01 July 2011 to 31 March 2012

REPORT ON THE 1st 9 MONTHS OF THE YEAR 2011 | 2012

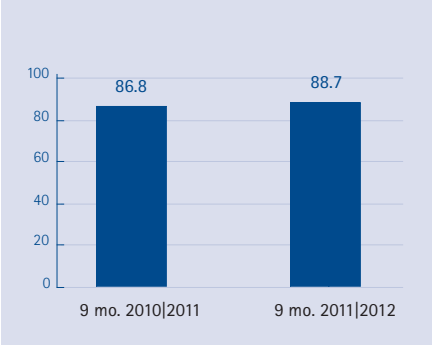
As good as home

MARSEILLE-KLINIKEN AG®

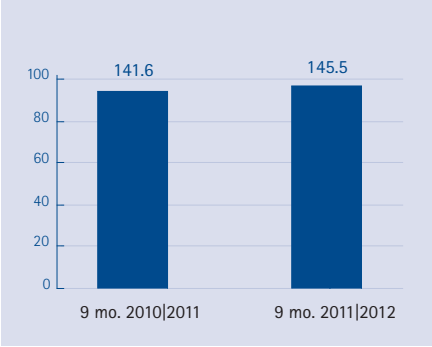
Interim management report for the first 9 months of the financial year 2011/2012

Bed capacity

Occupancy rate
in %



Operating sales
in Euro million



■ Group

1. Summary

Dear shareholders and friends of the company,

- **EBIT increased by more than 75% year on year to € 7.2 million**
- **Revenues increased to € 145.5 million**
- **Occupancy rate further increased to 88.7%**
- **Bond buy-back worth € 3.0 million implemented**

Marseille-Kliniken AG can look back on a positive development in the first three quarters of the financial year 2011/2012. The results after the first nine months demonstrate that the measures implemented in order to improve the company's result, for example by focusing on our core areas of expertise of inpatient and outpatient nursing care for the elderly and by means of stringent cost management on the administrative side, further improved the economic development of Marseille-Kliniken AG. We were able to increase our EBIT by more than 75% to € 7.2 million and improve our occupancy rate to 88.7%. Group revenues were also higher year on year, at € 145.5 million.
The good development of our business over the first nine months means that we are still very confident about achieving our ambitious goals for the financial year 2011/2012.

2. Macroeconomic environment / Nursing care market

The overall economic situation in Germany proved to be very robust in 2011. According to the German Federal Statistical Office's calculations, Germany's gross domestic product (GDP) increased by 3.0% in 2011, in comparison to the previous year. This trend was also reflected in the labour market, with the pleasing employment dynamic having continued last year to take the number of persons employed in Germany above the 41 million mark for the first time. The number of people out of employment fell to around 2.5 million in the same period. It is pleasing to note that the increase in the employment rate was primarily driven by employees in positions for which social security contributions are mandatory. According to the Federal Statistical Office's population projections, the following two developments are anticipated. The number of 20 to 64-year-olds will drop by 15% up to 2030 while, conversely, the number of those aged 65 and older will increase by around 33% over the same period. This second development means that, based on the figures of the Federal Statistical Office, there will be some 5.6 million people more in this older age bracket. This positive development on the demand side may be offset by an impending workforce shortage. The nursing care market has been confronted with a lack of skilled workers in particular for years now, a situation that will become more intense given the expected rise in demand for nursing care. Marseille-Kliniken AG has proactively addressed this subject and is already offering its employees a variety of benefits beyond a basic salary, including assistance in finding accommodation, a company old-age pension scheme, bonus schemes, career opportunities within the Group, flexible working time models and grants for childcare. At the same time on the demand side, patients' perception of themselves is shifting from being a passive victim of their illness to that of a self-determined, active customer for medical products and services. Together with the general increase in life expectancy and a rising proportion of older population groups in Germany, this adds up to an increase in demand for high quality nursing services.
As a private-sector operator of facilities for the elderly, this economic environment gives rise to challenges for Marseille-Kliniken AG with respect to assuming social responsibility within the health care market, but also to considerable long-term growth potential for the entire Group.

3. Profitability

Main Group figures (IFRS) first nine months of the year overview

01/07/2011 bis 31/03/2012
and previous year

		2011 | 2012	2010 | 2011	Change in %
Earnings				
Net revenue	in € m	145.5	141.6	2.7
EBITDAR	in € m	39.8	38.6	3.1
EBITDA	in € m	12.0	9.9	20.3
EBIT	in € m	7.2	4.1	76.2
EBIT margin	%	4.9	2.9	171.5
EBT	in € m	4.3	1.3	320.0
EBT margin	%	3.0	1.0	311.4
Earnings after taxes	in € m	4.8	0.0	-
Balance				
Fixed assets	in € m	158.7	161.7	-1.9
Investments	in € m	0.8	1.7	-52.9
Shareholders' equity	in € m	38.7	25.3	53.0
Equity incl. investment grants	in € m	72.6	60.7	19.7
Equity ratio	%	37.0	31.3	18.3
Other key indicators				
Employees	Anzahl	4,718	4,517	4.4
Facilities	Anzahl	60	60	0,0
Bed capacity	Anzahl	8,051	8,083	-0.4
Occupancy rate	%	88.7	86.8	1.9

Revenues rose in the reporting period compared with last year by € 3.9 million to a total of € 145.5 million. This growth is the result of the 1.9% increase (88.7%) in the occupancy rate on the previous year (86.8%). Adjusting the year-on-year comparison for the revenues of € 1.3 million attributable to the Montabaur facility in the first quarter of last year even reveals that revenues rose by around € 5.2 million. In other words, the continuing facilities generated higher revenues in the reporting period. Unlike revenues, other operating income fell from € 7.5 million to € 6.6 million, also as a result of the disposal of the Montabaur facility.
In a year-on-year comparison, we achieved an increase in total revenues of € 3.1 million to € 152.2 million. The level of our expenses, which were maintained at the same level as the previous year at € 145.0 million between 01 July 2011 and 31 March 2012, is a reflection of the conscious management of our costs. Within our expenses, the cost of materials went up year on year from € 16.0 million to € 17.6

million. The increase in our personnel expenses, which increased by 0.6% to € 76.0 million (previous year: € 75.5 million), was very low in relation to our higher revenues. This was thanks to the streamlining of our administration by, for example, introducing a regional manager structure. Furthermore, depreciation and amortisation was down from € 5.9 million last year to € 4.8 million in the reporting period. Other operating expenses declined in the first nine months of the financial year 2011/2012 to € 45.6 million (previous year: € 47.3 million). This stems mainly from the expenses of around € 1.0 million for selling the Montabaur facility, which were included in last year's figure, and from the cost optimisations already implemented.

Compared to the previous year, the financial result increased only fractionally to € -2.9 million between 01 July 2011 and 31 March 2012.

Income taxes amounting to € -0.5 million increased our expenses and affected the result in the reporting period.

4. Asset situation

Total assets as of the reporting date of 31 March 2012 amount to € 196.3 million (30 June 2011: € 199.7 million). On the assets side this is comprised of non-current assets totalling € 163.4 million (30 June 2011: € 167.2 million) and current assets of € 32.9 million (30 June 2011: € 32.5 million).

Compared with 30 June 2011 the carrying amount of property, plant and equipment fell by 2.7% from € 119.9 million to € 116.7 million. The change is primarily the result of depreciation and of the repayment of the finance lease. There was also virtually no change in other financial assets, which amounted to € 10.2 million as of 31 March 2012 (30 June 2011: € 10.1 million). The change in current assets is the result of declines of € -1.9 million in trade receivables (30 June 2011: € 10.2 million) and of € -4.6 million in other receivables and assets (30 June 2011: € 9.3 million), whereas inventories were nearly unchanged as of 31 March 2012 at € 1.4 million (30 June 2011: € 1.5 million). In comparison, there was a marked improvement in cash and cash equivalents, which rose by € 5.1 million to € 14.6 million.

In the first nine months of the current financial year there were no changes in subscribed capital, treasury shares, capital reserves or revenue reserves. There was a slight change due to the measurement of two interest rate swaps, which were valued at € -631 thousand as of the reporting date (30 June 2011: € -371 thousand).

Non-current liabilities increased by 4.7%, whereas current liabilities fell by 23.9%, adjusted for the reclassification of the new corporate bond. As of 31 March 2012 deferred investment grants fell from € 41.6 million (30 June 2011) to € 40.3 million, as they are reversed with effect on income over the useful life of the assets subsidised. Non-current financial debt amounting to € 42.5 million (30 June 2011: € 36.4 million) represented the main share of all non-current liabilities and resulted from an increase due to the taking up of additional non-current loans in order to repay existing liabilities, partially repay the corporate bond in April 2012, and strengthen the company's liquidity. The bond issued in December 2011 to the value of € 15 million is accounted for under non-current liabilities.

Current financial debt, adjusted for the reclassification of the new corporate bond, fell by around 23.9%, coming to € 4.6 million as of the reporting date 31 March 2012 (30 June 2011: € 5.9 million). While the corporate bond had previously been accounted for under current liabilities, it is now reported under non-current liabilities due to its longer maturity term. Current provisions fell due to some being released, taking the total from € 20.1 million to € 17.4 million. Trade payables were also reduced from € 10.8 million to € 6.1 million. Tax liabilities rose from € 3.1 million to € 5.0 million. Other current liabilities were also trimmed successfully from € 12.9 million to € 7.0 million.

5. Financial position

In the first nine months of the reporting year cash and cash equivalents increased by a total of € 5,158 thousand, from € 9,488 thousand to € 14,646 thousand. This positive earnings growth is also reflected in the improved cash flow from operating activities, which rose to € 3,701 thousand in the nine-month period. Cash outflows from investing activities totalled € 736 thousand as of 31 March 2012. Cash flow from financing activities was positive, bringing in € 2,193 thousand in the period under review. Alongside increasing liquidity, one of the main aims of our financing measures is the optimisation of the financing structure.

*Abbreviated cash flow statement**

in € '000	9 months 2011|2012	9 months 2010|2011
Group net profit/loss for the period 01/07/ to 31/03/	**8,123**	**4,068**
Non-cash expenses/income	2,914	4,305
Decrease/increase assets/liabilities	-7,336	-6,891
Cash flow from investing activities	-736	-1,671
Cash flow from financing activities	2,193	-1,745
Decrease/increase in net cash assets	5,158	-1,935
Cash and cash equivalents as of 01/07/	9,488	10,104
Decrease/increase in cash and cash equivalents	5,158	-1,935
Cash and cash equivalents as of 31/03/	**14,646**	**8,169**

* in accordance with the format that has to be submitted to Deutsche Börse AG

6. Investments

Investments in the Marseille-Kliniken Group amounted to € 0.8 million in the reporting period, after € 1.7 million in the previous year.

7. Employees

The average number of employees rose in the third quarter of 2011/2012, due to increased capacity utilisation, from 4,517 (Q3 2010/2011) to 4,718.

8. The share

The Marseille-Kliniken AG share rose from an opening price of € 2.50 (closing price on 30 June 2011) to € 3.00 (closing price on 30 March 2012 in the XETRA electronic trading system). The current price is likewise € 3.00 (closing price on 04 May 2012 in the XETRA electronic trading system). Average trading volume was around 14,700 shares.

9. Risk report

No new material risks arose in the first nine months of the financial year 2011/2012. Please refer to our detailed discussion of the current risks we are exposed to in the 2010/2011 annual report. There were also no changes to risk management in the first nine months of the current financial year.

10. Events after the balance sheet date

There were no significant events after the first nine months of the financial year 2011/2012.

11. Forecast

Our forecast for the entire 2011/2012 financial year remains well over the previous year with a mild increase in revenues and a Group EBIT of € 10.0 million. Otherwise, the focus in the current financial year will be on optimising the core nursing business and improving the financing arrangements. There may of course be differences between the forecast results and the actual results. However, we expect any such differences to be minimal.

Consolidated balance sheet

of Marseille-Kliniken AG

ASSETS EUR thousand	Current 9 months 31/03/2012	Previous annual financial statements 30/06/2011	Previous 9 months 31/03/2011
Non-current assets			
Intangible assets	31,807	32,599	32,664
Property, plant, and equipment	116,668	119,936	120,629
Other financial assets	10,247	10,056	8,423
Income tax claims	963	1,086	1,125
Deferred tax assets	3,721	3,571	890
	163,406	**167,248**	**163,731**
Current assets			
Inventories	1,352	1,501	1,146
Trade receivables	8,270	10,181	10,578
Other receivables and assets	4,652	9,283	8,654
Current tax claims	4,014	2,022	1,816
Cash and cash equivalents	14,646	9,488	8,169
	32,935	**32,475**	**30,363**
Total assets	**196,340**	**199,723**	**194,094**

EQUITY AND LIABILITIES EUR thousand	Current 9 months 31/03/2012	Previous annual financial statements 30/06/2011	Current 9 months 31/03/2011
Shareholders' equity			
Subscribed capital	37,153	37,153	31,100
Capital reserve	1	1	0
Revenue reserve	915	915	627
Treasury stock	-928	-928	-903
Time valuation reserve	-631	-371	-318
Foreign exchange differences	90	96	-53
Group tax losses carried forward	1,559	-3,150	-5,693
Minority interests	526	479	519
	38,685	**34,195**	**25,279**
Long-term liabilities			
Deferred investment grants	40,304	41,570	42,022
Long-term financial debt	42,545	36,424	38,118
Bond	14,845	0	0
Pension obligations	12,405	12,930	14,268
Deferred taxes	7,370	7,067	6,545
	117,469	**97,991**	**100,954**
Short-term liabilities			
Bond	0	14,726	14,562
Short-term financial liabilities	4,586	5,928	10,169
Short-term provisions	17,362	20,062	16,356
Trade payables	6,129	10,774	10,353
Current tax liabilities	5,080	3,106	2,260
Other short-term liabilities	7,029	12,940	14,162
	40,186	**67,537**	**67,862**
Total liabilities and shareholder's equity	**196,340**	**199,723**	**194,094**

Consolidated cash flow statement

of Marseille-Kliniken AG

EUR thousand	Group 1/7/2011 to 31/03/2012	1/7/2010 to 30/06/2011	1/7/2010 to 31/03/2011
Cash flow from operating activities			
Earnings before interest and tax	**8,123**	**5,661**	**4,068**
Proceeds from the disposal of non-current assets (profit/loss)	116	-584	-592
Depreciation and amortisation	4,789	8,041	5,868
Other non-cash income and expenses	-1,992	-5,463	-971
Increase/decrease (+/-) in inventories	149	-348	8
Increase/decrease (+/-) in pension provisions	-525	-430	0
Increase in current provisions	-2,700	3,445	-3,162
Taxes on income	1,394	-2,880	-2,168
Change in net current assets	-5,652	-6,586	-1,569
Cash flow from operating activities	**3,701**	**857**	**1,481**
Cash flow from investing activities			
Outflows from asset investments			
Intangible assets	-40	-202	-133
Property, plant, and equipment	-698	-1,633	-1,538
Financial assets	0	-270	0
Inflows from asset disposals			
Property, plant, and equipment	2	377	0
Cash flow from investing activities	**-736**	**-1,728**	**-1,671**
Cash flow from financing activities			
Inflow from the issuing of a bond	14,845	0	15,000
Repayment of the previous bond	-15,000	15,000	0
Inflow from capital increase	0	6,220	0
Assumption of current liabilities	0	0	0
Assumption of medium and long-term liabilities (non-current)	12,500	585	585
Repayment of current financial liabilities	-5,768	-13,700	-11,569
Repayment of medium and long-term financial liabilities (non-current)	-1,381	-3,062	-2,007
Repayment of finance lease liabilities	-1,148	-1,859	-1,436
Inflows from finance lease agreements	0	285	0
Granting of loans/repayment of loans received	0	-2,217	0
Repayment of loans granted	0	1,846	0
Interest paid on loans	-1,413	-3,278	-2,028
Interest paid for new bond	-599	0	0
Interest paid for finance lease agreements	-247	-492	-387
Interest received from finance lease agreements	191	90	97
Repayments received from property finance leases	214	183	0
Interest received from loans granted	0	654	0
Cash flow from financing activities	**2,193**	**255**	**-1,745**
Increase/decrease in net financial assets	**5,158**	**-616**	**-1,935**
Increase/decrease in cash and cash equivalents	5,158	-616	-1,935
Cash and cash equivalents at beginning of financial year	9,488	10,104	10,104
Cash and cash equivalents at end of financial year	**14,646**	**9,488**	**8,169**
of which cash on hand and at banks	*14,646*	*9,488*	*8,169*

Consolidated income statement

of Marseille-Kliniken AG

EUR thousand	Current 9 months 1/07/2011 to 31/03/2012	Previous annual financial statements 1/7/2010 to 30/06/2011	Previous 9 months 1/7/2010 to 31/03/2011
Revenues	145,532	190,003	141,641
Other operating income	6,660	12,125	7,463
Total revenues	**152,193**	**202,128**	**149,103**
Cost of materials/Cost of services rendered	17,642	20,887	16,074
Personnel expenses	76,035	98,783	75,527
Depreciation and amortisation	4,789	8,041	5,868
Other operating expenses	45,604	68,208	47,337
Other taxes	956	550	229
Earnings from operating activities	**7,167**	**5,660**	**4,068**
Financial income	860	1,051	647
Financial expense	3,717	5,081	3,368
Earnings before taxes (and minority interests)	**4,310**	**1,631**	**1,347**
Income tax	-486	-1,146	1,361
Group net profit/loss	**4,796**	**2,777**	**–14**
Minority interests	-47	93	53
Group result attributable to the shareholders of Marseille-Kliniken AG	**4,749**	**2,870**	**39**
Earnings per share (in EUR)			
on the basis of 14,464,325 share certificates	0.33 €		
on the basis of 14,464,325 share certificates		0.23 €	
on the basis of 12,150,000 share certificates			0.00 €

Consolidated statement of comprehensive income

of Marseille-Kliniken AG

EUR thousand	Current 9 months 1/07/2011 to 31/03/2012	Previous annual financial statements 1/7/2010 to 30/6/2011
Earnings after taxes	**4,796**	**2,777**
Cash flow hedges:		
Losses reclassified to profit and loss	0	-335
Fair value of derivative hedging instruments	-309	763
Costs of capital increase	0	-198
Fair value of derivative financial instruments	50	-36
Taxes on expenses and income recognised directly in equity	-392	0
Income and expenses due to changes to the group of consolidated companies	-6	91
Currency translation	-657	285
Expenses and income recognised directly in equity	**4,139**	**3,062**
Total	**-47**	**93**
Minority interests	**4,092**	**3,155**
Interests held by Marseille-Kliniken AG shareholders	**3,672**	**3,155**

Consolidated statement of changes in equity

Marseille-Kliniken AG for the period July 1, 2010 to June 30, 2012

1/7/2010 – 30/06/2011	*Parent company*								*Minority shareholders*	*Group*
EUR	Subscribed capital	Capital reserve	Revenue reserve	Treasury stock	Time valuation reserve	Currency translation differences	Consolidated loss	Shares Marseille-Kliniken AG	Minority interests	Total equity
Balance at 1/7/2010	31,100	0	627	-903	-731	5	-5,733	24,365	573	24,938
Purchase of treasury stock	6,220	1	0	0	0	0	0	6,221	0	6,221
Capital increase	0	0	0	-26	0	0	0	-26	0	-26
Income and expense directly shown in equity	-167	0	0	0	361	91	0	284	0	284
Earnings in the period	0	0	0	0	0	0	2,870	2,870	-93	2,777
Allocation to statutory reserve	0	0	288	0	0	0	-288	0	0	0
Balance at 30/06/2011	**37,153**	**1**	**915**	**-928**	**37,153**	**95**	**-3,150**	**33,715**	**479**	**34,194**

1/7/2011 – 31/03/2012	*Parent company*								*Minority shareholders*	*Group*
EUR	Subscribed capital	Capital reserve	Revenue reserve	Treasury stock	Time valuation reserve	Currency translation differences	Consolidated loss	Shares Marseille-Kliniken AG	Minority interests	Total equity
Balance at 1/7/2011	37,153	1	915	-928	-371	96	-3,150	33,716	479	34,195
Income and expense directly shown in equity	0	0	0	0	-260	0	0	-260	0	-260
Other changes	0	0	0	0	0	0	-40	-40	0	-40
Earnings in this period	0	0	0	0	0	-5	4,749	4,744	47	4,790
Balance at 31/03/2012	37,153	1	915	-928	-631	90	1,559	38,159	526	38,685

Notes to the consolidated financial statements (IFRS)

1. Background information

ACCOUNTING IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The quarterly financial report is presented in condensed form in accordance with IFRS requirements (IAS 34 Interim Financial Reporting).

This report, like previous interim financial statements, has not been subjected to a review or audit as defined in § 317 of the German Commercial Code (HGB).

Some of the items are shown as € thousand, others as € million. Rounding differences amounting to +/- € 1 thousand can occur.

ACCOUNTING AND VALUATION PRINCIPLES

The same accounting and valuation methods were applied to the quarterly financial report to 31 March 2012 as were applied to the consolidated financial statements for the year ending 30 June 2011. A detailed description of these accounting standards and interpretations was published in the notes to the consolidated financial statements compiled by Marseille-Kliniken AG for the year ending 30 June 2011, to which we refer here (IAS 34.15). The annual report for the year ending 30 June 2011 and this quarterly report can be downloaded from the internet at www.Marseille-Kliniken.de.

2. Group companies

The number of companies to be included in Marseille-Kliniken AG's group of consolidated companies pursuant to IAS 27.12 fell by 12 as of 31 March 2012 compared with the group of consolidated companies as of 31 December 2011. No operating activities were attributable to these 12 companies. 88 companies are now consolidated.

The merger of Senioren-Wohnpark Wolmirstedt GmbH with the newly created MK Mitte PLUS GmbH based in Bremerhaven was effected in the third quarter of the 2011/2012 financial year. By means of a merger agreement dated 27 February 2012, Senioren-Wohnpark Wolmirstedt GmbH, entered in Stendal local court's Commercial Register under HR no. B 104563, was merged into MK Mitte PLUS GmbH. The merger became effective for tax purposes as from 01 July 2011 (merger date) through retitling and transfer of the assets of Senioren-Wohnpark Wolmirstedt GmbH in their entirety, without liquidation, to MK Mitte PLUS GmbH (merger by means of acquisition). The company was renamed to now trade under the name of Senioren-Wohnpark Wolmirstedt GmbH. The corresponding entries were included in the Commercial Register on 13 April 2012.

3 Segment reporting

The planned corporate strategy entails focusing business activities on two core areas: inpatient and outpatient nursing care. The restructuring that has been carried out and in particular the sale of the rehabilitation division has resulted in a concentration of the Group's activities on nursing care. Changes at management level had a considerable effect on the course of business for Marseille-Kliniken AG, resulting in the amalgamation of existing segments to form one segment – nursing care.

According to current estimates, planned revenues in the outpatient nursing care division will not exceed the quantitative thresholds defined in IFRS 8.13 in the years ahead. The segmentation practised hitherto will therefore no longer form part of the internal reporting processes (management approach).

4 Explanatory notes to the consolidated balance sheet

PROPERTY, PLANT AND EQUIPMENT

Compared with 30 June 2011, property, plant and equipment decreased by around € 3.2 million to 31 March 2012. This change results in particular from the depreciation of these assets and the repayment of the finance lease.

OTHER FINANCIAL ASSETS

As of 31 March 2012, other financial assets were largely unchanged versus 30 June 2011, totalling € 10.2 million (previous year: € 10.1 million).

DEFERRED TAX ASSETS/LIABILITIES

Deferred tax assets were recognised for tax losses carried forward for Group companies. Any deferred tax assets in excess of this were set off against deferred tax liabilities and shown under liabilities wherever offsetting is permitted.

As of 31 March 2012, there were total corporation tax losses carried forward amounting to € 38.5 million (30 June 2011: € 39.5 million), which can essentially be utilised with no time limitation. These were carried forward as deferred tax assets, as long as it was sufficiently probable that such losses carried forward could be utilised at a future date.

Tax losses carried forward at the consolidated companies lead to the utilisation of deferred tax assets to the extent that the company in question is likely to benefit from having tax losses to be offset during the next five financial years. Against the backdrop of existing budgeting and various measures introduced, it is expected that there will be sufficient scope for offsetting the losses carried forward.

Where it does not seem likely that future taxed earnings of a company will allow for a tax reduction to be realised, deferred tax assets cannot be used against losses carried forward, i.e. appropriate value adjustments will be made to deferred tax assets.

INVENTORIES

The inventories remained almost unchanged compared with 30 June 2011.

Raw materials, consumables and supplies amounted to € 1.4 million (30 June 2011: € 1.5 million) as of the reporting date of 31 March 2012. These consisted mainly of medical supplies and energy resources.

OTHER RECEIVABLES AND ASSETS

As of 31 March 2012 other receivables and assets came to € 4.7 million, a decrease of € 4.6 million compared with 30 June 2011 (€ 9.3 million).

TREASURY SHARES

In the first nine months of the financial year 2011/2012, Marseille-Kliniken AG neither bought nor sold treasury shares.

TIME VALUATION RESERVE

Deferred swaps with no effect on income are shown in the time valuation reserve. These are two interest rate swaps which were acquired in order to hedge floating-rate loans. This has the effect of transforming the future floating-rate loans into fixed-rate loans.

As of 31 March 2012, the interest rate swaps shown in the time valuation reserve had overall negative market values amounting to € 749 thousand, less deferred taxes totalling € 119 thousand, or € 630 thousand in all. The market value was ascertained using the mark-to-market method.

DEFERRED INVESTMENT GRANTS

Deferred investment grants as of 31 March 2012 totalling € 40.3 million (30 June 2011: € 41.6 million) are dissolved with effect on income in accordance with the useful life of the subsidised assets.

CURRENT PROVISIONS

As of 31 March 2012, current provisions were reduced by € 2.7 million as against 30 June 2011, down from € 20.1 million to € 17.4 million. The decline is particularly attributable to the settlement of outstanding invoices.

NON-CURRENT FINANCIAL DEBT

Non-current financial debt includes, in addition to the financial debts outlined in the notes to the consolidated financial statements to 30 June 2011, derivative financial instruments totalling € 0.6 million as of 31 March 2012. These derivatives are the interest rate swaps mentioned under the heading „Time valuation reserve". Changes in the fair value are recognised in equity without effect on net income.

Non-current financial debt rose from € 36.4 million as of 30 June 2011 to € 42.5 million as of 31 March 2012. A non-current loan was taken up in March in order to repay existing liabilities, partially repay the corporate bond, and strengthen the company's liquidity situation.

BOND

There are financial liabilities from the issuing of a bond in December 2011 with a total volume of € 15.0 million and a maturity of two years. The bond pays interest at 9.5% in the first year and 12.5% in the second, whereby it can be repaid in full after the first year. Its purpose is to replace the € 15 million bond that matured on 8 December 2011.

CURRENT FINANCIAL LIABILITIES

Current financial liabilities were reduced by € 1.3 million to € 4.6 million (30 June 2011: € 5.9 million) due to a new non-current loan. This step served to improve the balance between short-, medium- and long-term financing.

5. Explanatory notes to the consolidated income statement

REVENUES

Revenues increased by € 3.9 million year on year to € 145.5 million.

COST OF MATERIALS

The cost of materials increased from € 16.1 million (31 March 2011) to € 17.6 million as of 31 March 2012.

PERSONNEL EXPENSES

Personnel expenses remained essentially unchanged year on year.

DEPRECIATION AND AMORTISATION

Depreciation and amortisation in the first nine months of the financial year 2011/2012 totalled € 4.8 million (previous year: € 5.9 million), including € 0.3 million in write-downs on capitalised finance leases primarily for factory and office equipment (previous year: € 0.5 million).

OTHER OPERATING EXPENSES

Other operating expenses changed only marginally, falling from € 47.3 million on 31 March 2011 to € 45.6 million.

FINANCIAL RESULT

The financial result for the first nine months of the year (€ 2.9 million) remained essentially unchanged from the previous year (€ 2.7 million).

INCOME TAXES

For the first nine months, refunds on income taxes of € 0.5 million were collected.

6. Miscellaneous disclosures

EARNINGS PER SHARE

Earnings per share are presented in the income statement for this quarterly report.

DIVIDENDS PAID

No dividends were paid in the first nine months of the financial year 2011/2012.

CONTINGENT LIABILITIES OR CONTINGENT CLAIMS

There have been no material changes with respect to the consolidated financial statements dated 30 June 2011. As of 31 March 2012 there were no material commitments or risks that are not covered by provisions.

RELATED PARTIES

Transactions between all the consolidated companies are eliminated in their entirety in the consolidated financial statements. Transactions with related parties take place on arm's length terms.

Business transactions between the Marseille Group companies and related persons and companies are as follows:

All in all, trade receivables and receivables arising from loans to the Marseille family and its related companies amount to € 3.751 million (30 June 2011: € 7.4 million), while liabilities total € 0.5 million (30 June 2011: € 4.4 million). The Marseille Group acquired goods and services, as well as assets, from related persons and companies in the amount of € 3.1 million (30 June 2011: € 6.1 million). The Marseille-Kliniken Group provided goods and services totalling € 0.3 million to related persons and companies in the reporting period (30 June 2011: € 0.1 million).

EVENTS AFTER THE BALANCE SHEET DATE

A € 3 million share of the bond was bought back in April at 100% of the corresponding sale price.

Berlin, 09 May 2012

Michael Thanheiser
Management Board

Financial calendar

for the 2011/2012 financial year	
Report on the 3rd quarter 2011/12	9 May 2012

Share information

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Designated sponsor	Close Brothers Seydler AG

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This report on the 1st nine months of the year is published in German and is available on request from Marseille-Kliniken AG, Corporate Communications.

This report contains forward-looking statements that reflect the current assessment of Marseille-Kliniken AG management. These statements are based on current plans, expectations and assumptions and are subject to fluctuations, risks and uncertainties, which are partly or wholly beyond the ability of management to influence. For instance these include factors such as regulatory demands, competition, litigation, technical advances or supervisory regulations that can affect the expenses and income of Marseille-Kliniken AG. If these or other risks or uncertainties should materialise, Marseille-Kliniken AG's actual earnings may differ significantly from those included or implied in these statements. Marseille-Kliniken AG can therefore assume no responsibility for the actual occurrence of the forward-looking statements and assumptions included in this report. Marseille-Kliniken AG assumes no liability to update the forward-looking statements by taking new information or future events into account.

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