %</i>	17.6	16.3	14.6	15.6	17.3	16.1	16.0
Total overhead	-438	-395	-359	-400	-410	-1,592	-1,564
Operating result (EBITA)	195	179	86	136	191	596	592
<i>Operating margin (EBITA), %</i>	5.4	5.1	2.8	4.0	5.5	4.4	4.4
Amortization on surplus values	-19	-20	-19	-18	-18	-76	-75
Restructuring and other non-recurring items and acquisition related cost	0	17	0	-52	-11	-35	-46
Operating result (EBIT)	176	176	67	66	162	485	471
Net interest	-18	-20	-23	-46	-46	-107	-135
Other financial items	-4	-3	-10	-64	-15	-81	-92
Profit/loss after financial items	154	153	34	-44	101	297	244
Income tax	-31	-29	-6	13	-27	-53	-49
Profit/loss for the period	123	124	28	-31	74	244	195
Operating result (EBITDAR)	476	465	362	401	459	1,704	1,687
<i>Operating margin (EBITDAR), %</i>	13.2	13.2	11.8	11.7	13.2	12.5	12.5
Operating result (EBITDA)	296	285	188	237	291	1,006	1,001
<i>Operating margin (EBITDA), %</i>	8.2	8.1	6.2	6.9	8.4	7.4	7.4

Quarterly overview (cont.)

Capital employed and financing by quarter – Group

	2016	2015			
	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Operating capital employed	1,566	1,388	1,533	1,371	1,453
<i>In % of sales</i>	11.5	10.3	11.4	10.2	10.9
Other capital employed	6,603	6,549	6,648	6,492	6,155
Capital employed	8,169	7,937	8,181	7,863	7,608
Return on capital employed, %	7.3	7.5	7.3	7.8	8.3
Net debt	3,009	2,936	3,231	3,031	3,426
<i>Financial leverage</i>	3.0	2.9	3.2	2.9	3.2
Equity	5,160	5,001	4,950	4,832	4,182
Financing	8,169	7,937	8,181	7,863	7,608

Cash flow by quarter – Group

	2016	2015				FULL YEAR	
	Q1	Q4	Q3	Q2	Q1	RTM	2015
Net debt opening	-2,936	-3,231	-3,031	-3,426	-3,440	-3,426	-3,440
Operating result (EBITA)	195	179	86	136	191	596	592
Capital expenditure	-97	-135	-123	-94	-80	-449	-432
Divestments of fixed assets	1	4	8	4	25	17	41
Net capital expenditure	-96	-131	-115	-90	-55	-432	-391
<i>Net capital expenditure in % of net sales</i>	2.7	3.7	3.8	2.6	1.6	3.2	2.9
Add-back depreciation	101	106	102	101	100	410	409
Net investments	5	-25	-13	11	45	-22	18
Change in net customer receivables	-117	77	29	40	-157	29	-11
Other changes in operating capital employed	-64	36	-138	56	21	-110	-25
Operating cash flow	19	267	-36	243	100	493	574
<i>Cash conversion, %</i>	9.7	149.2	-41.9	178.7	52.4	82.7	97.0
Income taxes paid	-6	-6	-26	6	-16	-32	-42
Free cash flow before financial items	13	261	-62	249	84	461	532
<i>Cash conversion, %</i>	6.7	145.8	-72.1	183.1	44.0	77.3	89.9
Net financial items paid	-24	-20	-33	-51	-49	-128	-153
Free cash flow after financial items	-11	241	-95	198	35	333	379
<i>Cash conversion, %</i>	-5.6	134.6	-110.5	145.6	18.3	55.9	64.0
Acquisitions/divestments of companies	-4	-24	-25	29	-47	-24	-67
Received/paid restructuring and other non-recurring items	-7	43	4	-419	-38	-379	-410
Shareholder transactions	0	1	-1	667	0	667	667
Net cash flow	-22	261	-117	475	-50	597	569
Other items affecting net debt	-51	34	-83	-80	64	-180	-65
Net debt closing	-3,009	-2,936	-3,231	-3,031	-3,426	-3,009	-2,936

Quarterly overview (cont.)

Income statement overview by quarter – Segment

	2016	2015				FULL YEAR	
	Q1	Q4	Q3	Q2	Q1	RTM	2015
Capio Nordic							
Net sales	1,904	1,896	1,650	1,856	1,841	7,306	7,243
<i>Total sales growth, %</i>	3.4	2.0	0.4	1.6	2.3	1.9	1.6
<i>Organic sales growth, %</i>	3.0	4.1	4.2	4.8	5.3	4.0	4.6
Operating result (EBITDAR)	210	233	214	195	202	852	844
<i>Operating margin (EBITDAR), %</i>	11.0	12.3	13.0	10.5	11.0	11.7	11.7
Operating result (EBITDA)	112	136	115	103	104	466	458
<i>Operating margin (EBITDA), %</i>	5.9	7.2	7.0	5.5	5.7	6.4	6.3
Operating result (EBITA)	77	98	80	68	70	323	316
<i>Operating margin (EBITA), %</i>	4.0	5.2	4.9	3.7	3.8	4.4	4.4
Capio France							
Net sales	1,387	1,324	1,157	1,304	1,313	5,172	5,098
<i>Total sales growth, %</i>	5.6	2.4	2.8	6.4	7.2	4.3	4.7
<i>Organic sales growth, %</i>	5.1	0.9	-0.7	1.8	0.5	1.9	0.7
Operating result (EBITDAR)	247	212	152	209	234	820	807
<i>Operating margin (EBITDAR), %</i>	17.8	16.0	13.1	16.0	17.8	15.9	15.8
Operating result (EBITDA)	170	134	82	143	170	529	529
<i>Operating margin (EBITDA), %</i>	12.2	10.1	7.1	11.0	12.9	10.2	10.4
Operating result (EBITA)	111	70	21	85	110	287	286
<i>Operating margin (EBITA), %</i>	8.0	5.3	1.8	6.5	8.4	5.6	5.6
Capio Germany							
Net sales	312	292	248	281	324	1,133	1,145
<i>Total sales growth, %</i>	-3.7	-2.7	-0.8	5.2	5.9	-0.7	2.0
<i>Organic sales growth, %</i>	1.7	2.1	4.1	2.6	-0.2	2.6	2.0
Operating result (EBITDAR)	42	38	11	16	45	107	110
<i>Operating margin (EBITDAR), %</i>	13.5	13.0	4.4	5.7	13.9	9.4	9.6
Operating result (EBITDA)	38	34	8	12	40	92	94
<i>Operating margin (EBITDA), %</i>	12.1	11.7	3.1	4.2	12.5	8.1	8.2
Operating result (EBITA)	32	32	2	5	35	71	74
<i>Operating margin (EBITA), %</i>	10.2	10.8	0.8	1.8	10.8	6.3	6.4
Other							
Net sales	0	0	0	0	0	0	0
Operating result (EBITDAR)	-23	-18	-15	-19	-22	-75	-74
Operating result (EBITDA)	-24	-19	-17	-21	-23	-81	-80
Operating result (EBITA)	-25	-21	-17	-22	-24	-85	-84
Eliminations							
Net sales	-	-	-	-	-	-	-
Operating result (EBITDAR)	-	-	-	-	-	-	-
Operating result (EBITDA)	-	-	-	-	-	-	-
Operating result (EBITA)	-	-	-	-	-	-	-
Capio Group							
Net sales	3,603	3,512	3,055	3,441	3,478	13,611	13,486
<i>Total sales growth, %</i>	3.6	1.7	1.1	2.5	3.2	2.3	2.2
<i>Organic sales growth, %</i>	3.7	2.7	2.3	3.5	2.9	3.1	2.9
Operating result (EBITDAR)	476	465	362	401	459	1,704	1,687
<i>Operating margin (EBITDAR), %</i>	13.2	13.2	11.8	11.7	13.2	12.5	12.5
Operating result (EBITDA)	296	285	188	237	291	1,006	1,001
<i>Operating margin (EBITDA), %</i>	8.2	8.1	6.2	6.9	8.4	7.4	7.4
Operating result (EBITA)	195	179	86	136	191	596	592
<i>Operating margin (EBITA), %</i>	5.4	5.1	2.8	4.0	5.5	4.4	4.4

Quarterly overview (cont.)

Capital employed by quarter – Segment

	2016	2015			
	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Capio Nordic					
Capital employed	2,763	2,778	2,957	2,801	2,828
Return on capital employed, %	11.7	11.4	10.2	10.6	10.4
Capio France					
Capital employed	4,184	3,966	4,165	4,042	3,727
Return on capital employed, %	6.9	7.2	7.7	8.4	9.7
Capio Germany					
Capital employed	1,048	1,031	1,021	989	1,035
Return on capital employed, %	6.8	7.2	6.0	6.0	5.4
Other					
Capital employed	174	162	38	31	18
Eliminations					
Capital employed	-	-	-	-	-
Capio Group					
Capital employed	8,169	7,937	8,181	7,863	7,608
Return on capital employed, %	7.3	7.5	7.3	7.8	8.3

Net capital expenditure by quarter – Segment

	2016	2015				FULL YEAR	
	Q1	Q4	Q3	Q2	Q1	RTM	2015
Capio Nordic							
Net capital expenditure	-44	-60	-22	-33	-20	-159	-135
In % of net sales Nordic	2.3	3.2	1.3	1.8	1.1	2.2	1.9
Capio France							
Net capital expenditure	-41	-57	-78	-45	-30	-221	-210
In % of net sales France	3.0	4.3	6.7	3.5	2.3	4.3	4.1
Capio Germany							
Net capital expenditure	-10	-11	-13	-11	-5	-45	-40
In % of net sales Germany	3.2	3.8	5.2	3.9	1.5	4.0	3.5
Other							
Net capital expenditure	-1	-3	-2	-1	0	-7	-6
Capio Group							
Net capital expenditure	-96	-131	-115	-90	-55	-432	-391
In % of net sales Group	2.7	3.7	3.8	2.6	1.6	3.2	2.9

Definitions

Number of outpatients Number of patient visits, for patients with length of stay shorter than 24 hours.

Number of inpatients Number of patient visits, for patients with length of stay longer than 24 hours.

Average length of stay (AVLOS) Average length of an inpatient stay measured in number of days. AVLOS presented excludes psychiatry, rehabilitation, nursing and eating disorder patients. AVLOS in France has also been adjusted for the effect from the transfer between in- and outpatient treatments. These adjustments have been made in order to show a comparable AVLOS between segments and over time.

Number of employees Number of employees as full-time equivalents on average during the year.

Total sales growth, % Increase in net sales for the period as a percentage of the previous year's net sales.

Organic sales growth, % Increase in net sales for the period, adjusted for acquisitions/divestments and changes in exchange rates, as a percentage of the previous year's net sales adjusted for divestments.

Operating result (EBITA) Operating result before amortizations of group surplus values, restructuring and other non-recurring items and acquisition related costs.

Operating result (EBITDA) Operating result (EBITA) adjusted for depreciations and impairments related to operating fixed assets.

Operating result (EBITDAR) Operating result (EBITDA) adjusted for rent of premises.

Operating result (EBIT) Operating result before interest and income tax.

Adjusted profit/loss for the period Profit/loss for the period attributable to parent company shareholders adjusted for amortization of group surplus values, restructuring and other non-recurring items, acquisition related costs and write-off of capitalized borrowing costs, net of income tax.

Earnings per share Profit/loss for the period attributable to parent company shareholders in relation to the average number of outstanding common shares during the period. Refer to note 2 for calculations of earnings per share (before and after dilution).

Adjusted earnings per share Profit/loss for the period attributable to parent company shareholders, adjusted for amortization of group surplus values, restructuring and other non-recurring items, acquisition related costs and write-off of capitalized borrowing costs, net of income tax, in relation to the average number of outstanding common shares during the period. Refer to note 2 for calculations of adjusted earnings per share (before and after dilution).

Net customer receivables Accounts receivables and accrued production less bad debt provision and advances from customers.

Capital employed Capital employed includes all non-interest bearing assets and liabilities as well as provisions for employee-benefits.

Return on capital employed RTM operating result (EBITA) as a percentage of capital employed.

Net debt The Group's external interest-bearing assets and liabilities adjusted for cash and cash equivalents.

Financial leverage Financial leverage is the closing balance of net debt in relation to RTM operating result (EBITDA).

Net capital expenditures Investments in fixed assets, net of divestments of fixed assets, for the period.

Net investments Investments in fixed assets, net of divestments of fixed assets, depreciations and impairments, for the period.

Operating cash flow Operating cash flow relates to operating result (EBITA) adjusted for net investments and changes in working capital.

Free cash flow before financial items Corresponds with operating cash flow less income taxes paid.

Free cash flow after financial items Corresponds with free cash flow before financial items less net financial items paid.

Cash conversion Cash conversion in % is defined as the cash flow in relation to operating result (EBITA).

RTM Rolling 12 month.

Presentation of the interim report

Investors, analysts and media are invited to participate in a telephone conference on May 11, 2016 at 13.30 (CET). President and CEO Thomas Berglund and CFO Olof Bengtsson will present the report and answer questions. The telephone conference will be audio casted live on www.capio.com. To participate in the telephone conference, please register at www.capio.com and dial in five minutes prior to the start of the conference call.

Sweden: +46 8 566 426 90

UK: +44 203 008 9807

US: +1 855 753 22 35

Finland: +35 898 171 04 93

France: +33 170 75 07 12

Prior to the start of the telephone conference, presentation slides will be available at www.capio.com.

A recorded version of the audio cast will be available at www.capio.com during the afternoon (CET).

Financial calendar

May 11, 2016, Annual general meeting 2016

July 22, 2016, Interim report January – June 2016

November 3, 2016, Interim report January – September 2016

February 10, 2017, Full year report January – December 2016

Capio's annual general meeting (AGM) will be held on Wednesday, May 11, 2016 at 16.00 (CET). The venue for the AGM is the Gothenburg concert hall (Stenhammarsalen) in Gothenburg, Sweden.

For further information

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For further information regarding Capio's IR activities, refer to www.capio.com

Capio AB (publ) discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 12.30 (CET) on May 11, 2016.

About Capio

Capio AB (publ) is a leading, pan-European healthcare provider offering a broad range of high quality medical, surgical and psychiatric healthcare services in four countries through its hospitals, specialist clinics and primary care units. In 2015, Capio's 12,360 employees provided healthcare services during 4.6 million patient visits across the Group's facilities in Sweden, Norway, France and Germany, generating net sales of MSEK 13,486. Capio operates across three geographic segments: Nordic (54 percent of Group net sales 2015), France (38 percent of Group net sales 2015) and Germany (8 percent of Group net sales 2015). For more information about Capio, please see www.capio.com.

Values

Quality. Compassion. Care.

When we require medical care, we are vulnerable and perhaps helpless, or at least in need of assistance. We may also have a limited insight and knowledge of our illness and how best to treat it. This places a heavy burden of responsibility on the healthcare service and its staff, far beyond the responsibility that applies to many other activities and situations in life. The foundation for Capiro's activities is three core values to manage this responsibility and to achieve the best achievable quality of life for every patient.

Mission

Cure. Relieve. Comfort.

We have a mission: to cure, relieve and comfort anyone seeking medical care from Capiro. This is also what is stated in the oath created around 2,400 years ago by Hippocrates, the father of medicine.

Modern medical developments mean that more and more diseases can now be cured, or at least eased. At Capiro, we are doing everything in our power to make the most of this development. We use all the knowledge and experience of our staff to ensure that new advances benefit patients as quickly as possible. New, improved methods and procedures are only viable when they are implemented in day-to-day medical care.

There are times when a cure is impossible and relief is merely temporary. In these cases, comfort is an important part of the care offered. We must be able to see the person behind the illness; see their anxiety and sorrow, and do everything in our power to support them. It is important to remember this personal aspect of medical care in the face of the advanced technology used today, not to mention the thousands of sophisticated treatment methods that are part of modern healthcare.

Vision

The best achievable quality of life for every patient

The aim of all healthcare work is to ensure the best achievable quality of life for each and every patient. Many make a full recovery, while others have the chance of a more normal life. A patient's self-esteem and dignity shall also be respected and reinforced even as his or her life draws to a close. Our key drivers are quality, compassion and care.

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