Report on the 1st half of the year

01. July 2008 to 31. December 2008

MARSEILLE-KLINIKEN AG

Main Group figures (IFRS) Summary of the first half of the year

01. July 2008 to 31. December 2008 and previous year		08|09	07|08	Change in %
Results				
Total performance*	€ m	117.2	110.8	5.8
EBITDAR**	€ m	32.7	31.5	3.9
EBITDA**	€ m	12.3	14.0	-12.1
EBIT**	€ m	9.0	10.0	-10.3
EBIT margin**	%	8.1	9.2	-12.0
EBT**	€ m	7.4	7.7	-3.6
EBT margin**	%	6.7	7.1	-5.4
Net income	€ m	1.0	12.1	-91.5
RoS**	%	5.3	5.9	-9.4
DVFA/SG result	€ m	6.2	6.6	-5.6
Gross cash flow**	€ m	8.1	2.4	240.5
Balance sheet				
Fixed assets	€ m	174.5	189.6	-8.0
Investments	€ m	3.3	3.5	-7.5
Shareholders' equity***	€ m	80.8	84.5	-4.4
Equity ratio	%	35.5	33.8	5.1
Other key indicators				
Employees	Number	5,469	5,388	1.5
Facilities	Number	67	65	3.9
Bed capacity	Number	9,100	8,899	2.3
Occupancy rate****	%	92.4	92.5	-0.2

* 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

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

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

Highlights

Crisis has no impact on the nursing division

Expansion programme is continuing

Positive result generated in the rehabilitation division

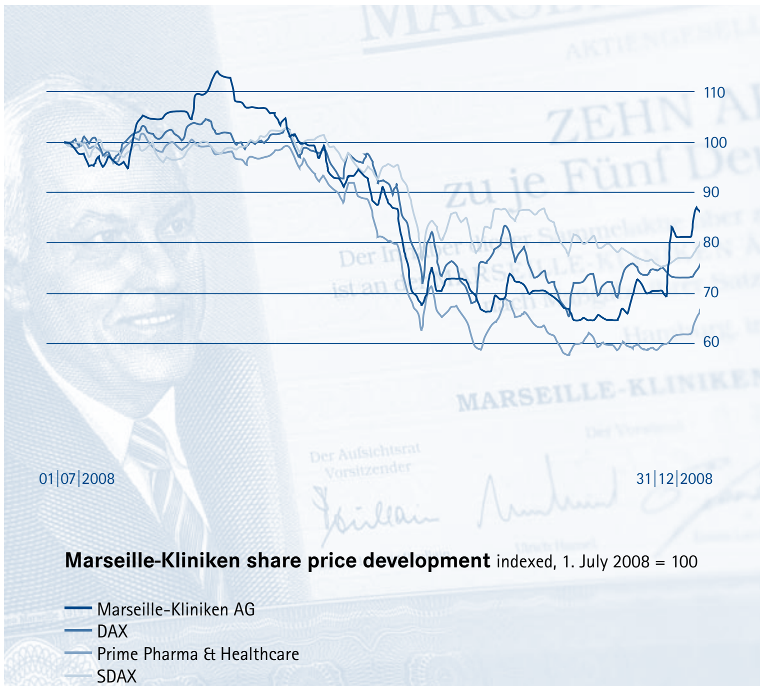
Dear shareholders and friends of the company,

These difficult times are impressive confirmation of our claim that Marseille-Kliniken AG operates in a growing market that is hardly affected at all by economic fluctuations. Your company is continuing to develop smoothly and according to plan in an environment characterised by desolate finance markets and banks in danger of collapsing as well as plummeting sales figures and order intake in industry. The recession has had practically no impact on us so far and we cannot at the present time see any major risks for this year yet. It is quite simply a fact that nursing care for the elderly and medical rehabilitation are not determined by economic cycles and crises; requirements here are dictated by nature instead – and nature has its own laws.

We do not think there is any danger that our expansion programme could be stopped by funding problems either. We are benefitting, on the one hand, from our good capital and finance structure. As a result of the four sale-and-leaseback transactions, the equity ratio has improved to 35.5 % and financial debt has decreased to 19.9 % of the balance sheet total. We have the economic success factors of these transactions to thank for the financial scope we have to fund our growth. It is, on the other hand, an advantage for us that banks are rethinking their business models to an increasing extent and are rediscovering traditional business with corporate customers in which the default risks are lower. Customers with a good credit standing are in greater demand than ever before. And, finally, we are doing something that the political community is keen to encourage. The funding programme implemented by the state-owned bank KfW to promote the modernisation of residential accommodation so that it is in line with the needs of the elderly is a further help to us thanks to its favourable financing conditions. The fact that decision-making processes in the approval of loans take longer is one of the consequences of this crisis and is a phenomenon familiar to us from previous crises in 1998/1999 and 2001/2002, which were due in both cases to problems experienced by closed-end property funds. The result is that the banks providing funding have taken a right decision to investigate the business models of the operators in even greater detail and have only been funding financially sound operators at locations with long-term promise.

The only unfortunate conclusion we are forced to draw is that criteria like a crisis-proof business, financial soundness, accurate market positioning and a manageable risk portfolio appear to be of little relevance to the stock market at the moment. The Marseille-Kliniken share has also been caught up in the panic that has led to a downward spiral on almost all of the world's stock exchanges, slumping from its high of more than € 18 in July 2007 to a temporary low of € 5. Following a minor recovery to more than € 7 at the end of 2008, the share price has now returned to the € 5.50 range. There is nothing we can do about stock market fluctuations. What we do know, however, is that the share price correction does not by any means reflect the potential of the company in a realistic way and that the share price will start to rise again as soon as the smoke on the battlefields has cleared.

The development in the first six months confirms our expectations for the future of the company. In the next two years, we are working on the assumption of average sales growth of 6.5% and an unadjusted EBIT margin of at least 7%. In the nursing division, the occupancy rates are increasing steadily and are consistently approaching the level of 95% that counts in practice as full



Marseille-Kliniken share price development indexed, 1. July 2008 = 100 occupancy. Acceptance of the new facilities is good and the start-up losses incurred there are decreasing month by month. There has been a further improvement in occupancy at the rehabilitation clinics and this has led to substantially better margins.

Our strategic objectives indicate that company operations will be developing systematically and promisingly in the coming years. In inpatient nursing care for the elderly, we aim to become market and cost leader among the players organised as private companies. The consistent brand policy has already helped us to achieve a market position with good prospects. We also intend to increase the quality lead we hold. In the past two years, we have given you extensive reports about our efforts and successes in this area. Our quality management system and the public documentation of our quality standards are unparalleled in the industry. DIN ISO 9001 certification of the entire company will have been completed in March 2009, when a further milestone will be reached on the nursing care market. Our goals also include a steady improvement in the operating margins. We think that there is potential for optimisation of occupancy levels at the existing facilities. We have initiated extensive measures to increase specialisation at eight of the total of 52 facilities where the occupancy rate is currently lower than the 95% that is standard within the Group. Expansion of the assisted living operations and integration of the new facilities in the Group's normal earnings structures will have a further positive impact on margins. Expansion of the assisted living operations is a central element in our growth strategy. In the meantime, we have concluded contracts for locations with a total of 3,000 additional residential units, which will be incorporated in the Group by 2011/2012 and will enable us to reach the critical number of 12,000 beds that is our target. Entering the acute clinic field is another focal point in our expansion policy.

We have set ourselves the additional goals of exploiting the potential for cutting costs and increasing efficiency and of making sustained improvements to our financial strength. We complete regular, careful reviews of all the primary and secondary processes and will already take considerable cost-cutting opportunities in this financial year. Our target for the return on capital employed is 15%+; the figure we reach today is just under 14.6%. We already exceeded the target of 30% for the equity ratio substantially by reaching 35.1% in 07/08. Now we are increasing the target even more – to 40%. Disposal of the rehabilitation division remains a strategic objective too. These operations only contribute just under 23% to Group sales in the meantime and they are an unnecessary appendix from the strategic point of view. The time when they are disposed of in whole or in part will be determined exclusively by the state of the finance markets.

Our core nursing care business continued to grow profitably in the first half of 2008/2009. The occupancy rate at the existing facilities was almost 93% on average, which is considerably higher than the industry average. The overall occupancy rate with the higher bed capacity – including the new facilities – amounted to 89.5%. (previous year 89.1%). Of our new facilities, the senior citizens' residential homes recently opened in Düsseldorf have proved to be particularly popular. They are fully occupied. The same is true of the Schömberg nursing clinic, which has been created by converting parts of the Schömberg rehabilitation clinic. The 4-star home in the centre of Hamburg, our first facility in a city with more than a million inhabitants, is approaching an occupancy rate of 75%, at which it will reach break-even point. Although there has been a further improvement in the occupancy rate at the Türk Bakim Evi facility in Berlin Kreuzberg, which has only Turkish residents, and the start-up costs have decreased, a final breakthrough still has to be made there. We are expecting this to happen when very specific co-operation negotiations held with Turkish outpatient nursing care service providers in Berlin have been completed. The Josephinen residential home in Potsdam, which provides assisted living services in 131 residential units, is in great demand and was almost full in December with an occupancy rate of 91%. Of the locations in Oberhausen, Bremerhaven, Eberswalde, Gera and Waldkirch with a total of 970 beds for which contracts have been concluded, the senior citizens' residential home in Oberhausen with 80 beds and the Waldkirch nursing clinic, which was created by converting what was previously the Waldkirch cardiovascular clinic and also has 80 beds, will be coming into operation in the third quarter of the financial year 08/09. The operative bed capacity will be increasing by a total of 350 beds in the 2008/2009 financial year.

The rehabilitation operations have stopped making losses and now contribute to earnings. There was a further improvement in earnings in the 2nd quarter and the occupancy rate amounted to 92.5% in the first half of the year (previous year: 89.1%). At the present time, we do not see any signs of a decrease in the coming months due to the crisis. Application patterns are exceptionally stable. A paradoxical development at the Schömberg location demonstrates how times have changed in the rehabilitation field: the rehabilitation clinic there, which was still depressing company results seriously last year, has rented beds back from the spun-off nursing clinic due to full occupancy. The sound condition of our highly specialised clinic chain will make it easier for us to implement the planned disposal as quickly as possible.

We are taking initial steps in our plan to enter associated areas of operation in the health market. We are making close examinations of offers for general hospitals in the acute field and have already participated in a tender. The fact that we as newcomers were included in the short list shows us that we are taken seriously. We will be taking part in further tenders. The increasing integration of services in the acute and nursing fields is leading to considerable synergy potential that we intend to exploit in order to strengthen our profitability.

The main figures about the operations in the first half of 2008/2009 reflect the momentum achieved in the Group. Operating sales increased by 4.2% to € 116.8 million in the months of July to December 2008; in the nursing segment, they were 4.3% higher at € 90.5 million, while they were up 3.8% at € 26.3 million in the rehabilitation segment. The beds contracted to the Group were occupied 92.4% of the time (previous year: 92.5%). The occupancy rate in the nursing division (including the locations in Düsseldorf and Potsdam (previous year facilities that started operation), which counted as new facilities in the previous year) amounted to 92.7% (previous year: 93.6%), whereas it was 92.5% (previous year: 89.1%) in the rehabilitation division (excluding the acute clinic in Büren). The nursing division accounted for 82.2% (€ 5.1 million) of the Group DVFA result of € 6.2 million (previous year: € 6.6 million), while the rehabilitation division contributed 17.8% (€ 1.1 million). Net Group income attributable to Marseille-Kliniken AG amounted to € 1.0 million (previous year: € 12.1 million). After-tax profits of € 7.0 million from the sale of a property and non-recurring tax income of € 4.9 million due to the 2008 company tax reform were included in the previous year.

Your company has a strong market position and a secure future, because it implements a convincing business model, because it is innovative and flexible and because it has staff who put our mission into practice. We have the greatest respect for the impressive professional and personal skills of our employees and would like to take this opportunity to express our particular thanks to them all. Our optimism about the ongoing development of the company is attributable in addition to the confidence that you as our shareholders place in us – and that we will be doing everything in our power to justify over and over again. Last but not least, our thanks go to the residents and their relatives, who confirm the quality of our work by choosing our facilities.

Your

Axel Hölzer, Chairman of the Management Board

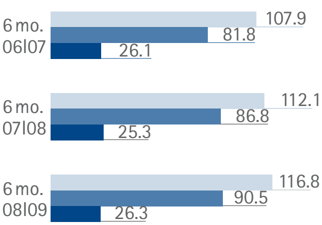
Economy slumps into recession

Never in the past eight decades have the international money and capital markets been shaken to anything like the same extent as in the course of 2008. There are no signs of the crisis ending at the beginning of 2009 either. The severe impact on the real economy has become very clear in the meantime. The economies in North and South America as well as in Europe are in the throes of a deep recession. Global growth, which was still just under 4% in 2008, is likely to drop below 1%, with considerable regional differences. The prospects for the German economy – which is well-positioned overall – are gloomy too. Economic output will probably decrease in 2009. The government is working on the assumption that there will be a reduction of 2.3%. In spite of all the governmental measures to provide support, the credit squeeze will only be easing very slowly and will be leading automatically to a large drop in corporate investments. The slump is particularly drastic in export business and cannot be compensated for by far by domestic demand, which has remained relatively stable so far. The desolate situation, above all in the car industry, machine manufacturing, plant engineering and the construction industry, will be affecting the employment market too as the year goes on. There was already a significant increase in short-time working at the beginning of the year and the number of unemployed is likely to exceed the 4 million mark again. Hopes of economic stabilisation are focussed primarily on the US economy, which the new President Obama aims to shore up with a programme amounting to almost a thousand billion dollars.

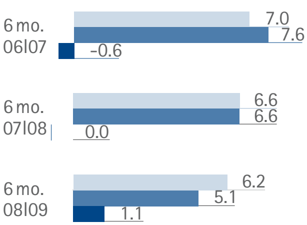
Nursing care insurance system needs treatment itself

The German health care market is being overshadowed by the reforms made in it. The "health fund", which is considered to be the most risky part of the April 2007 health reform, was introduced on 1. January 2009. All the contributions, which have been made directly to the insurance providers in the past, are now being collected in the health fund, which then allocates them to the insurance providers in accordance with specific criteria. The German government initially stipulated that the uniform contribution rate for 2009 would be 15.5%, but then reduced it again to 14.9% as part of its economic stimulus package. The shortfall is being funded via the federal budget. Even well-meaning critics think that the reform is merely an interim solution that will need to be revised after the next general election at the latest. The experts are critical of the reform of the nursing care insurance system that came into force on 1. July 2008 as well. The reform aims to strengthen outpatient nursing care, controlling this via financial incentives and the right for employees to take time off to nurse relatives at home. The conflict between wishful thinking and reality is growing in this context. The potential for providing nursing care at home is decreasing steadily and this situation will become even more critical when increasingly large numbers of people without a traditional family background develop a need for nursing care. In the medium term, the rigid distinctions between outpatient and inpatient nursing care will have to be replaced by a more flexible range of different forms of residential accommodation and nursing care – with an inevitable increase

Operating sales by segments in € m

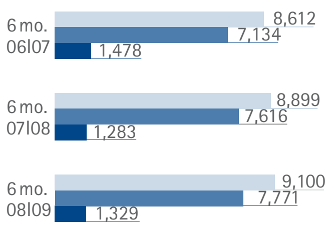


DVFA result by segments in € m

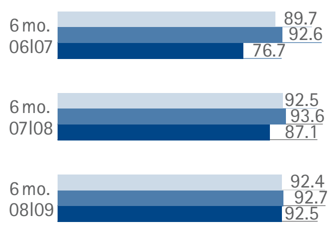


Group ■ Nursing ■ Rehabilitation

Bed capacity by segments



Occupancy rate by segments in %



in the need for professional care. This in turn means that greater demands will be made on the nursing care insurance system and that funding requirements will increase considerably. The realistic alternatives are that either the contributions will have to rise substantially more than indicated in the official government forecasts for the coming years or the benefits actually provided by the nursing care insurance system will have to be restricted. There are political and economic limits in both cases.

Marseille-Kliniken not affected by the crisis

Marseille-Kliniken AG's development in the first six months of the 2008/2009 financial year confirms past experience that professional nursing care for the elderly is a business that is hardly affected at all by economic fluctuations. There have not as yet been any signs of a decrease in demand even in the psychosomatic rehabilitation operations (6% of our capacities), which react sensitively to changes on the employment market. Sales have continued to rise and bed occupancy rates are continuing to develop towards 95%, which is the equivalent of full capacity utilisation, in both the nursing and rehabilitation operations. In the core nursing care business, contracts have been concluded for 970 additional beds in the year under review, 350 of which will be coming into operation. The higher occupancy rate than the industry average at the facilities reflects the fundamental strategic decision taken to give Marseille-Kliniken a broad market basis and to position the facilities as nursing homes and clinics that specialise in disorders suffered in old age rather than as standard products. Marseille-Kliniken is taking account of the price differences demanded on the market by giving priority to expansion of the "assisted living" concept. A comprehensive turnaround has been achieved in the rehabilitation division, which is contributing increasing amounts to earnings. There has been no change in the decision taken by the Management Board to sell the division in whole or in part. Negotiations are in progress.

The following figures for the first six months of the 2008/2009 financial year (which ended on 31. December) and those for the same period the previous year have been compiled on the basis of the IAS/IFRS accounting standards.

Operating sales up again

Group operating sales amounted to € 116.8 million after € 112.1 million in the same period the previous year. € 3.7 million of the growth are attributable to the nursing division, which reached total sales of € 90.5 million (4.3%). The higher sales at the new facilities, which account for 748 beds (9.6%) of the capacity of the nursing division, are the main reason for this. Operating sales in the rehabilitation division reached € 26.3 million and were therefore € 1.0 million higher than the level of € 25.3 million recorded in the previous year. This represents an increase of 3.8% over the first half of the previous year because of the increase in the occupancy rate.

On 31. December 2008, the company had 67 facilities: 58 nursing homes, 8 rehabilitation clinics and 1 hospital. Compared with the first half of the previous year, new facilities were opened in Meerbusch and Belzig (both in July 2008). As a result of this, capacity in the nursing division increased to 7,771 beds on 31. December 2008 from 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 therefore had a total of 9,100 beds on 31. December 2008 (previous year: 8,899 beds). The occupancy rate (excluding facilities that started operation) was 92.4% (previous year: 92.5%). This means that the good capacity utilisation level was maintained. It is apparent that our marketing and specialisation activities are having a sustained impact. An additional factor is that the occupancy rate at the rehabilitation clinics continues to be very good.

Further growth in the nursing division

Sales in the nursing division were € 3.7 million or 4.3% higher than in the first half of the previous year. As expected, the DVFA result did not reach the previous year's level of € 6.6 million in the first half of the year and amounted to € 5.1 million. Two heating oil derivative contracts concluded to hedge our oil sourcing prices were the main reason for this. A depreciation charge had to be made on the balance sheet date because of the low oil price at this time. Higher personnel recruitment, legal and consultancy costs as well as higher depreciation of intangible assets than in the previous year were additional factors. The DVFA after-tax adjustments of €

4.0 million relate essentially to the start-up expenses incurred for the AMARITA facility in Hamburg (€ 1.1 million), for the facilities in Meerbusch (€ 0.9 million), for the facility in Berlin-Kreuzberg (€ 0.7 million), for the facility in Schömberg (€ 0.3 million), for Allgemeine Soziale Dienstleistungen gGmbH (€ 0.2 million) as well as for Oberhausen, Bremerhaven and the Waldkirch nursing clinic (€ 0.3 million). There were expenses of € 0.4 million relating to different periods too. The occupancy rate in the nursing division (excluding the facilities that started operation) was 92.7%, due to allocation of the facilities in Düsseldorf and Potsdam to the existing homes. Including the facilities that started operation, the occupancy rate (with 155 more beds than in the previous year) was 89.5% (previous year: 89.1%). Due to seasonal factors and steady optimisation of our new facilities, we are expecting occupancy of our bed capacities to increase substantially in the second half of the year.

Another rise in sales and profits in the rehabilitation division

The rehabilitation division had 1,329 beds at the end of the first half of the year. Sales of € 26.3 million were generated with them following € 25.3 million in the first half of the previous year. The high occupancy rate of 92.5% at the rehabilitation clinics in the past six months (previous year: 89.1%) led to 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 90.3% after 87.1% in the same period the previous year. At € 1.1 million, the DVFA result was encouragingly higher than in the same period the previous year, when break-even was reached. Total DVFA adjustments of € 1.2 million were made in this context. They essentially related to the locations shut down in Bad König, Bad Oeynhausen, Waldkirch and Reinerzau (€ 1.1 million) and to a medical treatment centre taken over in Hennigsdorf/Berlin on 1. July 2008 (€ 0.1 million).

DVFA earnings per share

In spite of rising costs and the extraordinary factors not eliminated from the earnings generated in the nursing operations, the DVFA result of € 6.6 million achieved in the first half of the previous year was almost reached, since it amounted in the first half of this year to € 6.2 million. The Group DVFA earnings per share of € 0.51 were € 0.04 lower than in the previous year. With a result of € 5.1 million, the earnings per share in the nursing division were € 0.42 after € 0.55 in the previous year. The DVFA result of € 1.1 million in the rehabilitation division led to earnings per share of € 0.09 compared with the break-even result recorded in the same half of the previous year.

EBITDAR after DVFA/SG adjustments increased from € 31.5 million in the previous year to € 32.7 million. EBITDA decreased from € 14.0 million to € 12.3 million and EBIT from € 10.0 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, attributable to the fourth transaction alone, totalled € 0.5 million. The EBIT margin in relation to adjusted sales was 8.1% after 9.2% and the EBITDA margin was 11.2% after 12.9% in the same period the previous year. € 8.2 million of the adjusted EBIT were accounted for by the nursing division, while the rehabilitation division contributed € 0.8 million. This represents a margin of 9.8% (previous year: 11.0%) in the nursing division and 3.0% (previous year: 3.5%) in the rehabilitation division. The EBITDAR margin was 29.7% after 29.1% in the same period the previous year. The adjusted EBT amounted to € 7.4 million in the first half of this year compared with € 7.7 million in the previous year. The EBT margin decreased slightly from 7.1% to 6.7%.

The unadjusted key company figures changed as follows – as expected in view of the non-recurring profit of € 8.1 million generated in the first half of the previous year by the sale of a property: EBITDAR to € 31.7 million (- € 5.2 million), EBITDA to € 7.8 million (- € 9.0 million), EBIT to € 4.2 million (- € 8.3 million) and unadjusted EBT to € 1.6 million (- € 7.4 million). Net Group income after minority interests amounted to € 1.0 million after € 12.1 million in the same period the previous year. Not only the after-tax profits of € 7.0 million from the sale of the 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 increases again

Shareholders' equity amounted to € 80.8 million on 31. December 2008. The equity ratio went up by 5.1 %, from 33.8% to 35.5% 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 € 66.4 million on 31.12.2007 to € 65.9 million. The ratio of financial debt (long-term bank loans) to the balance sheet total increased from 14.9% to 19.9%. The development of these indicators was determined to a large extent by the sale-and-leaseback transactions.

Investments amounted to € 3.3 million, which was the planned level. € 3.5 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 € 2.4 million reached in the previous year at € 8.1 million.

Share price influenced by the financial crisis

The price of the Marseille-Kliniken share ranged between € 5.50 and € 9.70 in the months of July to September 2008. The share was unable to avoid the impact of the uncertain market environment due to the financial crisis and closed at a price of € 7.30 on 31. December 2008. The final price on 29. January 2009 was € 5.70.

Prospects

We anticipate a further increase in the occupancy rate in the nursing division, particularly at the new facilities. We are working on the assumption that the start-up losses will be decreasing in the next few quarters. 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 in the course of the financial year. The new facilities opened in the first quarter and the senior citizens' residential home that still has to be opened in Oberhausen will help to increase sales in the financial year and past experience with other new facilities opened in North Rhine-Westphalia suggests that they will not have a major negative impact on earnings.

We will be making further efforts to make 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 exercises.

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 1st half of 2008/2009, so that we are expecting positive results in the financial year if this development remains consistent. However, even though the locations in operation have reached break-even point, 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, we are therefore expecting sales for this and the following year to increase by average 6.5%, with EBIT amounting to at least 7% of sales.

Statements of cash flow *

	6 months 08|09 in €'000	6 months 07|08 in €'000
Net Group income	**827**	**12,157**
Expenditure/income with no effect on payment	2,103	-9,058
Decrease/increase in assets and liabilities	2,074	35,039
Cash flow from investment activities	-3,256	10,216
Cash flow from financing activities	-4,892	-50,794
Increase/decrease in liquid funds	-3,144	-2,439

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

Balance sheets at 31. December 2008 and previous year

	31.12.08 in €'000	31.12.07 in €'000
Intangible assets	**32,483**	33,365
Property, plant and equipment	139,569	150,748
Other non-current assets	3,627	5,488
Inventories	5,430	10,896
Cash	11,289	7,320
Other current assets	35,109	42,273
Balance sheet total	**227,507**	**250,090**
Shareholders´ equity*	80,827	84,505
Pension provisions	16,860	18,268
Non-current financial debt	45,288	37,185
Other non-current debt	17,458	41,726
Current financial debt	31,939	36,561
Other current debt	35,136	31,845
Balance sheet total	**227,507**	**250,090**

* 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 half of the year (IAS)

Group	08|09 in €'000	07|08 in €'000	Change in %
Sales from operations	116,801	112,120	4.2
Nursing division sales	90,472	86,759	4.3
Rehabilitation division sales	26,329	25,362	3.8
EBITDAR	31,680	36,950	-14.3
EBITDA	7,754	16,786	-53.8
Depreciation	-3,527	-4,237	16.8
EBIT	4,228	12,549	-66.3
Interest balance	-2,641	-3,521	25.0
EBT	1,587	9,027	-82.4
DVFA result	6,239	6,609	-5.6
DVFA earnings per share/nursing in €	0,42	0,55	-23.0
DVFA earnings per share/rehabilitation in €	0,09	0,00	-

Financial calender for the 08|09 financial year

Report on the 3rd quarter	8. May 2009
Annual report 2008|2009	October 2009
Annual General Meeting	December 2009

Imprint

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Internet: www.marseille-kliniken.de
The report on the 1st half 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 31.12.2008 in € '000	Annual report 30.06.2008 in € '000	Comparative quarter 31.12.2007 in € '000
Assets			
Non-current assets			
Intangible assets	32,483	33,004	33,365
Property, plant & equipment	139,569	141,823	150,748
Other long-term assets	2,469	2,515	3,093
Deferred tax assets	1,158	1,209	2,395
	175,680	**178,551**	**189,601**
Current assets			
Inventories	5,430	5,272	10,896
Accounts receivables	13,794	13,795	12,839
Other receivables, other assets	15,233	23,513	26,322
Tax receivables	3,578	3,590	3,112
Cash on hand, bank balances	11,289	14,433	7,320
Non-current assets held for sale	2,504	0	0
	51,827	**60,603**	**60,489**
Total assets	**227,507**	**239,154**	**250,090**

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	-1,497	-869	-420
Consolidated loss	-4,786	-3,149	-4,661
Minority status	255	459	984
	41,586	**44,054**	**43,518**
Non-current liabilities			
Deferred benefits from public authorities	46,619	47,511	48,693
Long-term interest bearing loan	45,288	47,454	37,185
Provisions, accruals for pensions	16,860	16,898	18,268
Deferred tax liabilities	9,806	10,389	10,604
Other long-term liabilities	274	294	23,416
	118,847	**122,546**	**138,166**
Current liabilities			
Short-term interest bearing loan	31,939	31,369	36,561
Other provisions	14,266	20,292	13,386
Trade payables	7,663	7,406	5,924
Accrued taxes	1,391	1,100	1,586
Other short-term liabilities	11,816	12,387	10,949
	67,074	**72,554**	**68,407**
Total equity and liabilities	**227,507**	**239,154**	**250,090**

Marseille-Kliniken AG consolidated statement of equity movements

						Shares	Minorities	Consolidated Group
01.07.2007 to 31.12.2007	Capital stock	Capital reserve	Revenue reserve	Consolidated loss	Treasury stock	Marseille-Kliniken AG	Minority interest	Total equity
	€	€	€	€	€	€	€	€
Balance on 01.07.2007	31,100,000.00	15,887,038.24	627,105.53	-13,738,809.99	-63,030.00	33,812,303.78	941,529.15	34,753,832.93
Purchase of own shares	0.00	0.00	0.00	0.00	-357,007.93	-357,007.93	0.00	-357,007.93
Dividends paid	0.00	0.00	0.00	-3,036,304.20	0.00	-3,036,304.20	0.00	-3,036,304.20
Other changes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consolidated result 1st quarter	0.00	0.00	0.00	12,114,456.45	0.00	12,114,456.45	42,899.41	12,157,355.86
Balance on 31.12.2007	31,100,000.00	15,887,038.24	627,105.53	-4,660,657.74	- 420,037.93	42,533,448.10	984,428.56	43,517,876.66

Marseille-Kliniken AG consolidated statement of equity movements

						Shares	Minorities	Consolidated Group
01.07.2008 to 31.12.2008	Capital stock	Capital reserve	Revenue reserve	Consolidated loss	Treasury stock	Marseille-Kliniken AG	Minority interest	Total equity
	€	€	€	€	€	€	€	€
Balance on 01.07.2008	31,100,000.00	15,887,038.24	627,105.53	-3,149,247.64	-869,316.91	43,595,579.22	458,834.21	44,054,413.43
Purchase of own shares	0.00	0.00	0.00	0.00	-279,979.11	-279,979.11	0.00	-279,979.11
Dividends paid	0.00	0.00	0.00	-3,015,866.25	0.00	-3,015,866.25	0.00	-3,015,866.25
Other changes	0.00	0.00	0.00	347,998.27	-347,998.27	0.00	0.00	0.00
Consolidated result 1st quarter	0.00	0.00	0.00	1,031,013.46	0.00	1,031,013.46	-203,730.90	827,282.56
Balance on 31.12.2008	31,100,000.00	15,887,038.24	627,105.53	-4,786,102.16	-1,497,294.29	41,330,747.32	255,103.31	41,585,850.63

Marseille-Kliniken AG profit and loss accounts	Current quarter 01.10.08 to 31.12.2008 in € '000	Cumulative reporting period 01.07.08 to 31.12.2008 in € '000	Annual report 01.07.2007 to 30.06.2008 in € '000	Same quarter the previous year 01.10.07 to 31.12.2007 in € '000	Cumulative previous year 01.07.07 to 31.12.2007 in € '000
Revenues	58,759	116,801	228,061	57,257	112,120
Change in inventories of finished goods and work in progress	331	364	50	-1,181	-1,424
Company-produced additions to plant and equipment	0	0	134	66	66
Other operating income	3,003	5,093	32,453	10,375	12,716
Total revenues	**62,093**	**122,259**	**260,698**	**66,517**	**123,478**
Cost of materials/draw benefits expenses	8,119	15,079	30,050	7,752	13,362
Personnel expenses	30,255	58,861	119,350	30,099	58,103
Depreciation and amortisation	1,799	3,527	8,759	2,234	4,237
Other operating expense	21,187	40,480	80,212	18,131	35,113
Earnings before interest and taxes (EBIT)	**733**	**4,312**	**22,327**	**8,300**	**12,662**
Interest income	349	581	1,392	122	235
Interest expenses	1,957	3,222	6,910	1,732	3,756
Earnings before taxes (EBT) (and minority interests)	**-876**	**1,672**	**16,810**	**6,691**	**9,141**
Tax expenses	258	760	3,317	1,290	-3,130
Other taxes	43	85	185	59	113
	-1,177	**827**	**13,307**	**5,342**	**12,157**
Minority interests	113	204	483	-180	-43
Net profit for the quarter	**-1,064**	**1,031**	**13,790**	**5,162**	**12,114**
Undiluted profit per share	-0.09 €	0.08 €	1.14 €	0.42 €	1.00 €

IFRS notes

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

The interim report compiled by Marseille-Kliniken AG and the consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) that were in force on the balance sheet date and that have to be applied in the EU, taking into consideration the interpretations of the International Financial Reporting Interpretation Committee (IFRIC) and the regulations of commercial law in accordance with § 315a Paragraph 1 of the German Commercial Code (HGB) that also have to be observed. As stipulated by IAS 34.8, the interim report includes the balance sheets, profit and loss accounts, statement of equity movements, abbreviated statements of cash flow and explanatory information about selected points in the notes.

Accounting and valuation methods

The same accounting and valuation methods as in the last consolidated financial statements for the period that ended on 30.06.2008 have been applied in the quarterly accounts. A detailed description of these methods was published in the notes to the Marseille-Kliniken AG annual report 2007/2008. In addition to the following explanatory information about selected points in the notes about the period that ended on 31.12.2008, we refer to the notes to the consolidated financial statements for the period that ended on 30.06.2008 (IAS 34.15).

Companies consolidated

There was no change in the companies consolidated by Marseille-Kliniken AG in accordance with IAS 27.12 on 31.12.2008 over the situation on 30.06.2008.

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. December 2008, there were total corporation tax losses carried forward of € 30.2 million, which can in principle be used with no time limit. They were used 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.

Property, plant and equipment

The property, plant and equipment item decreased by € 2,254,000 over 30.06.2008. The reduction is attributable essentially to stocked combustible.

Inventories

The inventories amounted to € 5.4 million in the first quarter of 2009 and consisted essentially of medical equipment as well as building and site development costs.

Miscellaneous receivables

The miscellaneous receivables of € 23.513 million that were shown in the consolidated financial statements for the period that ended on 30.06.2008 decreased by € 8.3 million to € 15.2 million on 30.09.2008. The change is due essentially to the payment of € 5.6 million from the business transaction with IMMAC Holding AG that was received in August 2008.

Non-current assets held for sale

The non-current assets held for sale include the project to build a senior citizens' residential and nursing home in Bremerhaven, which is being sold to a financial investor in 2009 after completion.

Treasury shares

In the first half of the 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. On 31.12.2008, the total holding therefore amounted to 104,549 shares and has been deducted from shareholders' equity at acquisition costs.

The amount of the share capital accounted for by the treasury shares on 31.12.2008 totalled € 199,743.91, which corresponds to about 0.64% of the share capital.

Other own work capitalised / cost of materials

The capitalisable cost of purchased services of € 6,315 million that was included in the other own work capitalised was reclassified in the previous year, because this other own work capitalised particularly included cost of materials of third-party service companies. From the 2007/2008 financial year onwards, they have been included in the cost of materials in accordance with IAS 1.29, in order to improve the insight that is given into profitability. The previous year's figure has been adjusted accordingly to facilitate comparison.

Miscellaneous notes

The deferred investment grants of € 46.6 million (30.06.2008: € 47.5 million) are being released in earnings in accordance with the useful life of the assets for which the grants were made.

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