01 July 2011 to 31 December 2011

REPORT ON THE 1st HALF OF THE YEAR 2011 | 2012

MARSEILLE-KLINIKEN AG®

Imprint and contact

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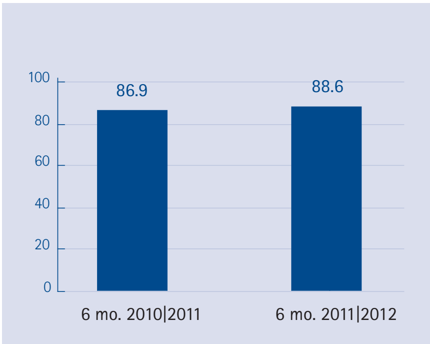
This report on the 1st half of the year is published in German and is available on request from Marseille-Kliniken AG, Corporate Communications.

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.

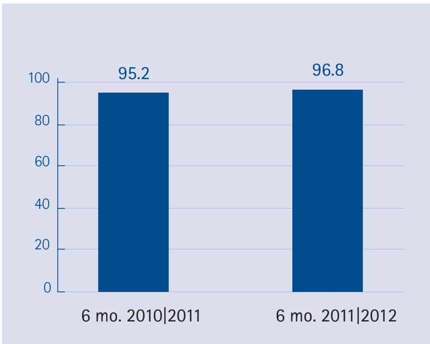
Interim management report for the first half of the financial year 2011/2012

Bed capacity

Occupancy rate
in %



Operating sales
in Euro million



■ Group

1. Summary

Dear shareholders and friends of the company,

- **EBIT increased by over 50% to € 5.0 million**
- **Revenues increased to € 96.8 million**
- **Occupancy rate above industry average at 88.6%**
- **EBIT income forecast of around € 10.0 million confirmed for the entire financial year**

Marseille-Kliniken AG has continued the upward trend established in the first half of 2011/2012.
Business developments in the first six months of the 2011/2012 financial year demonstrate how successful the implementation of measures to improve the earnings structure has been. We were able to increase our EBIT by around 50% to € 5.0 million, thereby continuing the positive developments initiated in the 2010/2011 financial year by focusing on our core expertise in inpatient and outpatient nursing care for the elderly, strengthening our quality leadership and introducing a new decentralised management structure. Group revenues totalled € 96.8 million in the first six months, showing growth compared with the previous year. Based on the positive development of business in the first six months, we remain confident that we can achieve our ambitious goals for the 2011/2012 financial year.

2. Macroeconomic environment / nursing care market

Following growth of 3.6% in Germany's gross domestic product (GDP) in 2010, initial calculations by the German Federal Statistical Office indicate that the overall economy in Germany grew by 3.0% in 2011 (GDP). This trend is also apparent on the job market, with the encouraging upswing in employment continuing over the past year. This means the economic upturn in Germany was maintained despite the difficult environment, specifically the sovereign debt crisis. The nursing care market has been confronted with a lack of skilled workers 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. There are currently around 1.3 million people sufferering from dementia in Germany with the trend increasing (around 10% annually). The reason for this is that the risk increases with age. One in three people between the age of 80 and 90 is affected. It is expected that up to 2.5 million people will be affected by 2030. Marseille-Kliniken AG provides training opportunities to enable the latest findings to flow into practical applications and operates facilities such as the special nursing home in Hennigsdorf, which specialises in the care and support of people suffering from medium to severe dementia.
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 half of the year overview

01/07/2011 bis 31/12/2011
and previous year

		2011 | 2012	2010 | 2011	Change in %
Earnings				
Net revenue	in € m	96.8	95.2	1.7
EBITDAR	in € m	26.9	26.5	1.5
EBITDA	in € m	8.3	7.2	15.3
EBIT	in € m	5.0	3.2	56.3
EBIT margin	%	5.1	3.3	54.5
EBT	in € m	3.1	1.4	121.4
EBT margin	%	3.2	1.5	113.3
Earnings after taxes	in € m	3.9	0.3	1,200.0
Balance				
Fixed assets	in € m	165.2	163.1	1.3
Investments	in € m	0.5	1	-50.0
Shareholders' equity	in € m	38	25.4	49.6
Equity ratio	%	19.4	12.8	51.6
Other key indicators				
Employees	Anzahl	4,700	4,544	3.4
Facilities	Anzahl	60	60	0.0
Bed capacity	Anzahl	8,051	8,083	-0.4
Occupancy rate	%	88.6	86.9	2.0

Revenues rose in the reporting period compared with last year by € 1.6 million to a total of € 96.8 million. This slight growth was the result of the 2.0% improvement (88.6%) in the occupancy rate on the previous year (86.9%). 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 € 2.9 million. This demonstrates how the facilities kept on have continued to generate higher revenues. Unlike revenues, other operating income fell from € 4.1 million to € 3.2 million, also as a result of the disposal of the Montabaur facility and the subsequent loss of income from a sale-and-lease-back agreement.

Total revenues therefore rose slightly, but overall expenses were significantly cut from € 96.0 million to € 94.2 million or 1.9% in the period 1 July 2011 to 31 December 2011. Within this total the cost of materials went up year on year from € 10.8 million to € 11.4 million. As a result of the new decentralised management structure and our efforts to improve efficiency, personnel expenses remained stable at € 49.9 million as against € 49.7 million (Q2 2010/2011) in spite of higher revenues. Depreciation and amortisation were down from € 4.0 million last year to € 3.3 million in the reporting period. Other operating expenses declined in the first six months of financial year 2011/2012 to € 29.6 million (previous year: € 31.4 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 the initial effects of the cost optimisation process.

The financial result for the period 1 July 2011 to 31 December 2011 deteriorated slightly year on year from € -0.1 million to € -1.9 million.

Income tax expenses of € 0.8 million were reimbursed in the reporting period from 1 July 2011 to 31 December 2011.

4. Asset position

Total assets as of the reporting date of 31 December 2011 amounted to € 195.7 million (30 June 2011: € 199.7 million). On the assets side this was comprised of non-current assets totalling € 165.2 million (30 June 2011: € 167.2 million) and current assets of € 30.5 million (30 June 2011: € 32.5 million).

Compared with 30 June 2011 the carrying amount of property, plant and equipment fell by 1.8% from € 119.9 million to € 117.7 million. The change is primarily the result of depreciation and of the repayment of finance leases. There was also virtually no change in other financial assets, which amounted to € 10.7 million as of 31 December 2011 (30 June 2011: € 10.1 million). The change in current assets is principally the result of a decline of € 0.9 million in other receivables and assets (30 June 2011: € 9.2 million; 31 December 2011: € 8.3 million), whereas inventories were nearly unchanged as of 31 December 2011 at € 1.3 million (30 June 2011: € 1.5 million).

In the first six 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 € -626 thousand as of the reporting date (30 June 2011: € -371 thousand).

Non-current liabilities increased by 1.0%, whereas current liabilities fell by 25.4%, adjusted for the reclassification of the new corporate bond. As of 31 December 2011 deferred investment grants fell from € 41.6 million (30 June 2011) to € 40.9 million, as they are reversed with effect on income over the useful life of the assets subsidised. Non-current financial debt of € 38.0 million (30 June 2011: € 36.4 million) made up the majority of total non-current liabilities and was slightly higher than last year. The two-year bond issued in December to the value of € 15 million is now accounted for under non-current liabilities.

Current financial debt, adjusted for the reclassification of the new corporate bond, fell by around 25.4%, coming to € 4.4 million as of the reporting date 31 December 2011 (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 € 16.5 million. Trade payables were also reduced from € 10.8 million to € 8.0 million. Tax liabilities rose from € 3.1 million to € 5.0 million. Other current liabilities were also trimmed successfully from € 12.9 million to € 10.3 million.

5. Financial position

In the first six months of the reporting year cash and cash equivalents fell by a total of € 558 thousand, from € 9,488 thousand to € 8,931 thousand. This decline is related to a negative cash flow from investing activities amounting to € -539 thousand and to cash flow from financing activities coming in at € -2,423 thousand. These could not be fully compensated for by the positive cash flow from operating activities amounting to € 2,404 thousand.

*Abbreviated cash flow statement**

in € '000	6 months 2011|2012	6 months 2010|2011
Group net profit/loss for the period 01/07/ to 31/12/	**5,850**	**2,954**
Non-cash expenses/income	2,615	2,780
Decrease/increase assets/liabilities	-6,061	-5,075
Cash flow from investing activities	-539	-1,027
Cash flow from financing activities	-2,423	1,090
Decrease/increase in net cash assets	-558	722
Cash and cash equivalents as of 01/07/	9,488	10,104
Decrease/increase in cash and cash equivalents	-558	722
Cash and cash equivalents as of 31/12/	**8,931**	**10,826**

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

6. Investments

Investments in the Marseille-Kliniken Group amounted to € 0.5 million in the reporting period, after € 1.0 million in the previous year.

7. Employees

The average number of employees rose slightly in the second quarter of 2011/2012, due to increased capacity utilisation, from 4,544 (Q2 2010/2011) to 4,700.

8. The share

The Marseille-Kliniken AG share rose from an opening price of € 2.50 (closing price on 30 June 2011) to € 2.75 (closing price on 30 December 2011 in the XETRA electronic trading system). The current price is € 2.97 (closing price on 8 February 2012 in the XETRA electronic trading system. Average trading volume in the first half of the financial year was around 23,000 shares.

9. Risk report

No new material risks arose in the first six 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 six months of the current financial year.

10. Events after the balance sheet date

No significant events took place after the reporting date for the first six 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 half of the year 31/12/2011	Previous annual financial statements 30/06/2011	Previous half of the year 31/12/2010
Non-current assets			
Intangible assets	32,020	32,599	33,006
Property, plant, and equipment	117,679	119,936	121,623
Other financial assets	10,757	10,057	7,347
Income tax claims	1,004	1,086	1,129
Deferred tax assets	3,721	3,571	883
	165,181	**167,248**	**163,988**
Current assets			
Inventories	1,260	1,501	1,038
Trade receivables	8,767	10,181	10,538
Other receivables and assets	8,134	9,283	9,426
Current tax claims	3,920	2,022	2,948
Cash and cash equivalents	8,931	9,488	10,826
	31,014	**32,474**	**34,776**
Total assets	**196,194**	**199,723**	**198,765**

EQUITY AND LIABILITIES EUR thousand	Current half of the year 31/12/2011	Previous annual financial statements 30/06/2011	Current half of the year 31/12/2010
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	-626	-371	-527
Foreign exchange differences	97	96	-16
Group tax losses carried forward	975	-3,150	-5,387
Minority interests	489	479	544
	38,076	**34,195**	**25,439**
Long-term liabilities			
Deferred investment grants	40,920	41,570	42,344
Long-term financial debt	38,012	36,424	42,834
Bond	14,852	0	0
Pension obligations	12,930	12,930	14,268
Deferred taxes	7,209	7,067	6,705
	113,924	**97,991**	**106,150**
Short-term liabilities			
Bond	0	14,726	15,000
Short-term financial liabilities	4,388	5,928	8,124
Short-term provisions	16,504	20,062	17,405
Trade payables	7,951	10,774	9,686
Current tax liabilities	5,022	3,106	2,720
Other short-term liabilities	10,331	12,941	14,240
	44,195	**67,537**	**67,176**
Total liabilities and shareholder's equity	**196,194**	**199,723**	**198,765**

Consolidated cash flow statement

of Marseille-Kliniken AG

	Group		
EUR thousand	1/7/2011 to 31/12/2011	1/7/2010 to 30/6/2011	1/7/2010 to 31/12/2010
Cash flow from operating activities			
Earnings before interest and tax	**5,850**	**5,661**	**2,954**
Proceeds from the disposal of non-current assets (profit/loss)	0	-584	-594
Depreciation and amortisation	3,292	8,041	4,024
Other non-cash income and expenses	-677	-5,463	-650
Increase/decrease (+/-) in inventories	241	-348	115
Increase/decrease (+/-) in pension provisions	0	-430	0
Increase in current provisions	-3,559	3,445	-2,013
Taxes on income	843	-2,880	-1,337
Change in net current assets	-3,586	-6,586	-1,840
Cash flow from operating activities	**2,404**	**857**	**660**
Cash flow from investing activities			
Outflows from asset investments			
Intangible assets	-13	-202	-133
Property, plant, and equipment	-526	-1,633	-894
Financial assets	0	-270	0
Inflows from asset disposals			
Property, plant, and equipment	0	377	0
Cash flow from investing activities	**-539**	**-1,728**	**-1,027**
Cash flow aus dem Finanzierungsbereich			
Inflow from the issuing of a bond	15,000	0	15,000
Repayment of the previous bond	-15,000	15,000	0
Inflow from capital increase	0	6,220	0
Assumption of medium and long-term liabilities (non-current)	2,500	585	585
Repayment of current financial liabilities	-1,395	-13,700	-9,244
Repayment of medium and long-term financial liabilities (non-current)	-1,381	-3,062	-2,007
Repayment of finance lease liabilities	-771	-1,859	-1,008
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	-595	-3,278	-1,501
Interest paid for new bond	-1,010	0	0
Interest paid for finance lease agreements	-175	-492	-270
Interest received from finance lease agreements	191	90	41
Repayments received from property finance leases	214	183	0
Interest received from loans granted	0	654	0
Other changes involving financing activities	0	0	-507
Cash flow from financing activities	**-2,423**	**255**	**1,090**
Increase/decrease in net financial assets	**-558**	**-616**	**722**
Increase/decrease in cash and cash equivalents	-558	-616	722
Cash and cash equivalents at beginning of financial year	9,488	10,104	10,104
Cash and cash equivalents at end of financial year	**8,930**	**9,488**	**10,826**
of which cash on hand and at banks	*8,931*	*9,488*	*10,826*

Consolidated income statement

of Marseille-Kliniken AG

EUR thousand	Current half of the year 1/07/2011 to 30/9/2011	Previous annual financial statements 1/7/2010 to 30/6/2011	Previous half of the year 1/7/2010 to 31/12/2010
Revenues	96,787	190,003	95,169
Other operating income	3,267	12,125	4,098
Total revenues	**100,054**	**202,128**	**99,267**
Cost of materials/Cost of services rendered	11,355	20,887	10,763
Personnel expenses	49,905	98,783	49,735
Depreciation and amortisation	3,292	8,041	4,024
Other operating expenses	29,652	68,207	31,432
Other taxes	887	549	140
Earnings from operating activities	**4,963**	**5,661**	**3,174**
Financial income	792	1,051	413
Financial expense	2,651	5,081	2,170
Earnings before taxes (and minority interests)	**3,104**	**1,631**	**1,417**
Income tax	-831	-1,146	-1,099
Group net profit/loss	**3,935**	**2,777**	**317**
Minority interests	-10	93	28
Group result attributable to the shareholders of Marseille-Kliniken AG	**3,925**	**2,870**	**345**
Earnings per share (in EUR)			
on the basis of 14,464,325 share certificates	0.27 €		
on the basis of 14,290,626 share certificates		0.20 €	
on the basis of 12,150,000 share certificates			0.03 €

Consolidated statement of comprehensive income

of Marseille-Kliniken AG

EUR thousand	Current half of the year 1/07/2011 to 30/9/2011	Previous annual financial statements 1/7/2010 to 30/6/2011
Earnings after taxes	**3,935**	**2,777**
Cash flow hedges:		
Losses reclassified to profit and loss	0	-335
Costs of capital increase	-303	763
Fair value of derivative financial instruments	0	-198
Taxes on expenses and income recognised directly in equity	48	-36
Currency translation	2	91
Expenses and income recognised directly in equity	**-253**	285
Total	**3,682**	**3,062**
Minority interests	-10	93
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 December 31, 2011

1/7/2010 – 31/12/2010	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	31,100,000.00	15,635,139.94	627,105.53	-902,579.62	-365,734.97	0.00	-21,931,612.67	24,162,318.21	1,032,240.22	25,194,558.43
Other changes	0.00	0.00	0.00	0.00	-230,207.83	0.00	0.00	-230,207.83	0.00	-230,207.83
Earnings in this period	0.00	0.00	0.00	0.00	0.00	-166.27	-1,427,419.87	-1,427,586.14	78,559.91	-1,349,026.23
Balance at 31/12/2010	**31,100,000.00**	**15,635,139.94**	**627,105.53**	**-902,579.62**	**-595,942.80**	**-166.27**	**-23,359,032.54**	**22,504,524.24**	**1,110,800.13**	**23,615,324.37**

1/7/2011 – 31/12/2011	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 1/7/2011	37,153,283.43	800.00	914,650.53	-928,179.62	-370,508.96	95,512.21	-3,150,053.35	33,715,504.24	479,370.91	34,194,875.15
Income and expense directly shown in equity	0.00	0.00	0.00	0.00	-255,332.84	0.00	0.00	-255,332.84	0.00	-255,332.84
Other changes	0.00	0.00	0.00	0.00	0.00	0.00	199,738.94	199,738.94	0.00	199,738.94
Earnings in this period	0.00	0.00	0.00	0.00	0.00	1,826.77	3,925,160.07	3,926,986.84	9,877.03	3,936,863.87
Balance at 31/12/2011	37,153,283.43	800.00	914,650.53	-928,179.62	-625,841.80	97,338.98	974,845.66	37,586,897.18	489,247.94	38,076,145.12

Notes to the consolidated financial statements (IFRS)

1 Background information

ACCOUNTING IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The half-yearly 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 half-yearly financial report to 31 December 2011 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 half-yearly 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 23 as of 31 December 2011 compared with the group of consolidated companies as of 30 September 2011. No operating activities were attributable to these 23 companies. The number of companies included in the group of consolidated companies is now 100.

3 Segment reporting

The planned corporate strategy entails focussing 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 € 2.2 million to 31 December 2011. This change results in particular from the depreciation of these assets and the repayment of the finance leases.

OTHER FINANCIAL ASSETS

As of 31 December 2011, other financial assets were largely unchanged versus 30 June 2011, totalling € 10.7 million (previous year: € 10.1 million).

DEFERRED TAX 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 December 2011, there were total corporation tax losses carried forward amounting to € 38.8 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 € 1.2 million (30 June 2011: € 1.5 million) as of the reporting date of 31 December 2011. These consisted mainly of medical supplies and energy resources.

OTHER RECEIVABLES AND ASSETS

As of 31 December 2011 other receivables and assets came to € 8.1 million, a decrease of € 1.2 million compared with 30 June 2011 (€ 9.3 million).

TREASURY SHARES
In the first six months of 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 December 2011, the interest rate swaps shown in the time valuation reserve had overall negative market values amounting to € 744 thousand less deferred taxes totalling € 118 thousand. This equates to a total value of € 626 thousand. The market value was ascertained using the mark-to-market method.

DEFERRED INVESTMENT GRANTS
Deferred investment grants as of 31 December 2011 totalling € 41.0 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 December 2011, current provisions were reduced by € 3.6 million as against 30 June 2011, down from € 20.1 million to € 16.5 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 December 2011. These derivatives are the interest rate swaps mentioned under the heading "Time valuation reserve". Changes in the fair value of the swaps are recognised in equity without effect on net income.

Non-current financial debt rose from € 36.4 million as of 30 June 2011 to € 38.0 million as of 31 December 2011 as a result of non-current loans taken out in August 2011.

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 was to replace the € 15 million bond that matured on 8 December 2011.

CURRENT FINANCIAL DEBTS
Current financial debts were reduced by € 1.5 million to € 4.4 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
Compared with the same period last year, revenues increased by € 1.6 million to € 96.8 million. Revenues in the previous year still included revenues from the Montabaur site (€ 1.3 million), which was disposed of in September 2010.

COST OF MATERIALS
The cost of materials increased from € 10.8 million (31 December 2010) to € 11.4 million as of 31 December 2011.

PERSONNEL EXPENSES
Personnel expenses increased in comparison with the previous year's period by € 0.2 million to € 49.9 million. The slight increase in personnel expenses has primarily been brought about by the increased occupancy rate in the facilities.

DEPRECIATION AND AMORTISATION
Depreciation and amortisation in the first six months of the financial year 2011/2012 totalled € 3.3 million (previous year: € 4.0 million), including € 0.4 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 amount to € 29.7 million (previous year: € 31.4 million). Last year the item included expenses of € 1.0 million for the disposal of the operations at Senioren-Wohnpark Montabaur GmbH.

FINANCIAL RESULT
The financial result for the first six months of the year changed slightly on last year by € -0.1 million.

TAXES ON INCOME AND EARNINGS
Income taxes for the first six months of the year resulted in income of € 0.8 million (previous year: € 1.1 million in expenses). The tax income is primarily the result of corporation tax reimbursements from previous years and from deferred tax assets on existing tax loss carryforwards.

6 Miscellaneous disclosures

EARNINGS PER SHARE
Earnings per share are presented in the income statement for this half-yearly report.

DIVIDEND PAID
No dividends were paid in the first six 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 December 2011 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 these 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 € 7.3 million (30 September 2011: € 7.2 million), while liabilities total € 4.0 million (30 September 2011: € 4.4 million). The Marseille Group acquired goods and services, as well as assets, from related persons and companies in the amount of € 2.3 million (previous year: € 1.2 million). The Marseille-Kliniken Group provided goods and services totalling € 0.3 million to related persons and companies in the reporting period (same period in the previous year: € 0.3 million).

With effect from 1 September 2011, Marseille-Kliniken AG has concluded a contract with Mr Ulrich Marseille that ensures and regulates the careful transfer of all tasks, including all processes, to the Management Board following his departure from the Management Board of the company on 31 August 2011. The contract has been concluded initially for a term of one year with a monthly remuneration amounting to € 10 thousand plus VAT.

Berlin, Germany, 10 February 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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This report on the 1st quarter 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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