# Report on the 1st 9 months of the year

01. July 2008 to 31. March 2009

MARSEILLE-KLINIKEN AG

# Main Group figures (IFR) Summary of the first 9 months

| 01. July 2008 to 31. March 2009 and previous year | | 08\|09 | 07\|08 | Change in % |
|---|---|---|---|---|
| **Results** | | | | |
| Total performance* | € m | 175.1 | 169.8 | 3.1 |
| EBITDAR** | € m | 45.1 | 44.8 | 0.6 |
| EBITDA** | € m | 14.0 | 17.4 | -19.5 |
| EBIT** | € m | 9.0 | 11.6 | -22.1 |
| EBIT margin** | % | 5.5 | 7.1 | -22.5 |
| EBT** | € m | 7.6 | 8.9 | -14.6 |
| EBT margin** | % | 4.6 | 5.4 | -15.1 |
| Net income | € m | -3.0 | 10.4 | -128.8 |
| RoS** | % | 3.4 | 4.1 | -18.1 |
| DVFA/SG result | € m | 5.5 | 6.7 | -17.6 |
| Gross cash flow** | € m | 8.8 | 3.1 | 182.7 |
| **Balance sheet** | | | | |
| Fixed assets | € m | 175.2 | 195.6 | -10.4 |
| Investments | € m | 8.7 | 8.6 | 1.7 |
| Shareholders' equity*** | € m | 76.0 | 82.2 | -7.6 |
| Equity ratio | % | 33.7 | 32.6 | 3.2 |
| **Other key indicators** | | | | |
| Employees | Number | 5,593 | 5,340 | 4.7 |
| Facilities | Number | 67 | 65 | 3.1 |
| Bed capacity | Number | 9,085 | 8,899 | 2.1 |
| Occupancy rate**** | % | 92.5 | 92.5 | 0.0 |

* Excluding other operating income; reclassification of other own work capitalised to cost of materials in the previous year in accordance with IAS 1.29

** Including DVFA/SG adjustment items, previous year corrected to eliminate a company deconsolidated in the year under review

*** Including 84.2% special item for deferred investment grants

**** Excluding facilities that started operation
of which in 07/08: Potsdam, Schömberg, Berlin, Hamburg, Düsseldorf
of which in 08/09: Schömberg, Berlin, Hamburg, Meerbusch

## Highlights

Crisis has no impact on the nursing division

Start-up cost trend reversed

Positive result generated in the rehabilitation division

Dear shareholders and friends of the company,

When you look at the business section of a newspaper these days, you regularly see headlines announcing the unstoppable downfall of the global financial community and the world economy. You will not find such frightening reports in direct connection with your company. Nursing care for the elderly is crisis-proof, because the laws of nature determine when nursing care is required – and not the ups and downs of the economy. This does not of course mean that we are not facing issues associated with the recession too. The fact, for example, that the financial pressure on the nursing care insurance system is increasing tremendously with growing unemployment and that the reserves are shrinking fast. The crisis is accelerating the trend towards insurance that is only able to fund some kind of basic services. This has an effect on us as well.

What is, however, painful is the impact of the global financial crisis on the valuation of your company. Our stability and thoroughly sound market position have left the stock market pretty cold during the global slump. The Marseille-Kliniken share price plummeted to a low of almost € 4 at one time from its high to date of more than € 18 in July 2007 and has not made a sustained recovery so far either. There is not much that we can do to influence this. When criteria like a crisis-proof business, a proven business model, sound financial positions and manageable risk potential do not count on the stock market, all we can do is wait for changes in the overall conditions. We continue to maintain our close contacts to the international finance markets and think that the chances of share price corrections which represent a realistic reflection of the company's potential are good once these markets recover.

The stock market is an issue that will certainly be continuing to concern us in the next few months. The same is true of the forthcoming issue of a national minimum wage for unqualified nursing staff in Germany. The text of a law about this has been approved and the Minister of Labour has appointed a commission to introduce the legislation, the assignments of which are to specify the size of the minimum wage as well as the length of holidays and the question of holiday pay. The commission consists of eight members, six of whom have already been appointed. Private nursing care operators are among those trying to obtain the last two places. At least three quarters of the members of the commission are required to approve a minimum wage that is agreed in the negotiations, while it also has to be accepted by a majority on both the employees' and employers' sides. The demands that have been tabled are for a different minimum wage in East Germany (€ 7.50) and West Germany (€ 9.00). A uniform minimum wage is likely to be impossible because of the differences in the nursing care rates in East and West – they are 20% lower in East Germany than in West Germany.

We consider minimum wages to be sensible and are in a position to comply with them without any difficulty too. We are aware that there are black sheep in the industry who pay unqualified staff hourly wages that do not even reach the level of Hartz 4 benefits. The debate about a minimum wage coincides with the staff quality campaign we have initiated, incidentally. Quality in nursing care is only possible with well-qualified, highly motivated staff who receive ongoing further training. We therefore provide various additional benefits here. We have performance-based incentive systems as well as bonus systems for managers, we make special payments to staff on reaching service milestones and for producing


**Marseille-Kliniken share price development** indexed, 1. July 2008 = 100

- Marseille-Kliniken AG
- DAX
- Prime Pharma & Healthcare
- SDAX

particularly successful results and we offer an additional old-age pension scheme via our pension fund, which we established in 2007 and to which almost 50% of our employees belong in the meantime. The measures are having an effect. Staff turnover and sickness levels are considerably lower than the industry average and continuity in the nursing provided at the facilities is growing. This is leading to an increase in the quality of service provided to residents, to higher acceptance by relatives and to optimisation of occupancy rates.

High quality implemented in practice by staff is a key to success in the increasingly difficult nursing care market. Competition is extremely intensive and the times when it was possible to sit back and wait for customers to come of their own accord are over. Structured sales channels and advertising for customers as well as company transparency and openness are necessary in order to optimise occupancy rates. This is particularly true in view of the fact that we are registering a large increase in contracts for short-term nursing care, which lead to higher resident turnover at the facilities. In the past two years, we have expanded our marketing activities considerably, in order to establish Marseille-Kliniken as an unmistakable and unique brand on the German nursing care market. We advertise regularly (including comparative advertising), we organise national events, we hold an „open day" at all facilities, we develop close relationships to such crucial partners as acute hospitals. We are benefitting from the fact that the problem of quality in nursing care for the elderly has become a matter of public concern. In our operations, we are years ahead of the demands the political community is making to an increasing extent. We have obtained external certification of the structures and processes of the quality management system. In a pilot project, three facilities have obtained the certificate issued by KTQ Pflege, which stands for co-operation, transparency and quality in the health system. In March this year, all the nursing facilities and the Group headquarters (with its subsidiaries) were successful in obtaining joint DIN EN ISO 9001:2008 certification, as a result of which we hold a unique position in Germany among the private chains that operate nationally. All the rehabilitation clinics hold an external certificate too. The steady progress we are making is reflected in the occupancy rates, which are substantially higher than the industry average. At the established facilities, we consider it possible to reach our target of 95%, which counts in practice as full occupancy, in spite of a drop in average occupancy on the market to less than 87%.

We made further headway in our core nursing care business in the first nine months of the 2008/2009 financial year. The occupancy rate at the established facilities was 92.4%, while the figure was 89.2% including the new facilities. The response to most of the newly opened facilities has been good, so that the start-up losses are decreasing steadily. The two senior citizens' residential homes in Düsseldorf and the Schömberg nursing clinic are full. The AMARITA facility in the centre of Hamburg has exceeded break-even point and the launch phase at the Josephinen residential home in Potsdam, which provides assisted living services in 131 residential units, has ended. The facilities that started operation in Meerbusch in August 2008 will already reach break-even point in the 4th quarter of the current financial year. Although progress is being made at the Türk Bakim Evi facility in Berlin, which has only Turkish residents, this facility continues to be a weak point. We are expecting a final breakthrough to be made there via co-operation with the Turkish outpatient nursing care service providers in Berlin as well as via further specialisation of the facility. Of the locations in Oberhausen, Bremerhaven, Eberswalde, Gera and Waldkirch with a total of 970 beds for which contracts have been concluded, the opening of the senior citizens' residential home in Oberhausen and of the nursing clinic in Waldkirch planned for 2008/2009 will be delayed because of specifications made by the authorities. It is probable that they will not be starting operation until the beginning of July 2009. The operative bed capacity will only be increasing by 190 beds in the 2008/2009 financial year as a result.

The market, which is growing primarily at both ends, is confirming that our decision to focus on 4-star homes with only single rooms as well as on 2-star homes consisting mainly of double rooms was correct. Each of these two segments accounts for about 22% of our total capacity at the moment. Expansion of the 2-star segment in the direction of assisted living continues to be a major element in our growth strategy. We currently provide 880 one-room flats. Contracts have also been concluded for further locations representing 3,000 additional residential units, which will be integrated in the Group by 2011/2012.

The recession has not left any marks on the rehabilitation operations so far either. The occupancy rate has increased considerably over the same period the previous year and there are no signs of decreasing demand yet at the moment. Earnings at our highly specialised rehabilitation clinics have continued to improve, while the occupancy rate is at a high level (92.7% on average). We have intensified our efforts to sell the rehabilitation clinics together or individually even so. We consider sales before the end of this calendar year to be feasible.

Operating sales increased by 2.1% to € 174.3 million in the period between July 2008 and March 2009; the increase in the nursing segment was 1.4% to € 134.5 million, while growth in the rehabilitation segment was 4.8% to € 39.8 million. The beds contracted to the Group were occupied 92.1% of the time. The occupancy rate in the nursing division was 92.4% (previous year: 93.4%), whereas it was 92.7% (previous year: 89.2%) in the rehabilitation division (excluding the acute clinic in Büren). The Group DVFA result decreased to € 5.5 million; the nursing division accounted for 80.0% (€ 4.4 million) of this, while the rehabilitation division contributed 20.0% (€ 1.1 million). Net Group income attributable to Marseille-Kliniken AG amounted to a loss of € 3.0 million, which was € 13.4 million lower than in the previous year. The income of € 10.4 million reported in the previous year included the profit from the sale of the property in Schömberg (€ 6.9 million) and a deferred tax reimbursement asset of € 4.9 million due to the 2008 company tax reform. If these extraordinary items are disregarded, the income generated in the previous year amounted to a loss of € 1.5 million.

We are approaching the end of the 2008/2009 financial year. In spite of the slower development of our new facilities, we are continuing to expand our market position in a fiercely competitive environment. They are the basis that will enable Marseille-Kliniken to exploit considerable sales and earnings potential in the coming years. We are quality leader and an attractive employer among the private nursing home operators, while our position on the market is in line with the trends in nursing care for the elderly. We play a pioneering role in the quality and transparency fields. Our quality reports are unmatched in the industry. We can, finally, rely on staff who identify with the company and its mission. They determine Marseille-Kliniken AG's face to the market. We have great respect and gratitude for their skills and their commitment to people in need of help. We would like to thank the residents of our facilities and their relatives, who honour us by choosing our facilities. We assure you, our shareholders, that we will be doing everything we can to make sustainable increases in the value of your company, in line with our principles of customer orientation, economic viability and social responsibility.

Your

Axel Hölzer, Chairman of the Management Board

# Group management report

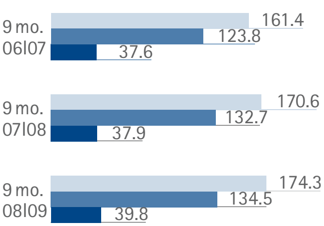
## Severe economic slump

In the spring of 2009, Germany is going through the deepest recession since the country was established in its present form after the Second World War. Order intake in industry has been dropping at breathtaking speed since the autumn of last year. Demand from abroad is diving particularly fast, which reflects the collapse of the worldwide economy. Capacity utilisation in industry, which drove the upswing from 2005 to 2007, is approaching what may well be a record low. Alarming figures are even being reported by machine manufacturers – Germany's showpiece industry. More and more companies, first and foremost the car manufacturers and their suppliers but also the chemical and other industries, are announcing the introduction of short-time working or are shutting down plants. On the employment market, which was still relatively sound in the autumn of 2008, the number of unemployed threatens to increase from about 3 million to more than 4 million in the course of the year. The drop of 2.1% in the gross domestic product (GDP) in the fourth quarter of 2008 continued implacably in the first quarter of 2009. Neither demand from private households – which has stayed relatively stable so far – nor higher government spending is able to compensate for the shortfall of about 20% in exports. The forecasts about GDP development in 2009 as a whole fluctuate between - 3% and - 7%. Experts are only expecting a sluggish recovery in 2010. Germany's economic wellbeing depends on the world economy. A return to sound growth is not conceivable until the financial crisis has been overcome and the imbalances in the global economy have been eliminated.

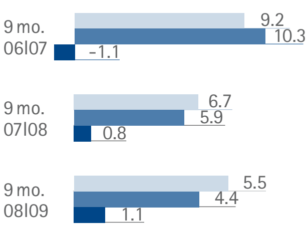
## Health care expenses at a record high

The Germans spent almost € 253 billion on health care in 2007, which was more than ever before. According to the German statistical authorities, the increase over the previous year was 3.2% (in absolute figures: € 7.8 billion). This means that health care expenditure increased for the third time in succession following a temporary dip due to the 2003/2004 health reform. Per capita, every German spent € 3,070 on health care. The record amount is put into perspective a little when a comparison is made with the gross domestic product (GDP). Since the GDP has also increased from year to year, the proportion of GDP accounted for by health care expenditure has consistently been somewhat more than 10% for several years now. In the course of the current recession, which is only affecting the health care market to a limited extent, the proportion of GDP accounted for by health care expenses is likely to increase substantially in 2008 and 2009. Far more than half of the health care expenses (€ 145 billion) was funded by the statutory health insurance funds. Private health insurance companies funded € 24 billion. The recipients of half the money were outpatient providers like doctor's practices or chemist's shops. Hospitals received about one quarter. Expenditure on care and therapy services reached just under € 60 billion. The highest increase in expenditure was recorded in the preventive health protection field. 9% more (€ 10 billion) were spent in this area. Expenditure on medicine (€ 42 billion) also increased by an above-average amount.

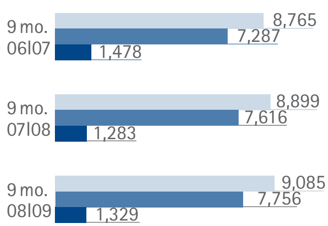
**Operating sales by segments** in € m



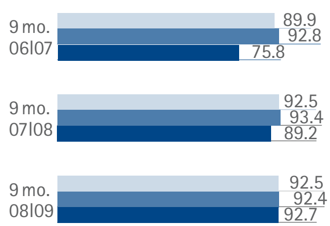

**DVFA result by segments** in € m




**Bed capacity by segments**




**Occupancy rate by segments** in %




Group Nursing Rehabilitation

## Marseille-Kliniken AG is growing

The development of Marseille-Kliniken AG in the first nine months of the 2008/2009 financial year is further evidence that nursing care for the elderly is a business that is hardly affected at all by economic fluctuations. Surprisingly enough, it is proving to be the case that this applies to rehabilitation as well in the current recession. There are no signs of a slump in demand in this field at the present time. Group sales continued to increase and the average occupancy rate at both the nursing facilities and the rehabilitation clinics was considerably higher than the industry average at 92.5%. The disproportionately high occupancy rate by comparison with the industry as a whole is attributable primarily to the lead that is held in quality management as well as to the facilities' specialisation in disorders that are suffered in old age. In line with the market trend, Marseille-Kliniken is concentrating on increasing its operations at both ends of the market. The 4-star segment and the 2-star segment are being expanded. The special focus is on further development of the „assisted living" concept. The rehabilitation division is stable and is making a significant contribution to earnings. The Management Board continues to have the intention of selling individual rehabilitation locations before the end of this calendar year.

The following figures for the first nine months of the 2008/2009 financial year (which ends on 30. June) and those for the same period the previous year have been compiled on the basis of the IFRS/IAS international accounting standards.

## Increase in operating sales

Group operating sales amounted to € 174.3 million after € 170.6 million in the same period the previous year. This represents an increase of € 3.7 million or 2.1% over the same period the previous year. € 1.8 million of the growth are attributable to the nursing division (the nursing and services segments are combined here), which reached total sales of € 134.5 million (+ 1.4%). The higher sales at the new facilities, which account for 728 (9.4%) of the nursing division's bed capacity, are the main reason for the growth. Operating sales in the rehabilitation division amounted to € 39.8 million and were therefore € 1.9 million higher than the previous year's level of € 37.9 million.

On 31. March 2009, the company had 67 facilities: 58 nursing homes, 8 rehabilitation clinics and 1 hospital. Compared with the same period the previous year, new facilities were opened in Meerbusch and Belzig (both in July 2008). Capacity in the nursing division amounted to 7,756 beds on 31. March 2009 compared with 7,616 in the previous year. The number of beds in the rehabilitation division increased slightly from 1,283 to 1,329 due to the reallocation of further beds in Schömberg.

The Group had a total capacity of 9,085 beds on 31. March 2009 (previous year: 8,899 beds). The capacity was 15 beds lower than on 31. December 2008 due to the modification of a service contract. The occupancy rate (excluding facilities that started operation) reached 92.5% (previous year: 92.5%). The utilisation level was slightly lower than in the previous year, primarily in the nursing division. The very good utilisation level at the rehabilitation clinics is stabilising at the moment, on the other hand.

## Development of net Group income

Income after tax and minority interests decreased from € 10.4 million to a loss of € 3.0 million. The income reported in the previous year included the profit from the sale of the property in Schömberg (€ 6.9 million) and a deferred tax reimbursement asset of € 4.9 million due to the 2008 company tax reform. If these extraordinary items are disregarded, the income generated in the previous year amounted to a loss of € 1.5 million. The figure for the period under review includes start-up expenses for the expansion programme of € 5.8 million (previous year: € 4.5 million) and restructuring expenses in the rehabilitation division of € 1.4 million (previous year: € 3.5 million).

The deterioration of € 1.5 million in income to a loss of € 3.0 million is due essentially to higher energy and maintenance expenses and depreciation of intangible assets.

The Group DVFA result (cf. annual report) amounted to € 5.5 million compared with € 6.7 million in the same period the previous year. The DVFA result reported for the previous year was adjusted in this context to take account of the contribution of € 0.6 million to the result that was contributed by a company which was deconsolidated in the year under review.

## Higher sales in the nursing division

Sales in the nursing division were € 1.8 million or 1.4% higher than in the same period the previous year. The DVFA result decreased from € 5.9 million in the same period the previous year to € 4.4 million for the above-mentioned reasons. The DVFA after-tax adjustments of € 6.6 million relate essentially to the start-up expenses incurred for the AMARITA facility in Hamburg (€ 1.7 million), for the facilities in Meerbusch (€ 1.3 million), for the facility in Berlin-Kreuzberg (€ 1.1 million), for the facility in Schömberg (€ 0.5 million), for Allgemeine Soziale Dienstleistungen gGmbH (€ 0.3 million) as well as for Oberhausen, Bremerhaven, Belzig and the Waldkirch nursing clinic (€ 0.5 million). Expansion of the acute operations led to expenses of € 0.4 million. There were also expenses of € 0.4 million relating to different periods and other extraordinary expenses of € 0.4 million. The increase in new facilities of € 1.0 million is due to the opening of the new facility in Meerbusch (€ 1.2 million) and Belzig (€ 0.3 million) minus the improvement in earnings at the other new facilities. The occupancy rate in the nursing division (excluding the facilities that started operation) was 92.4% due to allocation of the facilities in Düsseldorf and Potsdam to the established homes. The facilities that started operation increased their occupancy rate by 11.0% between the first quarter of 08/09 and the third quarter of 08/09 to an average of 58% (the occupancy rate in April 2009 was 61.5%). Including the facilities that started operation, the occupancy rate was 89.2% (previous year: 89.2%). Due to seasonal factors and steady optimisation of our new facilities, we are expecting occupancy of our bed capacities to increase substantially in the fourth quarter.

## Further improvement in the rehabilitation division

The rehabilitation division had 1,329 beds on 31. March 2009, with which sales of € 39.8 million were generated. This figure was therefore € 1.9 million higher than in the same period the previous year (€ 37.9 million). The high occupancy rate of 92.7% at the 8 rehabilitation clinics in the period under review (previous year: 89.2%) was the main reason for this further increase in sales. If the acute clinic in Büren, the income of which is determined by what is known as the case mix combined with the relevant basic rates per case and the aim of which is to minimise the time patients stay there, is taken into consideration in assessment of the capacity utilisation level, the overall occupancy rate rose to 90.6% from 87.3% in the same period the previous year. The DVFA result was € 1.1 million in the first 9 months of the current financial year. This is an improvement of € 0.3 million over the same period the previous year (€ 0.8 million). Total DVFA adjustments of € 1.9 million were made in this context. They essentially related to the locations not yet in operation in Bad König, Bad Oeynhausen, Waldkirch and Reinerzau (€ 1.4 million), a medical treatment centre taken over in Hennigsdorf / Berlin (€ 0.2 million) and other extraordinary expenses (€ 0.3 million).

## DVFA earnings per share

The Group DVFA earnings per share of € 0.46 were € 0.09 lower than in the same period the previous year. With a result of € 4.4 million, the earnings per share in the nursing division were € 0.37 after € 0.49 in the previous year. The DVFA result of € 1.1 million in the rehabilitation division led to earnings per share of € 0.09 following a result in the same period the previous year of € 0.8 million, which represented earnings per share of € 0.06.

EBITDAR after DVFA/SG adjustments decreased from € 44.8 million in the previous year to € 45.1 million. EBITDA fell from € 17.4 million to € 14.0 million and EBIT from € 11.6 million to € 9.0 million because of the shifts of financing costs, depreciation and interest to rental expenses that are due to the sale-and-leaseback transactions. The most recent effect of this due to the fourth transaction alone amounted to € 0.5 million. The EBIT margin in relation to adjusted sales was 5.5% after 7.1% and the EBITDA margin was 8.5% after 10.7% in the same period the previous year. € 8.1 million of the adjusted EBIT were accounted for by the nursing division, while the rehabilitation division contributed € 0.9 million. This represents a margin of 6.5% (previous year: 8.1%) in the nursing division and 2.2% (previous year: 3.9%) in the rehabilitation division. The EBITDAR margin was 27.5% after 27.5% in the same period the previous year. The adjusted EBT amounted to € 7.6 million in the period under review compared with € 8.9 million in the previous year. The EBT margin decreased from 5.4% in the previous year to 4.6%.

The unadjusted key company figures changed as follows in view of the non-recurring profit of € 8.1 million generated in the same period the previous year by the sale of a property as well as for the above-mentioned operative reasons: EBITDAR to € 43.1 million (- € 8.0 million), EBITDA to € 6.7 million (- € 12.2 million), EBIT to € 1.4

million (- € 11.3 million) and unadjusted EBT to - € 2.1 million (- € 10.1 million). Net Group income after minority interests amounted to a loss of € 3.0 million after a profit of € 10.4 million in the same period the previous year. Not only the above-mentioned after-tax profit of € 6.9 million from the sale of a property but also the effects of the 2008 company tax reform, which led to non-recurring tax income of € 4.9 million, were included in the previous year.

## Equity ratio

Shareholders' equity amounted to € 76.0 million on 31. March 2009. The equity ratio went up by 1.1 percentage points, from 32.6% to 33.7% of the balance sheet total. 84.175% of the special item for deferred investment grants were taken into account in this context.

The net financial debt of the Group decreased from € 69.8 million to € 68.7 million on 31.03.2008. The ratio of financial debt (long-term bank loans) to the balance sheet total increased from 14.4% to 20.0%. The development of these indicators was determined to a large extent by the sale-and-leaseback transactions.

Investments amounted to € 8.7 million, which was the planned level. € 8.6 million were invested in the same period the previous year.

Following adjustments for DVFA/SG items, gross cash flow was € 5.7 million above the level of € 3.1 million reached in the previous year at € 8.8 million.

## Share price influenced by the financial crisis

The price of the Marseille-Kliniken share ranged between € 4.15 and € 9.70 in the months of July 2008 to March 2009. The share was unable to avoid the impact of the uncertain market environment due to the financial crisis and closed at a price of € 4.15 on 31. March 2009. The final price on 30. April 2009 was € 5.11.

## Prospects

In spite of increasingly intense competition, we anticipate a further increase in the occupancy rate in the nursing division, particularly at the new facilities in Meerbusch and Hamburg. We are working on the assumption that start-up losses will be decreasing in the fourth quarter. A substantial improvement in the occupancy rate at our facility for Turkish residents in Berlin is particularly important. Following the conclusion of a nursing care rate agreement for coma patients and optimisation of both personnel and non-personnel costs, the location in Hamburg will be making considerable earnings progress.

We will be making further efforts to achieve savings on the cost side that will be taking effect in this financial year. Particular mention should be made here of reductions in overhead costs and costs at the service companies via further optimisation measures.

The occupancy rate in the rehabilitation division already stabilised at a level of more than 90% in the 07/08 financial year and continued to increase in the first nine months of the period under review, so that we are expecting positive results in the financial year if this development remains consistent. On the other hand, the company is still aiming to discontinue its involvement in this segment in the short to medium term by selling the operations together or individually once the finance markets have stabilised.

All in all, it will not be possible to achieve the increase in the occupancy rate originally planned for the financial year at the expected speed, due to the intensely competitive market environment in the nursing division – particularly at our new facilities. The facilities in Oberhausen and Waldkirch cannot be brought into operation in this financial year any longer either. Group sales in the 08/09 financial year will therefore be in a corridor between € 236 million and € 238 million.

This means that the EBIT of 7% expected for the 08/09 financial year cannot be achieved. We are working on the assumption of EBIT of € 5 million. After adjustment to take account of the expansion and shutdown costs, EBIT will amount to € 13 million. Income after tax for the financial year will be positive.

We expect to generate sustained EBIT of 7% in the next financial year following the conclusion of our expansion activities with greenfield facilities in the inpatient sector.

With respect to the opportunities and risks, we refer to the information provided in the most recent annual report about the 2007/2008 financial year.

## Statements of cash flow *

| | 9 months 08\|09 in €'000 | 9 months 07\|08 in €'000 |
|---|---|---|
| Net Group income | **-3,068** | **10,354** |
| Expenditure/income with no effect on payment | 3,353 | -8,326 |
| Decrease/increase in assets and liabilities | 2,696 | 38,170 |
| Cash flow from investment activities | -3,363 | 4,914 |
| Cash flow from financing activities | -4,398 | -49,228 |
| | | |
| Increase/decrease in liquid funds | -4,780 | -4,117 |

* In accordance with the format that has to be submitted to Deutsche Börse AG on a quarterly basis too

## Balance sheets at 31. March 2009 and previous year

| | 31.03.09 in €'000 | 31.03.08 in €'000 |
|---|---|---|
| Intangible assets | 32.438 | 33.052 |
| Property, plant and equipment | 140.377 | 159.460 |
| Other non-current assets | 3.762 | 6.548 |
| Inventories | 7.765 | 5.190 |
| Cash | 9.653 | 5.642 |
| Other current assets | 31.804 | 42.308 |
| **Balance sheet total** | **225.798** | **252.200** |
| Shareholders´ equity* | 76.010 | 82.231 |
| Pension provisions | 16.860 | 18.268 |
| Non-current financial debt | 45.115 | 36.359 |
| Other non-current debt | 17.375 | 41.397 |
| Current financial debt | 33.196 | 39.077 |
| Other current debt | 37.242 | 34.868 |
| **Balance sheet total** | **225.798** | **252.200** |

* Including 84,2% special item for deferred investment grants

## Share information

| | |
|---|---|
| ISIN | DE0007783003 |
| Stock exchange code | MKA.ETR |
| Reuters code | MKAG |
| Stock exchange segment | Prime Standard |
| Trading locations | Xetra, Frankfurt a. M., Hamburg |
| Designated sponsor | Close Brothers Seydler AG |

## Profit and loss accounts for the first 9 months of the year (IAS) Group

| | 08\|09 in €'000 | 07\|08 in €'000 | Change in % |
|---|---|---|---|
| Sales from operations | 174,291 | 170,627 | 2.1 |
| Nursing division sales | 134,515 | 132,663 | 1.4 |
| Rehabilitation division sales | 39,776 | 37,964 | 4.8 |
| EBITDAR | 43,055 | 51,038 | -15.6 |
| EBITDA | 6,726 | 18,982 | -64.6 |
| Depreciation | -5,375 | -6,333 | -15.1 |
| EBIT | 1,351 | 12,649 | -89.3 |
| Interest balance | -3,405 | -4,573 | -25.5 |
| EBT | -2,054 | 8,076 | -125.4 |
| | | | |
| DVFA result | 5,548 | 6,737 | -17.6 |
| DVFA earnings per share/nursing in € | 0.37 | 0.49 | -23.6 |
| DVFA earnings per share/rehabilitation in € | 0.09 | 0.06 | 43.0 |

## Financial calender for the 08|09 financial year

| | |
|---|---|
| Annual report 2008\|2009 | October 2009 |
| Annual General Meeting | December 2009 |
| Report of the first quarter | 10 November 2009 |

## Imprint

Publisher: Marseille-Kliniken AG
Contact: Axel Hölzer, CEO
Internet: www.marseille-kliniken.de
The report on the 1st 9 months of the year is published in German and English and is available on request from Marseille-Kliniken AG, Corporate Communications.

| Marseille-Kliniken AG balance sheet | Current quarter 31.03.2009 in € '000 | Annual report 30.06.2008 in € '000 | Comparative quarter 31.03.2008 in € '000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Intangible assets | 32,438 | 33,004 | 33,052 |
| Property, plant & equipment | 140,377 | 141,823 | 159,460 |
| Other long-term assets | 2,417 | 2,515 | 3,088 |
| Deferred tax assets | 1,344 | 1,209 | 3,460 |
| | **176,576** | **178,551** | **199,060** |
| **Current assets** | | | |
| Inventories | 7,765 | 5,272 | 5,190 |
| Accounts receivables | 12,237 | 13,795 | 12,551 |
| Other receivables, other assets | 16,208 | 23,513 | 26,383 |
| Tax receivables | 3,359 | 3,590 | 3,374 |
| Cash on hand, bank balances | 9,653 | 14,433 | 5,642 |
| Non-current assets held for sale | 0 | 0 | 0 |
| | **49,222** | **60,603** | **53,140** |
| **Total assets** | **225,798** | **239,154** | **252,200** |

| | | | |
|---|---|---|---|
| **Shareholder's equity** | | | |
| Capital stock | 31,100 | 31,100 | 31,100 |
| Capital reserve | 15,887 | 15,887 | 15,887 |
| Revenue reserve | 627 | 627 | 627 |
| Treasury stock | -1,149 | -869 | -544 |
| Consolidated loss | -574 | 0 | 0 |
| Minority status | -9,618 | -3,149 | -6,339 |
| | 826 | 459 | 860 |
| **Non-current liabilities** | **37,100** | **44,054** | **41,590** |
| **Deferred benefits from public authorities** | | | |
| Long-term interest bearing loan | 46,225 | 47,511 | 48,281 |
| Provisions, accruals for pensions | 45,115 | 47,454 | 36,359 |
| Deferred tax liabilities | 16,860 | 16,898 | 18,268 |
| Other long-term liabilities | 9,788 | 10,389 | 10,605 |
| Current liabilities | 272 | 294 | 23,151 |
| | **118,261** | **122,546** | **136,664** |
| **Short-term interest bearing loan** | | | |
| Short-term interest bearing loan | 33,196 | 31,369 | 39,077 |
| Other provisions | 8,343 | 14,011 | 12,185 |
| Trade payables | 11,083 | 7,406 | 6,379 |
| Accrued taxes | 6,595 | 7,381 | 4,561 |
| Other short-term liabilities | 11,222 | 12,387 | 11,743 |
| | **70,438** | **72,554** | **73,946** |
| **Total equity and liabilities** | **225,798** | **239,154** | **252,200** |

## Marseille-Kliniken AG consolidated statement of equity movements

| 01.07.2007 to 31.03.2008 | Capital stock € | Capital reserve € | Revenue reserve € | Other comprehensive income € | Consolidated loss € | Treasury stock € | Shares: Marseille-Kliniken AG € | Minorities: Minority interest € | Consolidated Group: Total equity € |
|---|---|---|---|---|---|---|---|---|---|
| Balance on 01.07.2007 | 31,100,000.00 | 15,887,038.24 | 627,105.53 | 0.00 | -13,738,809.99 | -63,030.00 | 33,812,303.78 | 941,529.15 | 34,753,832.93 |
| Purchase of treasury shares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -481,146.91 | -481,146.91 | 0.00 | -481,146.91 |
| Dividend payments | 0.00 | 0.00 | 0.00 | 0.00 | -3,036,302.77 | 0.00 | -3,036,302.77 | 0.00 | -3,036,302.77 |
| Other changes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Group profit/loss for the quarter | 0.00 | 0.00 | 0.00 | 0.00 | 10,435,810.55 | 0.00 | 10,435,810.55 | -81,871.56 | 10,353,938.99 |
| Balance on 31.03.2008 | 31,100,000.00 | 15,887,038.24 | 627,105.53 | 0.00 | -6,339,302.21 | -544,176.91 | 40,730,664.65 | 859,657.59 | 41,590,322.24 |

## Marseille-Kliniken AG consolidated statement of equity movements

| 01.07.2008 to 31.03.2009 | Capital stock € | Capital reserve € | Revenue reserve € | Other comprehensive income € | Consolidated loss € | Treasury stock € | Shares: Marseille-Kliniken AG € | Minorities: Minority interest € | Consolidated Group: Total equity € |
|---|---|---|---|---|---|---|---|---|---|
| Balance on 01.07.2008 | 31,100,000.00 | 15,887,038.24 | 627,105.53 | 0.00 | -3,149,247.64 | -869,316.91 | 43,595,579.22 | 458,834.21 | 44,054,413.43 |
| Purchase of treasury shares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -279,979.11 | -279,979.11 | 0.00 | -279,979.11 |
| Dividend payments | 0.00 | 0.00 | 0.00 | 0.00 | -3,015,866.25 | 0.00 | -3,015,866.25 | 0.00 | -3,015,866.25 |
| Changes in equity that have no impact on earnings (cash flow hedges) | 0.00 | 0.00 | 0.00 | -573,584.77 | 0.00 | 0.00 | -573,584.77 | 0.00 | -573,584.77 |
| Change due to the increase in a majority shareholding (acquisition of minority interests) | 0.00 | 0.00 | 0.00 | 0.00 | -453,375.32 | 0.00 | -453,375.32 | 436,375.32 | -17,000.00 |
| Net Group profit/loss for the quarter | 0.00 | 0.00 | 0.00 | 0.00 | -2,999,204.05 | 0.00 | -2,999,204.05 | -69,118.99 | -3,068,323.04 |
| Balance on 31.03.2009 | 31,100.000.00 | 15.,887,038.24 | 627,105.53 | -573,584.77 | -9,617,693.26 | -1,149,296.02 | 36,273,569.72 | 826,090.54 | 37,099,660.26 |

## Marseille-Kliniken AG profit and loss accounts

| | Current quarter 01.01.09 to 31.03.09 in € '000 | Cumulative reporting period 01.07.08 to 31.03.2009 in € '000 | Annual report 01.07.2007 to 30.06.2008 in € '000 | Same quarter the previous year 01.01.08 to 31.03.2008 in € '000 | Cumulative previous year 01.07.07 to 31.03.2008 in € '000 |
|---|---|---|---|---|---|
| Sales | 57,490 | 174,291 | 228,061 | 58,506 | 170,627 |
| Inventory movements / finished and unfinished products | 410 | 775 | 50 | 402 | -1,022 |
| Other own work capitalised | 0 | 0 | 134 | 162 | 228 |
| Other operating income | 1,284 | 6,377 | 32,453 | 3,134 | 15,849 |
| | | | | | |
| **Total performance** | **59,184** | **181,443** | **260,698** | **62,204** | **185,683** |
| | | | | | |
| Cost of materials/purchased services | 9,610 | 24,689 | 30,050 | 6,715 | 20,076 |
| Personnel expenses | 31,391 | 90,253 | 119,350 | 30,784 | 88,888 |
| Depreciation | 1,848 | 5,375 | 8,759 | 2,095 | 6,333 |
| Other operating expenses | 19,161 | 59,641 | 80,212 | 22,481 | 57,594 |
| | | | | | |
| **Earnings from business operations** | **-2,827** | **1,485** | **22,327** | **129** | **12,791** |
| | | | | | |
| Financial income | 161 | 742 | 1,392 | 435 | 670 |
| Financial expenses | 925 | 4,147 | 6,910 | 1,486 | 5,243 |
| | | | | | |
| **Earnings before tax (and minority interests)** | **-3,591** | **-1,920** | **16,810** | **-922** | **8,218** |
| | | | | | |
| Taxes on income | 255 | 1,014 | 3,317 | 852 | -2,277 |
| Other taxes | 49 | 134 | 185 | 29 | 142 |
| | | | | | |
| **Net Group profit/loss** | **-3,896** | **-3,068** | **13,307** | **-1,803** | **10,354** |
| | | | | | |
| Minority interests | -135 | 69 | 483 | 125 | 82 |
| | | | | | |
| **Net Group profit/loss attributable to Marseille-Kliniken AG** | **-4,030** | **-2,999** | **13,790** | **-1,679** | **10,436** |
| | | | | | |
| Earnings per share / undiluted | -0.33 € | -0.24 € | 1.14 € | -0.14 € | 0.86 € |

## Abridged statements of cash flow *

| | 9 months 08\|09 in €'000 | 9 months 07\|08 in €'000 |
|---|---|---|
| Net Group profit/loss for the period 01.07. – 31.03. | -3,068 | 10,354 |
| Expenses/income that have no impact on payment | 3,353 | -8,327 |
| **Gross cash flow** | **285** | **2,027** |
| Decrease/increase in assets/liabilities | 2,696 | 38,170 |
| **Cash flow from business operations** | **2,981** | **40,198** |
| **Cash flow from investment activities** | **-3,363** | **4,914** |
| **Cash flow from financing activities** | **-4,398** | **-49,228** |
| **Decrease/increase in liquid funds** | **-4,780** | **-4,117** |
| | | |
| Liquid funds on 01.07. | 14,433 | 9,758 |
| Decrease/increase in liquid funds | -4,780 | -4,117 |
| **Liquid funds on 31.03.** | **9,653** | **5,641** |

* In accordance with the format that has to be submitted to Deutsche Börse AG on a quarterly basis too

# IFRS Notes

## 1 Background information

### Accounting in accordance with the International Financial Reporting Standards (IFRS)

The interim report is presented in abridged form in compliance with the IFRS requirements (IAS 34 Interim Financial Reporting).

This and the past interim financial statements have not been subjected to a review or audit as defined in § 317 of the German Commercial Code (HGB).

Some amounts are presented in thousand or million €. There may be rounding differences of +/- € 1,000.

### Accounting and valuation methods

With the exceptions outlined below, the same accounting and valuation methods as in the last consolidated financial statements for the year that ended on 30. June 2008 have been applied in the financial statements for the quarter that ended on 31. March 2009. A detailed description of these methods was published in the notes to the consolidated financial statements compiled by Marseille-Kliniken AG for the year that ended on 30. June 2008, to which we refer here (IAS 34.15). The annual report for the year that ended on 30. June 2008 and these interim financial statements can be downloaded from the Internet at www.Marseillen-Kliniken.de.

It was a fundamental rule until 30. June 2008 that any derivative financial instruments were included in the profit and loss account. In the 2008/2009 financial year, the option of using hedge accounting for interest rate swaps concluded to hedge loans with variable interest rates has been exercised for the first time, taking the conditions into consideration that are specified in IAS 39. The changes in the fair value of the interest rate swaps (31. March 2009: minus € 574,000) are stated in shareholders' equity.

The building project in Bremerhaven, which was included in the available-for-sale non-current assets in the past, was reclassified to inventories in the financial statements for the period that ended on 31. March 2009 (€ 2.897 million). Contracts have been concluded about sale of the property to a financial investor following completion in 2009.

Another change in presentation relates to the inclusion of tax provisions of € 5.510 million (30. June 2008: € 6.282 million), which have been shown in the other provisions up to now. The tax provisions are now included in the current tax liabilities in the financial statements about the quarter that ended on 31. March 2009. The previous year's figures have been adjusted accordingly to facilitate comparison.

We have included detailed explanations of any economic factors that may have had an impact on the business operations in the management report about these quarterly financial statements.

## 2 Companies consolidated

There was no change in the companies consolidated by Marseille-Kliniken AG in accordance with IAS 27.12 on 31. March 2009 over the situation on 30. June 2008. 135 companies have again been consolidated.

## 3 Segment report

The following table provides a segment report with reference to the segment earnings generated in the current financial year up to 31. March 2009:

| | Nursing | | Rehabilitation | | Service division, incl. AG | | Eliminations | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 01.07.2008 to 31.03.2009 in € ,000 | 01.07.2007 to 31.03.2008 in € ,000 | 01.07.2008 to 31.03.2009 in € ,000 | 01.07.2007 to 31.03.2008 in € ,000 | 01.07.2008 to 31.03.2009 in € ,000 | 01.07.2007 to 31.03.2008 in € ,000 | 01.07.2008 to 31.03.2009 in € ,000 | 01.07.2007 to 31.03.2008 in € ,000 | 01.07.2008 to 31.03.2009 in € ,000 | 01.07.2007 to 31.03.2008 in € ,000 |
| External sales | 133,732 | 131,649 | 39,776 | 37,964 | 783 | 1,014 | 0 | 0 | 174,291 | 170,627 |
| Sales to other segments | 0 | 0 | 0 | 0 | 46,634 | 43,729 | -46,634 | -43,729 | 0 | 0 |
| Other operating income* | 4,722 | 4,120 | 2,396 | 10,596 | 18,620 | 26,685 | -18,585 | -26,344 | 7,152 | 15,056 |
| **Total performance** | **138,454** | **135,768** | **42,171** | **48,560** | **66,036** | **71,428** | **-65,219** | **-70,074** | **181,443** | **185,683** |
| Scheduled depreciation | -2,727 | -3,793 | -1,101 | -1,238 | -1,547 | -1,302 | 0 | 0 | -5,375 | -6,333 |
| **Earnings from business operations** | **1,938** | **5,162** | **-481** | **7,081** | **28** | **549** | **0** | **0** | **1,485** | **12,791** |
| Income from interest and financial assets | 939 | 1,098 | 477 | 731 | 3,498 | 5,428 | -4,173 | -6,587 | 742 | 670 |
| Interest and similar expenses | -3,790 | -4,725 | -646 | -2,012 | -3,884 | -4,086 | 4,173 | 5,581 | -4,147 | -5,243 |
| **Earnings before tax** | **-913** | **1,534** | **-649** | **5,799** | **-358** | **1,891** | **0** | **-1,006** | **-1,920** | **8,218** |
| Taxes on income | | | | | | | | | -1,014 | 2,277 |
| Other taxes | | | | | | | | | -134 | -142 |
| **Net Group income** | | | | | | | | | **-3,068** | **10,354** |

* including inventory movements and other own work capitalised

# 4 Explanatory notes about the consolidated balance sheet

### Property, plant and equipment

The property, plant and equipment item decreased by € 1.446 million over 30. June 2008. The change is attributable essentially to the balance of depreciation of the property, plant and equipment and additions, most of which relate to assets under construction.

### Deferred taxes

The deferred tax assets were formed in relation to the tax losses carried forward by the Group companies. Additional deferred tax assets attributable to temporary differences were offset against deferred tax liabilities attributable to temporary differences and were shown as a balance on the liabilities side according to the result.

On 31. March 2009, there were total corporation tax losses carried forward of € 32.3 million (30. June 2008: € 25.9 million), which can in principle be used with no time limit. Advantage was taken of them to form deferred tax assets to the extent that use of the losses carried forward is guaranteed with sufficient certainty.

Tax losses carried forward at the companies included in the financial statements lead to the statement of deferred tax assets to the extent that it is highly probable that the companies concerned will enjoy an economic benefit within the framework of the anticipated tax loss deductions within the next 5 financial years. In view of the plans and various measures that have been initiated, it is assumed that sufficient substantial evidence is available to demonstrate appropriate use of the losses.

To the extent that the anticipated future tax results of a company make it appear improbable that a tax reduction will be made, deferred tax assets on losses carried forward are not stated or deferred tax assets are written down appropriately.

### Inventories

The inventories include an amount of € 2.897 million for the project to build a senior citizens' residential and nursing home in Bremerhaven, which was shown up to now in the available-for-sale non-current assets. A sales contract has already been concluded for the property, which will be handed over to a financial investor after completion in 2009.

### Miscellaneous receivables

The miscellaneous receivables that were shown in the consolidated financial statements for the year that ended on 30. June 2008 decreased by € 7.305 million, from € 23.513 million to € 16.208 million. The change is due essentially to the payment of € 5.6 million from a business transaction with IMMAC Holding AG that was received in August 2008.

### Treasury shares

In the first half of the 2008/2009 financial year, Marseille-Kliniken AG bought 92,637 of its own shares for an average price of € 6.360 and sold 54,623 of its own shares for an average price of € 5.660. No treasury shares were bought or sold in the 3rd quarter of the 2008/2009 financial year. On 31. March 2009, the total holding was therefore unchanged from 31. December 2008 at 104,549 treasury shares and has been deducted from shareholders' equity at acquisition costs.

The amount of the share capital accounted for by the treasury shares on 31. March 2009 totalled € 267,611.02, which corresponds to about 0.86% of the share capital.

### Deferred investment grants

The deferred investment grants of € 46.225 million (30. June 2008: € 47.511 million) are being released in earnings in accordance with the useful life of the assets for which the grants were made.

### Other provisions

The tax provisions (30. June 2008: € 6.282 million) were included in the other provisions item in the past too. From the quarterly report about the financial statements for the period that ended on 31. March 2009 onwards, they (€ 5.510 million) are being shown in the current tax liabilities. The figures for the same period the previous year have been adjusted accordingly.

The other main reason for the reduction in the other provisions from € 14.010 million on 30. June 2008 to € 8.343 million on 31. March 2009 was as follows:

Due to the introduction of annual working time arrangements, the overtime rules that applied in the past in the nursing division have been cancelled. In addition to this, there is no longer the option available in the past of taking annual holiday flexibly by transferring holiday entitlements for one year to the following calendar year. This means that transferring left-over holiday entitlements to the next calendar year is only possible in exceptional cases now. The above changes led to a reduction of € 3.033 million in the other provisions.

The provisions for litigation risks formed as per 31. March 2009 decreased by € 1.194 million too, as it was possible to settle some pending legal disputes. Use was therefore made of the provisions.

**Non-current financial debt**

In addition to the financial debt outlined in the notes to the consolidated financial statements for the year that ended on 30. June 2008, the non-current financial debt as per 31. March 2009 also includes derivative financial instruments with a total of € 574,000. What are involved here are two interest rate swaps, which were bought to hedge loans with variable interest rates. The variable interest payments in future are being transformed into fixed interest payments in this way (cash flow hedging). The interest rate swaps are being kept until final maturity and meet the requirements of IAS 39.

The changes in the fair value of the interest rate swaps are included in shareholders' equity.

The derivative financial instruments can be broken down as follows:

| | Maturity date | Market value on 31.03.2009 € ,000 |
|---|---|---|
| SWAP 1 | 31.10.2013 | - 523 |
| SWAP 2 | 30.12.2020 | -51 |

# 5 Explanatory notes about the consolidated profit and loss account

**Other own work capitalised / cost of materials**

The cost of purchased services of € 10.002 million that was at the time included in the other own work capitalised was reclassified for the previous year (01. July 2007 to 31. March 2008). Since this other own work capitalised particularly included cost of materials of third-party service companies, it was already stated in the cost of materials in the financial statements for the year that ended on 30. June 2008, in order to improve the insight that is given into profitability. The figure for the same period the previous year has been adjusted accordingly to permit comparison.

**Other operating income**

The other operating income amounted to € 6.377 million on 31. March 2009 (31. March 2008: € 15.849 million). The change is attributable essentially to the fact that income of € 8.604 million was generated by the sale of a property in the same period the previous year.

# 6 Miscellaneous notes

**Earnings per share**

The undiluted earnings per share amounted to minus € 0.24 for the period that ended on 31. March 2009 (31. March 2008: € 0.86).

The undiluted earnings per share in the rehabilitation segment amounted to minus € 0.07 in the period that ended on 31. March 2009 (31. March 2008: € 0.41), while the figure in the nursing segment was minus € 0.11 (31. March 2008: € 0.11) and in the services segment was minus € 0.06 (31. March 2008: € 0.34).

The diluted and undiluted earnings per share were identical, because there are no potential shares.

**Dividend paid**

In the 2008/2009 financial year, dividends of € 3,015,866.25 were paid on 15. December 2008. This corresponds to € 0.25 per share that is entitled to participate in company profits.

## Contingent liabilities or contingent assets

The assessment we gave when the last consolidated financial statements were compiled for the year that ended on 30. June 2008 has not changed. There were no material commitments or risks on 31. March 2009 that are not covered by provisions.

## Related parties / companies

Transactions between related parties and companies associated with them that were made in the current financial year up to 31. March 2009 are listed in the following table:

| | Sale of goods and services | | Purchase of goods and services | | Receivables from related companies/parties | | Payables to related companies/ parties | |
|---|---|---|---|---|---|---|---|---|
| | 01.07.2008 to 31.03.2009 € ,000 | 01.07.2007 to 31.03.2008 € ,000 | 01.07.2008 to 31.03.2009 € ,000 | 01.07.2007 to 31.03.2008 € ,000 | 31.03.2009 € ,000 | 30.06.2008 € ,000 | 31.03.2009 € ,000 | 30.06.2008 € ,000 |
| Ulrich Marseille | 0 | 0 | 5.648 | 1.817 | 8.642 | 8.519 | 3.096 | 2.041 |
| Estella-Maria Marseille | 0 | 0 | 661 | 748 | 2.707 | 2.616 | 185 | 335 |

The goods and services purchased from Mr Marseille and companies related to him essentially involve IT services and EDP support provided by SCS Standard Computersysteme AG and SGS-GmbH and the rental of the administration building Sportallee 1 in Hamburg by VDSE Verwaltungsdienstleister sozialer Einrichtungen GmbH from Citycomp Grundstücks GbR.

In addition to this, construction services were provided for the Group by Held Bau Projekt Steuerungsgesellschaft mbH, which was sold in the last financial year. This is also the reason for the substantial increase over the same period the previous year.

The goods and services purchased from Ms Marseille essentially involve consultancy services provided by the law firm she heads.

## Statement of changes in shareholders' equity

In February 2009, the Marseille-Kliniken Group acquired the remaining 20% of the shares in TÜRK BAKIM EVI Pflegeeinrichtung Berlin-Kreuzberg gemeinnützige GmbH, a Group company that had already been consolidated in full before (increase in a majority shareholding). This means that a shift took place within shareholders' equity between the Marseille-Kliniken Group and the minority interests (entity concept).

In the financial report about the first half of the year that ended on 31. December 2008, cancellation of the withdrawals from the reserve for treasury shares in Marseille-Kliniken AG's individual company financial statements, which had been presented accurately in the consolidated financial statements for the year that ended on 30. June 2008, was not included in the statement of changes in shareholders' equity by mistake, so that the latter was therefore presented incorrectly. We have adjusted the presentation accordingly in the statement of changes in shareholders' equity in the current quarterly financial statements for the period that ended on 31. March 2009, i.e. we have reduced the treasury shares by € 347,000 and increased the net Group loss by € 347,000.

## Events after the balance sheet date

No events of material importance to the Marseille-Kliniken Group have occurred since the balance sheet date of 31. March 2009.

## Assurance by the legal representatives in accordance with § 37 y of the German Securities Trading Act in connection with § 37 w Paragraph 2 No. 3 of the German Securities Trading Act

We confirm to the best of our knowledge that the consolidated financial statements comply with the accounting principles which have to be applied in interim financial reporting and communicate a true and fair picture of the Group asset, financial and earnings development, that the consolidated management report presents the development of the business, including the business results and the situation of the Group, in such a way that a true and fair picture is communicated and that the main opportunities and risks of the probable development of the Group in the rest of the financial year are outlined.

Berlin, 8. May 2009

Axel Hölzer
Chairman of
the Management Board
Marseille-Kliniken AG

Peter Paul Gardosch von Krosigk
Member of the Management Board
Marseille-Kliniken AG

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