Report on the 1st quarter

01 July 2008 to 30 September 2008

Marseille-Kliniken AG

Main Group figures (IFRS)
Summary of the first quarter

01 July 2008 to 30 September 2008 and previous year		08|09	07|08	Change in %
Results				
Total performance*	€ m	58.1	59.3	-2.0
EBITDAR**	€ m	17.6	16.8	4.9
EBITDA**	€ m	7.4	8.5	-12.2
EBIT**	€ m	5.8	6.6	-12.1
EBIT margin**	%	10.0	12.1	-16.9
EBT**	€ m	5.4	5.4	0,0
EBT margin**	%	9.3	9.9	-6.2
Net profit	€ m	2.1	7.0	-69.9
RoS	%	8.1	8.7	-7.9
DVFA/SG result	€ m	4.7	4.8	-2.5
Gross cash flow**	€ m	5.9	5.9	0.0
Balance sheet				
Fixed assets	€ m	176.1	193.1	-8.8
Investments	€ m	0.5	1.7	-70.7
Shareholders' equity***	€ m	85.6	82.4	3.9
Equity ratio	%	37.4	28.5	31.0
Other key indicators				
Employees	Number	5,494	5,327	3.1
Facilities	Number	67	64	4.7
Bed capacity	Number	9,100	8,801	3.4
Occupancy rate****	%	92.6	92.3	0.3

* Excluding other operating income
** 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, Bad König
of which in 08/09: Schömberg, Berlin, Hamburg, Meerbusch

Highlights

Further growth in the nursing division

Positive result in the rehabilitation division

Equity ratio up to 37.4%

Dear shareholders and friends of the company,

While the finance markets collapse around us and the global economy is in danger of skidding into a severe recession, your company is developing smoothly. Marseille-Kliniken AG holds a sound position in the field of inpatient nursing care for the elderly and the risks the company faces are manageable. We operate on a growing market which is largely unaffected by economic fluctuations and on which it is likely to be easier than in many other areas to continue developing the business model steadily in the near future.

In recent years, we have launched a large number of new projects that will be generating significant sales and earnings potential in the coming months and years. We are working on the assumption that the company will be growing by an average of 6.5% per year in the next two financial years and that the operating results will be improving to a disproportionately large extent. In the nursing division, we are expecting the occupancy rate at the existing homes to stabilise at a high level and the start-up losses at the new facilities that are driving our expansion programme to decline. The rehabilitation division has been turned around and is no longer depressing the Group's figures. It continues to be the aim of our growth strategy to reach a total capacity of 12,000 beds in the next few years, primarily by expanding the assisted living operations. Contracts have already been signed for the locations in Oberhausen, Bremerhaven, Eberswalde, Gera and Waldkirch. The operating capacity will be increasing by more than 350 beds in the 2008/2009 financial year.

There is a blatant contrast between our sound business model and strong market position and the price of the Marseille-Kliniken AG share. The crisis on the international finance markets and the general weakness of almost all second-tier shares have brought an almost five-year success story to an abrupt end. The share price developed in a consistently positive pattern until the middle of 2007, reaching a high of more than € 18 in July 2007. It then got caught up in an ongoing slump that developed into panic at times. To our way of thinking, there is no fundamental justification for the temporary drop to a low of € 5. We are not burying our heads in the sand because of this, however. We are continuing to stay in close contact with international investors and consider that the chances of a share price recovery are good, once the situation on the finance markets has eased.

We have made further progress in our core nursing care business. This is true not only of the capacity expansion programme but also of the occupancy rate at our facilities. The average occupancy rate at the existing homes is 93.1% and is approaching the level of 95% that counts in practice as full capacity utilisation. Our occupancy rate is almost 5 percentage points higher than the market as a whole and we consider this to be the successful outcome of our basic strategic decision to give Marseille-Kliniken a broad market position and to align the facilities as nursing homes and clinics that specialise in disorders suffered in old age rather than marketing them as standard products. We are in the process of establishing Marseille-Kliniken successfully as an unmistakable and unique brand on the German nursing care market. We are benefitting in this context primarily from the current debate about the quality problem on the German nursing care market. It is not only the quality management system we have developed on the basis of a mature IT structure that distinguishes us from the market

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

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

in general but also our campaign to make quality transparent to all market players.

We are making gradual headway at the new facilities too. The senior citizens' residential homes in Meerbusch with a total of 150 beds that were opened in July 2008 are experiencing strong demand. The senior citizens' residential home in Düsseldorf Lessingplatz, which is located in the immediate vicinity of the Düsseldorf Volksgarten facility and was opened in July 2007, is full. The same is true of the Schömberg nursing clinic, which has been created by converting some of the Schömberg rehabilitation clinic. There has been a lively response to the 4-star home in the centre of Hamburg, although the home with 336 beds is only about 70% full. The occupancy rate at the Türk Bakim Evi facility in Berlin-Kreuzberg, all of the residents of which are Turkish, has improved considerably and this will be leading to a substantial reduction in the start-up costs. The Josephinen residential home in Potsdam, which provides assisted living services in 131 residential units, will be fully occupied by the end of the year. The senior citizens' residential home in Oberhausen with 80 beds is opening in December 2008, while conversion of what used to be the Waldkirch cardiovascular clinic into a nursing clinic with 80 beds will probably have been completed in January.

The positive development in the rehabilitation division, which was ailing for a long time, continued in the first three months of the new financial year. Earnings were considerably higher than in the previous year and the occupancy rate is approaching the same level as in the nursing division. The current occupancy rate of 92.6% represents an improvement of 6.5% points over the same time in the previous year. The paradoxical development at the Schömberg location demonstrates how much the situation has changed. Since it is full, the rehabilitation clinic, which was one of the major weak points in the Group until recently, has to rent beds back from the nursing clinic that has been spun off from it. The successful turnaround of the division is not changing our decision to sell the segment partly or completely in the short to medium term. The time this is done depends entirely on when the crisis on the finance markets ends.

Disposal of the rehabilitation operations and the release of capital and management resources associated with this will facilitate implementation of our plan to enter associated business areas on the health care market. We are in an intensive process of investigating and, if appropriate, accepting offers of general hospitals in the acute field. We are expecting the increasing integration of services in the acute and nursing care sectors to create considerable synergy potential, exploitation of which will strengthen Group profitability. We have already gained initial experience in the acute field in Büren. Nikolaus Hospital has been operating successfully on the market in liaison with our nursing facility there for two years now. We have also established the first medical centre in Büren, that guarantees integrated treatment for patients. We are setting up further medical centres, which offer forms of integrated treatment that are encouraged by the health insurance funds, in Hennigsdorf/Berlin as well as at two other locations. Doctors with practices of their own can operate at the medical treatment centres and use the equipment available there. The doctors employed at the centre are responsible for anaesthetics and post-operative treatment.

As our shareholders, you will be familiar with our motto "Better if we are there". It would not be bending the truth to modify this summary of our mission into the claim "We are better". Marseille-Kliniken has been making heavy investments in quality for years now. This will not be changing in future. In the past three years, we have spent € 3.5 million per year on the development and establishment of our quality management system alone, the aim of which is to implement the quality policy successfully. The IT structures needed in this context are available. Notwithstanding the need we also have to stem rising costs, we are carrying out further quality assurance programmes systematically. The Group's own eqs.-Institut is co-operating with the scientific community to develop new quality concepts and the Marseille Academy – the central provider of training within the Group – is fine-tuning a blended learning concept that is unique in the industry and consists of basic and advanced training courses in which 80% of the training is in the form of e-learning units, while only 20% requires personal presence. Last year, we linked the e-learning programme to a bonus scheme with rewards for good results. All of these measures involve additional costs today, but they will pay off tomorrow. Customers are convinced by quality and this fills beds. The fact that our occupancy rate is above the market average is impressive proof of this.

The main figures about the operations in the first three months of the new 2008/2009 financial year reflect the momentum achieved in the Group. Group operating sales increased by 5.8% to € 58.0 million in the months of July to September 2008; growth in the nursing segment was 4.5% to € 44.9 million, while sales went up 10.4% to € 13.1 million in the rehabilitation operations. The beds contracted to the Group were occupied 92.6% of the time; this corresponds to an improvement of 0.3 percentage points over the same time the previous year. The occupancy rate in the nursing division was 93.1% (previous year: 93.8%), whereas it was 92.6% in the rehabilitation division, excluding the acute clinic in Büren (previous year: 86.9%). The nursing division accounted for € 3.7 million (previous year: € 4.8 million) of the Group DVFA result of € 4.7 million (previous year: € 4.8 million), while the rehabilitation division contributed € 1.0 million (previous year: € 0.0 million). Net Group income attributable to Marseille-Kliniken AG amounted to € 2.1 million (previous year: € 7.0 million, including tax income of € 4.9 million due to the 2008 company tax reform).

There has been no change in our strategic objectives. In nursing care for the elderly, we intend to improve our position as market, cost and quality leader among the private operators of nursing facilities and to establish Marseille-Kliniken as an unmistakable brand that stands for high quality in nursing care for the elderly. We aim to continue strengthening our financial resources and to combine disposal of the rehabilitation operations with the exploitation of further opportunities on the changing German health care market. The short-term goal is to maintain momentum within the Group.

It is unclear to what extent this will stimulate the price of the share. There is practically no way that we can exert any influence on stock market fluctuations. We are certain that the market will bounce back. What we do not know, however, is whether this will be happening today, tomorrow or the day after tomorrow. Our request to you in this difficult stock market environment is that you keep your faith in us. We for our part will be doing everything in our power to strengthen Marseille-Kliniken's role as a growth share. We would like to express our thanks to you for your loyalty to the company. And we thank the residents at our facilities and their relatives, who acknowledge what we are doing by choosing Marseille-Kliniken. Our particular thanks go to our staff, who put our mission into practice. We have the greatest of respect for their impressive professional and social skills.

Your

Axel Hölzer, Chairman of the Management Board

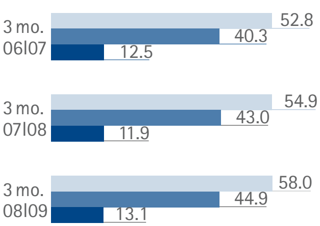
Fears of a recession in the German economy

The global financial crisis, which has led to panic reactions in some cases, is having an increasingly strong impact on the development of the real economy. The national economies in North and South America as well as in Europe are at the beginning of a recession, the length and depth of which no-one dares to predict. The economic upswing in Germany, which still proved to be very robust until the middle of 2008, has come to an abrupt end. Order intake in industry, which had been driving the economy, slumped in mid-2008. Although growth of 1.2% continues to be forecast for 2008, the experts have reduced the growth target for the coming year to 0.2%. The German government, which has responded to the imminent collapse of the finance system by launching a € 500 billion rescue programme, is considering measures to stimulate the economy too. The development of the prices for primary products is a hopeful sign. This is particularly true of crude oil, the price of which dropped back below USD 70 per barrel at the end of September. The inflation rate has also decreased in Germany. Developments on the employment market are robust as well. Machine manufacturing and plant engineering companies in particular still have full order books, which are guaranteeing employment this year. Experts are even expecting unemployment to continue decreasing in 2009. They are unanimous in saying that how the crisis develops in the USA will determine to a crucial extent the success with which a recession is overcome.

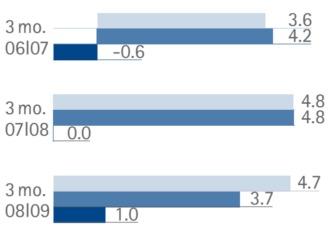
Touch-and-go on the German health care market

Although it has been warned against it, the German government is determined to introduce what is known as the "health fund" on 1. January 2009. This fund is by far the most risky part of the health reform that came into force on 1. April 2007. It involves redistribution of health insurance contributions in such a way that all the contributions made up to now to the insurance providers will be collected in the "health fund" in future and will then be distributed to the insurance providers according to specific rules. The German government has issued a legal regulation stipulating that the uniform contribution rate for 2009 will be 15.5%. This means that many of the people insured will have to pay considerably larger contributions. The government has in turn reduced the contributions to the unemployment insurance system. The health reform as a whole continues to be controversial, because it fails to reach the objective of separating rising health expenditure in future from wages and salaries. Funding is still based on the contribution principle, which is not a viable solution in the long run in view of demographic developments. The reform of the nursing care insurance system came into force on 1. July 2008 as well. The experts are critical of this reform too. The law increases the payments made by the nursing care insurance funds and raises the contributions that have to be made to the system. The promise made by the government to keep the contribution level stable until 2014 is considered by scientists to be completely unrealistic.

Operating sales by segments in € m

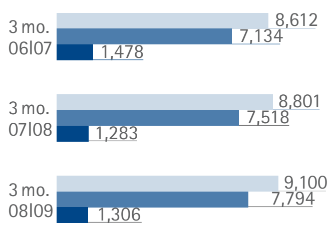


DVFA result by segments in € m

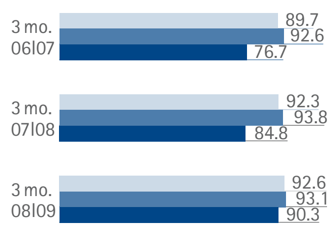


Group Nursing Rehabilitation

Bed capacity by segments



Occupancy rate by segments in %



The health care market as such continues to be a growing sector of the German economy. Total health care expenditure in 2006 amounted to € 245 billion or almost 11% of the gross domestic product. Health care is a bigger employer (almost 4.5 million people) than the car and electrical/electronics industries. Beauty and fitness are the biggest growth drivers. Elderly people in particular are interested in life science products and services.

Marseille-Kliniken is developing positively

Marseille-Kliniken AG's operations in the first three months of the 2008/2009 financial year continued to develop smoothly on the foundations laid in 2007/2008. Sales increased again, while the occupancy rate in both the nursing and rehabilitation divisions remained high. Two new facilities in the 4-star segment with a total of 150 beds were added in the nursing division. The hotel concept with segmentation of the range into 4-, 3- and 2-star homes structures the facilities by price categories determined according to building standards, while the same quality level is maintained in the services provided at all the facilities. There is market demand for different prices that take account of variations in income and expectations. Marseille-Kliniken considers that the growth potential is particularly good in the 2-star home sector and the assisted living field. The higher occupancy rate at the facilities than the market average is attributable primarily to the lead they hold in quality and quality assurance. There has been a thorough turnaround in the rehabilitation division, which is experiencing a sound recovery. The Management Board stands by the decision to sell the operations completely or in parts.

The following figures for the first three 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 IAS/IFRS accounting standards.

Operating sales increase again

Group operating sales amounted to € 58.0 million after € 54.9 million in the same period the previous year. € 1.9 million of the growth are attributable to the nursing division, which reached total sales of € 44.9 million (+ 4.5%). The higher sales at the new facilities, which account for 741 beds (9.5%) of the capacity of the nursing division, are the main reason for this. Operating sales in the rehabilitation division reached € 13.1 million and were therefore € 1.2 million higher than the level of € 11.9 million recorded in the previous year. This represents an increase of more than 10% over the same quarter the previous year because of the improvement in the occupancy rate.

On 30.09.2008, the company was operating 67 facilities: 58 nursing homes, 8 rehabilitation clinics and 1 hospital. The opening of the facilities in Düsseldorf (October 2007), Potsdam and Schömberg (both in September 2007) was followed in July 2008 by the facilities in Meerbusch and Belzig, as a result of which the bed capacity in the nursing division increased from 7,518 to 7,794 on 30. September 2008. The number of beds in the rehabilitation division increased slightly from 1,283 to 1,306 due to the use of further beds in Schömberg.

The Group therefore had a total of 9,100 beds on 30. September 2008 (previous year: 8,801 beds). The occupancy rate (excluding facilities that started operation) was 92.6% (previous year: 92.3%). The good capacity utilisation level was improved again slightly. It is becoming apparent that our marketing and specialisation activities are taking effect. An additional factor is that the occupancy rate at the rehabilitation clinics continues to be good. Taking the facilities that started operation into consideration, the occupancy rate was 90.1% (previous year: 88.8%).

Successful performance by the nursing division

Sales in the nursing division were 4.5% higher than in the same quarter the previous year. The absolute increase in sales was € 1.9 million to € 44.9 million. As expected, the DVFA result did not reach the previous year's level of € 4.8 million in the first quarter of the year and amounted to € 3.7 million. Higher energy costs and other general cost increases in the catering field were the main reasons for this. The DVFA after-tax adjustments of € 1.8 million relate to the start-up expenses incurred for the AMARITA facility in Hamburg (€ 0.6 million), for the facilities in Meerbusch (€ 0.5 million), for the facility in Berlin-Kreuzberg (€ 0.3 million), for the facility in Schömberg (€ 0.2 million), for Allgemeine Soziale Dienstleistungen gGmbH (€ 0.1 million) as well as for Oberhausen, Bremerhaven and the Waldkirch nursing clinic (€ 0.1 million). The occupancy rate in the nursing division (excluding the facilities that started operation) was 93.1%, which was somewhat lower than the previous year's level of 93.8%. Including the facilities that started operation, the figure was 90.1% (previous year: 89.6%). Further efforts need to be made in order to increase the high occupancy rate reached at the existing facilities. We are continuing to do this by means of concerted specialisation and marketing activities as well as by guaranteeing high quality at our homes.

Great success in the rehabilitation division

The rehabilitation division had 1,306 beds at the end of the quarter. Sales of € 13.1 million were generated with them following € 11.9 million in the same quarter the previous year. The high occupancy rate of 92.6% at the rehabilitation clinics in the past quarter (previous year: 86.9%) led to this encouraging 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 84.8% in the same period the previous year. At € 1.0 million, the DVFA result was considerably better than in the same period the previous year, when break-even was reached. Total DVFA adjustments of € 0.8 million were made in this context. They essentially related to the locations shut down in Bad König, Bad Oeynhausen, Waldkirch and Reinerzau (€ 0.5 million) and to a new medical treatment centre in Hennigsdorf/Berlin (€ 0.1 million).

Satisfactory DVFA earnings per share

In spite of rising costs, the DVFA result of € 4.8 million achieved in the same quarter the previous year was almost reached, amounting in the quarter under review to € 4.7 million. The Group DVFA earnings per share of € 0.39 were at just about the same level as in the previous year. With a result of € 3.7 million, the earnings per share in the nursing division were € 0.31 after € 0.39 in the previous year. The DVFA result of € 1.0 million in the rehabilitation division led to earnings per share of € 0.08 compared with the break-even result recorded in the same quarter the previous year.

EBITDAR after DVFS/SG adjustments increased from € 16.8 million in the previous year to € 17.6 million. EBITDA decreased from € 8.5 million to € 7.4 million and EBIT from € 6.6 million to € 5.8 million because of the shift of financing costs, depreciation and interest to higher rental expenses that is attributable to the sale-and-leaseback transactions. The EBIT margin in relation to sales was 10.0% after 12.1% and the EBITDA margin was 12.8% after 15.4% in the same period the previous year. € 5.0 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 11.1% in the nursing division and 6.6% in the rehabilitation division. The EBITDAR margin was 30.3% after 30.5% in the same period the previous year. The adjusted EBT amounted in the quarter under review to € 5.4 million, as in the previous year. The EBT margin was 9.3% after 9.9% in the previous year.

The unadjusted key company figures changed as follows, in accordance with expectations: EBITDAR to € 17.0 million (+ € 1.3 million), EBITDA to € 5.3 million (- € 1.0 million), EBIT to € 3.5 million (- € 0.8 million) and EBT to € 2.5 million (+ € 0.1 million). Net Group income after minority interests amounted to € 2.1 million after € 7.0 million in the same period the previous year. The effects of the 2008 company tax reform, which led to tax income of € 4.9 million, were included in the previous year. There were no such or similar extraordinary items in the quarter under review.

Equity ratio increases to more than 37%

Shareholders' equity improved by € 3.2 million, from € 82.4 million to € 85.6 million on 30. September 2008. The equity ratio went up by 31.0% points, from 28.5% to 37.4%. Due to the 2008 company tax reform, 84.175% of the special item for deferred investment grants were taken into account in this context.

There was a further reduction in the net financial debt of the Group from € 82.2 million to € 60.1 million. The ratio of financial debt (long-term bank loans) to the balance sheet total increased slightly from 20.2% to 20.3%. The development of these indicators was determined to a large extent by the sale-and-leaseback transactions.

Investments amounted to € 0.5 million, which was the planned level. € 1.7 million were invested in the same period the previous year.

Following adjustments for DVFA/SG items, gross cash flow was at the same level as in the previous year at € 5.9 million.

Inconsistent share price

The price of the Marseille-Kliniken share ranged between € 7.45 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 € 7.45 on 30. September 2008. The final price on 31. October 2008 was € 5.92.

Prospects

The first quarter of 2008/2009 developed in line with our expectations.

We anticipate a further increase in the occupancy rate in the nursing division, particularly at the new facilities in Meerbusch, Oberhausen and Hamburg. 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 of the year 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 develop in the 1st quarter of 2008/2009 too, 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 the year to increase by 6.5%, with EBIT amounting to at least 7% of sales.

Statements of cash flow *

	3 months 08|09 in € '000	3 months 07|08 in € '000
Net Group income	**2,004**	**6,815**
Expenditure/income with no effect on payment	1,300	-3,554
Decrease/increase in assets and liabilities	1,602	28,122
Cash flow from investment activities	-500	-1,704
Cash flow from financing activities	-5,996	-24,124
Decrease/increase in liquid funds	-1,590	5,556

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

Balance sheets at 30 September 2008 and previous year

	30.09.08 in € '000	30.09.07 in € '000
Intangible assets	**32,610**	33,307
Property, plant and equipment	140,990	152,272
Other non-current assets	3,764	6,085
Inventories	4,881	13,412
Cash	12,844	15,314
Other current assets	33,896	68,151
Balance sheet total	**228,984**	**288,542**
Equity*	85,616	82,374
Pension provisions	16,898	18,268
Non-current financial debt	46,405	58,114
Other non-current debt	18,165	41,908
Current financial debt	26,523	39,435
Other current debt	35,378	48,443
Balance sheet total	**228,984**	**288,542**

* 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 Group operations	58,042	54,863	5.8
Nursing division sales	44,945	43,002	4.5
Rehabilitation division sales	13,097	11,861	10.4
EBITDAR	16,994	15,694	8.3
EBITDA	5,265	6,310	-16.6
Depreciation	-1,727	-2,003	-13.8
EBIT	3,538	4,307	-17.9
Interest balance	-1,032	-1,912	46.0
EBT	2,506	2,395	4.6
DVFA result	4,679	4,792	-2.4
DVFA earnings per	0.31	0.39	-21.7
share/nursing in €	0.08	0.00	-

Financial calender for the 08|09 financial year

Analysts' conference	12 November 2008
Annual General Meeting	12 December 2008
Dividend payment	15 December 2008
Report on the 2nd quarter	9 February 2009
Report on the 3rd quarter	8 May 2009
Annual report 2008|2009	October 2009
Annual General Meeting	December 2009

Imprint

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The report on the 1st quarter 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 30.09.2008 in € '000	Annual report 30.06.2007 in € '000	Comparative quarter 30.09.2007 in € '000
Assets			
Non-current assets			
Intangible assets	32,610	33,004	33,307
Property, plant & equipment	140,990	141,823	152,272
Other long-term assets	2,499	2,515	3,113
Deferred tax assets	1,265	1,209	2,972
	177,363	**178,551**	**191,664**
Current assets			
Inventories	4,881	5,272	13,412
Accounts receivables	13,830	13,795	12,370
Other receivables, other assets	15,809	23,513	48,090
Tax receivables	4,257	3,590	3,303
Cash on hand, bank balances	12,844	14,433	15,314
Non-current assets held for sale	0	0	4,388
	51,621	**60,603**	**96,878**
Total assets	**228,984**	**239,154**	**288,542**

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	-1,319	-869	-588
Consolidated loss	-706	-3,149	-6,787
Minority status	368	459	805
	45,957	**44,054**	**41,044**
Non-current liabilities			
Deferred benefits from public authorities	47,114	47,511	49,101
Long-term interest bearing loan	46,405	47,454	58,114
Provisions, accruals for pensions	16,898	16,898	18,268
Deferred tax liabilities	10,415	10,389	10,461
Other long-term liabilities	294	294	23,677
	121,126	**122,546**	**159,621**
Current liabilities			
Short-term interest bearing loan	26,523	31,369	39,435
Other provisions	17,422	20,292	17,066
Trade payables	4,981	7,406	6,906
Accrued taxes	1,235	1,100	1,364
Other short-term liabilities	11,741	12,387	23,107
	61,901	**72,554**	**87,877**
Total equity and liabilities	**228,984**	**239,154**	**288,542**

Marseille-Kliniken AG consolidated statement of equity movements

01.07.2007 to 30.09.2007	Capital stock €	Capital reserve €	Revenue reserve €	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	- 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	- 525,284.07	- 525,284.07	0.00	- 525,284.07
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	6,952,101.61	0.00	6,952,101.61	- 136,933.04	6,815,168.57
Balance on 30.09.2007	31,100,000.00	15,887,038.24	627,105.53	- 6,786,708.38	- 588,314.07	40,239,121.32	804,596.11	41,043,717.43

Marseille-Kliniken AG consolidated statement of equity movements

01.07.2008 to 30.09.2008	Capital stock €	Capital reserve €	Revenue reserve €	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	- 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	- 101,315.00	- 101,315.00	0.00	- 101,315.00
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	2,095,323.51	0.00	2,095,323.51	- 91,121.97	2,004,201.54
Balance on 30.09.2008	31,100,000.00	15,887,038.24	627,105.53	- 705,925.86	- 1,318,630.18	45,589,587.73	367,712.24	45,957,299.97

Marseille-Kliniken AG profit and loss accounts

	Current quarter 01.07.08 to 30.09.08 in € '000	Cumulative reporting period 01.07.08 to 30.09.08 in € '000	Annual report 01.07.2007 to 30.06.2008 in € '000	Same quarter the previous year 01.01.07 to 30.09.07 in € '000	Cumulative previous year 01.07.07 to 30.09.07 in € '000
Revenues	58,042	58,042	228,061	54,863	54,863
Change in inventories of finished goods and work in progress	34	34	50	-242	-242
Company-produced additions to plant and equipment	0	0	134	0	0
Other operating income	2,090	2,090	32,453	2,341	2,341
Total revenues	**60,167**	**60,167**	**260,698**	**56,962**	**56,962**
Cost of materials/draw benefits expenses	6,961	6,961	30,050	5,610	5,610
Personnel expenses	28,607	28,607	119,350	28,004	28,004
Depreciation and amortisation	1,727	1,727	8,759	2,003	2,003
Other operating expense	19,292	19,292	80,212	16,983	16,983
Earnings before interest and taxes (EBIT)	**3,580**	**3,580**	**22,327**	**4,362**	**4,362**
Interest income	232	232	1,392	113	113
Interest expenses	1,265	1,265	6,910	2,025	2,025
Earnings before taxes (EBT) (and minority interests)	**2,547**	**2,547**	**16,810**	**2,450**	**2,450**
Tax expenses	501	501	3,317	-4,420	-4,420
Other taxes	42	42	185	55	55
	2,004	**2,004**	**13,307**	**6,815**	**6,815**
Minority interests	91	91	483	137	137
Net profit for the quarter	**2,095**	**2,095**	**13,790**	**6,952**	**6,952**
Undiluted profit per share	0.17 €	0.17 €	1.14 €	0.57 €	0.57 €

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 30.09.2008, 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 30.09.2008 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 30. September 2008, there were total corporation tax losses carried forward of € 28.2 million (previous year: € 18.8 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 € 833,000 over 30.06.2008. The reduction is attributable essentially to depreciation of fixed assets.

Inventories

The inventories amounted to € 4.9 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 € 7.704 million to € 15.809 million on 30.09.2008. The change is due essentially to the payment of € 5.606 million from the business transaction with IMMAC Holding AG that was received in August 2008.

Financial debt

Financial debt decreased by € 5.895 million, from € 78.823 million on 30.06.2008 to € 72.928 million on 30.09.2008. The change is due essentially to repayments.

Treasury shares

In the first quarter of the financial year, Marseille-Kliniken AG acquired another 11,500 of its own shares for a price of € 8.81. On 30.09.2008, the total holding therefore amounted to 78,035 shares and has been deducted from equity at acquisition costs.

The amount of the share capital accounted for by the treasury shares on 30.09.2008 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 € 4.640 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 € 47.1 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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