Report on the 1st quarter

01. July 2007 to 30. September 2007

MARSEILLE-KLINIKEN AG

Summary of the first quarter

01. July 2007 to 30. September 2007

		07|08	06|07	Change in %
Results				
Total performance*	€ m	59.3	56.9	4.2
EBITDAR**	€ m	16.8	16.4	2.3
EBITDA**	€ m	8.5	8.4	1.4
EBIT**	€ m	6.6	6.2	7.7
EBIT margin**	%	12.1	11.7	3.4
EBT**	€ m	5.4	4.8	14.1
EBT margin**	%	9.9	9.0	9.7
Net income	€ m	7.0	2.0	250.1
RoS	%	8.7	6.9	26.9
DVFA/SG result	€ m	4.8	3.6	31.9
Gross cash flow**	€ m	5.9	6.8	-13.4
Balance sheet				
Fixed assets	€ m	193.1	241.5	-20.0
Investments	€ m	1.7	0.6	184.0
Shareholders' equity ***	€ m	82.4	68.0	21.2
Equity ratio	%	28.5	20.9	36.4
Other key indicators				
Employees on the qualifying date	Number	5,327	5,147	3.5
Facilities	Number	64	62	3.2
Bed capacity on the qualifying date	Number	8,801	8,612	2.2
Occupancy rate****	%	92.3	89.7	2.9

* 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 06/07: Hamburg and Düsseldorf
of which in 07/08: Potsdam, Schömberg, Türk Huzur, Hamburg, Bad König

Main Group figures (IAS)

Highlights

- Further growth in the nursing division
- Break-even result in the rehabilitation division
- Equity ratio up to more than 28%

Dear shareholders and friends of the company,

The first three months of the new financial year are over now and the figures available to us indicate that 2007/2008 will be a good year. The smooth ongoing development of the company encourages us to issue very specific forecasts for 2007/2008 already. Due to additional capacities in the core business of nursing care for the elderly and rising occupancy rates in both the nursing and rehabilitation divisions, we are expecting sales to grow considerably to about € 240 million, with earnings before tax of about € 24 million. Earnings after tax are likely to amount to at least € 18 million, since the company tax reform allows deferred tax provisions formed in the past to be released in the profit and loss account.

We have a sound basis for our confidence that the figures will be improving considerably. In our core business of nursing care for the elderly, for which there will be substantial additional demand in the coming years, we are making rapid progress in the expansion programme. Three facilities with a total of 310 beds started operation in the first three months. We implemented another assisted living project in Potsdam, while the second senior citizens' residential home was opened to the public in Düsseldorf and division of the Schömberg clinic in the north of the Black Forest into a nursing clinic and a rehabilitation clinic was completed. The new Schömberg nursing clinic has 100 beds. Further projects are in the process of preparation in Meerbusch (150 beds), in Oberhausen (80 beds) and in Bremerhaven (200 beds). In addition to this, we are holding very specific talks about the establishment of residential facilities for our assisted living concept at several locations. As the situation is at present, our growth target of providing a total contractually committed capacity of 12,000 beds by the end of 2008 is definitely within reach.

The capacity expansion programme is going hand in hand with a consistent improvement in the occupancy rates at our facilities. Against the market trend, the occupancy rate in the nursing division increased to 93.8% in the first quarter of the new financial year (previous year: 92.6%) and is about 4 percentage points better than the industry average. It is particularly encouraging that the occupancy rate at the AMARITA Hamburg Mitte nursing facility is rising steadily and that this first Marseille-Kliniken 4-star home in a major city will not be depressing earnings in the nursing operations any more in the current financial year if the occupancy rate continues to develop as planned. We are clearly benefitting from the fundamental strategic decision to give Marseille-Kliniken a broad market position and not to offer the facilities as standard products. The specialisation at our facilities on disorders encountered in old age distinguishes us from the market and is proving to be an increasingly critical success factor as far as optimum occupancy rates at our homes are concerned. In the meantime, more than three quarters of our facilities devote about 20% of their beds to caring for coma and dementia patients. The new concepts for security systems, which create more freedom for this group of senior citizens to move around the facilities, are not matched anywhere else in the industry at the present time.

Another reason for our successful development is because we do not merely accept the situation that about 40% of residents can only finance their lives at the homes with the help of welfare payments as a regrettable fact; at the same time as this, we try to find solutions. We are certain that the nursing care market needs service programmes with varying prices that reflect different income levels and social classes. We are opening our facilities up to both ends of the prosperity scale by segmenting our range into

Development of the Marseille-Kliniken share price

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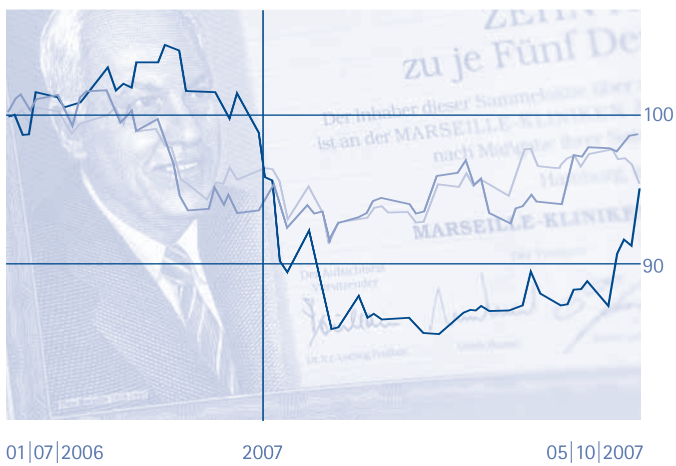
— Marseille-Kliniken AG

— DAX

— Prime Pharma & Healthcare



4-, 3- and 2-star homes. The building structure and thus the cost structure are the key to the differences in price. We are responding to growing demand for an affordable product that makes sacrifices in residential quality where single rooms are concerned, while maintaining the quality standards in the nursing and other services. Our programme provides high-quality nursing care and service as well as residential standards corresponding to personal wishes and financial resources, almost irrespective of how well-off the resident is. Like in many other industries, we are observing a polarisation of demand in nursing care for the elderly too. To our way of thinking, the growth segments in future will be the 4-star and 2-star homes. We anticipate increasing pressure on margins in the segment between them - the traditional 3-star homes - on the other hand.

Our optimistic assessment of developments in this financial year is based to a large extent in addition on the successful turnaround in the rehabilitation division. The rehabilitation operations will not depress earnings any longer this year and present practically no more potential operational and balance sheet risks following optimisation of the balance sheet. The division has been reduced to a viable, profitable core, for the operation of which we are looking for a suitable partner or buyer. The planned reduction in the capacities led in the first quarter to an occupancy rate of about 87% (excluding the acute hospital in Büren, which settles its accounts according to the case mix and basic rates per case), that is almost 10 percentage points higher than in the first quarter of 2006/2007. The rehabilitation division only consists of 8 clinics at 7 locations now.

The quality of nursing care is a central issue on the German nursing market. The health insurance funds' medical service departments in particular have sounded the alarm here, indicating in their recently published report that the situation has improved slightly but that nursing care still leaves a great deal to be desired otherwise. It is apparently the case that one third of patients does not receive enough to eat or drink, while every tenth one of them suffers from health problems. We are perfectly aware that there are black sheep in the industry and admit in addition that shortcomings occur in our operations too. They are isolated cases, however, which require close investigation. Some customers have weight problems that have nothing to do with the meals that are provided and some people in need of nursing care come to our facilities after they have developed bedsores in hospitals or while being nursed at home.

It is an undisputed fact that action needs to be taken in nursing care for the elderly. We have been demanding greater transparency and competition for years now. The problem involved in the checks made by the health insurance funds' medical service departments is not the methods they use. The content of these is correct and comparable to our internal measures. They do not make checks often enough, however, and they are not comprehensive. There is in addition empirical evidence that they check private providers more frequently than non-profit or public facilities, at which the checks are announced in advance too. Above all, they do not reveal the names of either the black sheep or the white sheep. It remains completely unsettled at the political level whether, when and in what form test reports are to be published in future.

Marseille-Kliniken is benefitting from the increasing amount of attention that the public is devoting to quality at the roughly 10,000 German nursing facilities. We are taking advantage of the existing information vacuum to carry out a quality campaign that makes the quality of the nursing care provided at our 56 homes transparent to outsiders and facilitates the decision-making process about the facility in question for the relatives of people in need of nursing care. We can afford to promote external transparency, because quality and assurance of it have been a central element of our growth strategy for years. Comprehensive, ongoing maintenance of high standards is essential for an operator of facilities based on the branch system. Our integrated quality management system based on IT structures is unique in the nursing care industry. Our company is the first private nursing home operator to award the best homes in its portfolio that achieve an overall grade of at least 2 a quality mark, indicating this on the website of the facility concerned. We are also planning to compile and publish a Group quality report about the quality tests carried out at all 56 facilities.

The quality mark is only awarded to the facilities that achieve the overall grade of 2.0 on the basis of an internally created quality measurement system. The results of the annual questionnaires completed by relatives and of the internal quality examination are included in the assessment made. We guarantee that the results are objective - in spite of the lack of external controls - by basing our checks on the criteria of the health insurance funds' medical service departments and by giving anonymised questionnaires completed by relatives preference over interviews with residents, who are often reluctant to express their real opinions. The quality mark has a decisive advantage over the examinations made by the medical service departments: continuity. The checks and questionnaire exercises are carried out once a year and are backed by permanent controlling. This enables us to determine all the main nursing care risks on a monthly basis and to initiate countermeasures promptly. The quality measurement system also creates transparency and internal performance pressure. In the context of the bonus system for home and nursing care managers, the results of the quality examination and the questionnaires are weighted half and half with such economic aspects as the occupancy rate or the cost structure. Convincing performances in both areas are essential in order to receive the full bonus.

The development of the main figures about the operations in the first three months of the new financial year reflects the ongoing progress made by your company. The nursing division is growing steadily on a profitable basis, while the rehabilitation division is on the up. Group operating sales increased by 4% to € 54.9 million in the months of July to September 2007; they were 6.8% higher at € 43.0 million in the nursing division, while they totalled € 11.9 million in the rehabilitation division. The beds available in the Group were occupied 92.3% of the time; this represents an improvement of 2.9 percentage points over the same period the previous year. The occupancy rate in nursing care for the elderly reached 93.8% (previous year: 92.6%), compared with 86.9% in the rehabilitation operations excluding the acute hospital in Büren (previous year: 77.8%). The Group DVFA result of € 4.8 million (plus 31.9%) was attributable to the nursing division (€ 4.8 million compared with € 4.2 million in the previous year). A break-even result was achieved in the rehabilitation division following a loss of € 0.6 million in the previous year. Net Group income was € 7.0 million, which was € 5.0 million higher than in the previous year.

The development in the price of the Marseille-Kliniken share does not correlate completely with the successful development of the business. Your share was affected by the turmoil on the international finance markets in August too. The price fluctuated between € 13 and € 18 per share in an uncertain environment. The fundamental trend continues to be good, however, and the analysts remain confident in us. Their unanimous advice is: buy.

The market for nursing care for the elderly has considerable future potential. We have created the necessary conditions to participate appropriately in this growth. We intend to achieve this organically with our own resources and will only be getting involved in the consolidation process on the overall health care market to a very limited extent. Markets with high potential always attract investors. This is happening on the German health care market in the meantime too. We have our doubts, however, whether nursing care for the elderly is a field in which one can have long-term success with short-term strategies. Hasty investments in this market are already risky simply because there is a lack almost everywhere of steadily developed IT structures and the management structures needed for the control of capacity expansion and for process efficiency.

Your company holds a good lead on the competition on its way to becoming market and cost leader and we aim to maintain this momentum. We are relying in this context on the trust you place in us and will be continuing to work hard to make sure we deserve it. We would like to thank you for your loyalty to the company. Our thanks go at the same time to the residents of our facilities and their relatives, who are acknowledging our work by opting for Marseille-Kliniken. Last but not least, we thank our staff, who carry out their difficult and demanding profession with enthusiasm and humanity. Their impressive professional and social skills deserve our appreciation.

Your

Axel Hölzer, Chairman of the Management Board

The upswing takes a breather

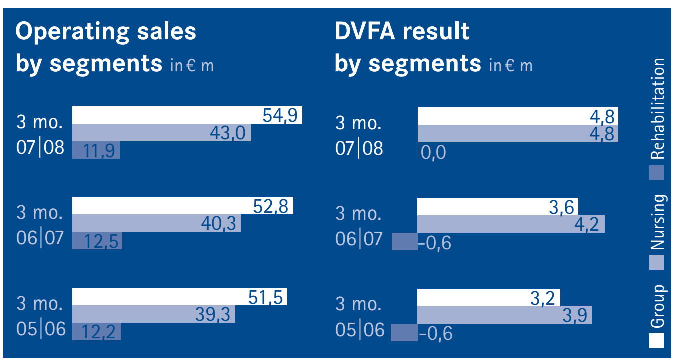
Although the upswing in the German economy slowed down slightly around mid-2007, the forces driving growth continue to be strong. Economic researchers are working on the assumption that the gross domestic product will be increasing by 2.6% this year, but that growth will be decreasing to 2.2% next year. The buoyant economic situation is having a positive impact not only on public sector finances but also on the employment market. Fast-rising tax income will enable a balanced budget or even a small surplus to be achieved again for the first time in 2007. On average over the year, the unemployment figure is likely to be about 3.78 million, with a reduction to only 3.45 million in 2008. The number of new jobs created (about 620,000) is the largest for six years. The positive development on the employment market is at the same time boosting private consumption, which is fuelling the upswing to a major extent alongside exports.

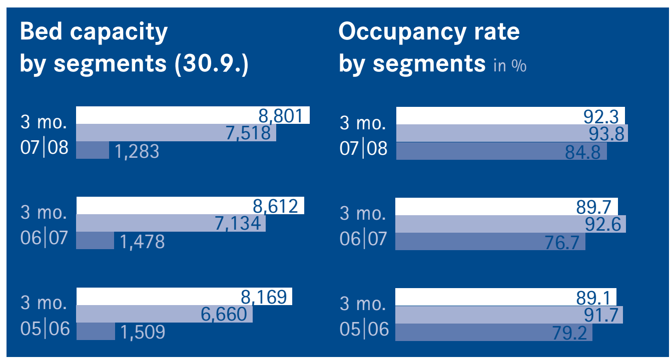
There are differences of opinion among the experts about the effect of the Hartz reforms on employment and growth. It is, however, evident that economic growth in 2007 is having a stronger impact than usual on the employment market and that the reforms are making a substantial contribution to the upswing. In view of this, there is more and more agreement in the business and research communities that no corrections should be made to the reforms. The research institutes are convinced that it is counterproductive as far as employment is concerned not only to pay unemployment benefits for a longer period of time but also to make it more difficult to hire temporary employees and to subsidise jobs for problematic groups. They say that the focus in the heated debate about the reforms must be on strengthening incentives to work as well as on reducing wage costs for people with poor qualifications.

Partial reform of the nursing care insurance system

Following the "law to strengthen competition in the statutory health insurance system" that came into force on 1. April 2007, the German government introduced a draft bill to reform the nursing care insurance system in October. It is a partial reform, because it postpones the difficult problem of sound, long-term funding to a later date. The increase in benefits planned in the nursing care reform is being financed by increasing the contribution rate, which will lead to about € 2.5 billion in additional income for the nursing care insurance funds. The experts at the Ministry of Health believe that funding of the nursing care insurance system is guaranteed until 2015 as a result. The contribution is rising by 0.25% in each case to 1.95% of gross income for employees with children and to 2.2% for employees without children.

The new benefits provided by the nursing care insurance system are extensive and saddle contributors with additional costs. Experts consider it completely unrealistic to expect funding to be possible without further increases in contributions. Thanks to its strategy, Marseille-Kliniken AG will be stimulated by all the forthcoming changes.





Marseille-Kliniken continues to expand

The main figures for the first three months of the 2007/2008 financial year (which ends on 30. June) confirm the successful continuation of Marseille-Kliniken AG's growth strategy. Sales and earnings increased substantially, while the occupancy rate improved again in both nursing care for the elderly and rehabilitation. Three new homes with a total of 310 beds came into operation in the nursing division. The newly developed hotel concept takes account of the changes in the market. Segmentation of the product into 4-, 3- and 2-star homes is in line with demand, which is structured according to income and expectations. The focus is on 4- and 2-star homes. Marseille-Kliniken's market position is being strengthened by the lead held over the competition in the area of quality and assurance of it. The rehabilitation operations have been reduced to a viable core and involve practically no operational risks any more following balance sheet optimisation. The division will not be depressing earnings any longer in the new financial year. The Management Board still has the intention of selling operation of the eight remaining clinics in stages or at one go.

The following figures for the first three months of the 2007/2008 financial year (which ended on 30. September) and those for the same period the previous year have been compiled on the basis of the IAS/IFRS accounting standards.

Further increase in operating sales

Total Group performance without the other operating income increased by 4.2% or € 2.4 million over the same period the previous year to € 59.3 million in the 1st quarter of the 2007/2008 financial year (01.07.2007 to 30.09.2007). The other own work capitalised amounted to € 4.6 million in the period under review, € 1.0 million higher than in the previous year. What are involved here are essentially the remodelling projects in Potsdam and Schömberg. Group operating sales totalled € 54.9 million after € 52.8 million in the same period the previous year. € 2.7 million of the growth were generated by the nursing division, so that its contribution to total sales increased to € 43.0 million (6.8%). This is attributable to the higher occupancy rate as well as to improvements in occupancy of the new bed capacities at the additional facilities. Operating sales in the rehabilitation division were € 0.6 million lower than the level of € 12.5 million achieved in the previous year at € 11.9 million. It should be taken into consideration in this context when comparing the quarters that the clinic in Bad König did not contribute to sales in the 1st quarter of 07/08, since the funding organisations have stopped assigning patients to the clinic because of its ongoing inability to operate economically. If this factor is disregarded, sales increased by 5% compared with the same quarter the previous year due to a higher occupancy rate.

The company operated 64 facilities on 30.09.2007; 55 nursing homes, 8 rehabilitation clinics and 1 hospital. As a result of the opening of the senior citizens' residential homes in Berlin (February 2007) and Potsdam (September 2007) and the transformation of part of the rehabilitation clinic in Schömberg into a nursing clinic (September 2007), the bed capacity in the nursing division increased from 7,134 beds to 7,518 beds on 30. September 2007. Due to the shutdown of the Bad König location, the number of beds in the rehabilitation division decreased again, from 1,478 to 1,283.

The Group had a total of 8,801 beds on 30. September 2007 (previous year: 8,612 beds). The occupancy rate (excluding facilities that started operation) was 92.3% (previous year: 89.7%). The increase is attributable to the concerted intensification of marketing activities combined with specialisation at selected nursing locations as well as to improvements in the occupancy rates at the rehabilitation clinics as modern, state-of-the-art treatment concepts have been introduced to a greater extent.

Nursing operations continue to expand

There was another increase in sales in the nursing division of € 2.7 million or 6.8%. The DVFA result amounted to € 4.8 million after € 4.2 million in the first quarter of the previous year. The main DVFA adjustments relate to the effects of the 2008 company tax reform, which have to be taken into consideration for the first time in the 2007/2008 financial year, on the deferred tax assets and liabilities of - € 3.5 million in the financial statements as per 30.06.2007. Start-up expenses incurred for the AMARITA facility in Hamburg (+ € 0.5 million), the facility in Berlin-Kreuzberg (+ € 0.3 million) and Potsdam, Düsseldorf II and Schömberg (+ € 0.3 million) were also included. Excluding the facilities that started operation, the occupancy rate was higher than the previous year's level of 92.6% at 93.8%. This shows that the strategy of providing a varied range of specialised treatment and the intensification of concerted efforts in our marketing activities are having an effect.

Success in rehabilitation

A further reduction was made in rehabilitation capacity by elimination of the clinic in Bad König. This means that there were still 1,283 beds on 30.09.2007. Sales of € 11.9 million were generated with them. Elimination of the oncological clinic in Bad König led overall to a reduction in sales in spite of an occupancy rate of 86.9% at the rehabilitation clinics in the past quarter (previous year: 77.8%). 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 occupancy rates, the overall occupancy rate also developed very positively to 84.8% after 76.7% in the same period the previous year. A break-even DVFA result was achieved this time, following a loss of € 0.6 million in the same quarter the previous year. This figure includes not only the DVFA adjustments in connection with the locations that have been shut down in Bad König, Bad Oeynhausen, Waldkirch and Reinerzau (€ 1.6 million) but also the effects of the 2008 company tax reform, which have to be taken into consideration for the first time in the 2007/2008 financial year, on the deferred tax assets and liabilities (- € 1.4 million) in the financial statements as per 30.06.2007.

Improvement in the DVFA earnings per share

The profitable operations in the nursing division combined at the same time with a further improvement in earnings in the rehabilitation division led at Group level to an increase of € 1.2 million in the DVFA result to € 4.8 million compared with € 3.6 million in the same quarter the previous year. The cumulated DVFA earnings per share of € 0.39 were € 0.09 higher than the previous year's figures of € 0.30. The nursing division contributed a result of € 4.8 million and earnings per share of € 0.39 to this total, following € 4.2 million and € 0.35 in the previous year. A break-even DVFA result was achieved in the rehabilitation division. A negative contribution to earnings per share like in the previous year (- € 0.05) was therefore avoided in the past 1st quarter of 07/08.

After DVFA/SG adjustments, EBITDAR amounted to € 16.8 million after € 16.4 million in the previous year. EBITDA increased from € 8.4 million to € 8.5 million, whereas EBIT rose from € 6.2 million to € 6.6 million. The EBIT margin in relation to sales was 12.1% after 11.7% and the EBITDA margin reached 15.4% after 15.9% in the same period the previous year. The EBITDAR margin amounted to 30.5% after 31.1% in the same period the previous year. The adjusted EBT totalled € 5.4 million in the quarter under review after € 4.8 million in the same period the previous year. The EBT margin therefore increased from 9.0% to 9.9%.

The unadjusted key figures changed as follows: EBITDAR to € 15.7 million (+ € 0.3 million), EBITDA to € 6.3 million (- € 0.1 million), EBIT to € 4.3 million (+ € 0.3 million) and unadjusted EBT to € 2.4 million (+ € 0.3 million). Net Group income interests amounted to € 7.0 million after € 2.0 million in the same period the previous year. The deferred tax assets and liabilities were adjusted appropriately as per 30.06.2007 due to the 2008 company tax reform, which led to tax income of € 4.9 million. Net income amounted to € 2.1 million if this non-recurring item is disregarded.

Equity ratio up to more than 28%

The shareholders' equity improved by € 14.4 million, from € 68.0 million to € 82.4 million on 30. September 2007. The equity ratio went up 36.4%, from 20.9% to 28.5%. Due to the 2008 company tax reform, 84.175% (previously 73.625%) 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 € 101.1 million to € 82.2 million. The ratio of financial debt (long-term bank loans) to the balance sheet total decreased from 36.6% to 20.2%. The development of these indicators was determined to a large extent by the third sale-and-leaseback transaction, parts of which were completed.

Further completion of the transaction will reduce net debt to less than € 40 million in the 2nd quarter.

The positive investment rate (€ 1.6 million) was at the planned level. It was € 0.6 million in the same period the previous year.

Following adjustment for DVFA/SG items, gross cash flow was € 0.9 million lower than in the first quarter of the previous year at € 5.9 million.

Substantial increase in the share price

The price of the Marseille-Kliniken share ranged between € 14.68 and € 18.05 in the months of July to September 2007. The share was unable to avoid completely the impact of the uncertain financial market environment due to the mortgage crisis in the USA and closed at a price of € 16.37 on 28. September 2007. The final price on 30. October 2007 was € 16.78.

Prospects

We are maintaining our sales and earnings forecast for the 2007/2008 financial year as a whole. We are expecting total sales of € 240 million, EBIT of € 24 million and earnings after tax of € 18 million. The positive development at the existing facilities in the nursing division will be continuing and we will be making further progress in the specialisation programme that has already been implemented successfully. An improvement in occupancy rates at the existing additional facilities over the previous year will also be leading to substantial reductions in start-up losses there. Three new homes with a total of 310 beds (in Potsdam, Schömberg and Düsseldorf) have started operation in the recent past. Further locations are at the construction stage and we are expecting further bed growth in the development of the assisted living operations too.

The rehabilitation division has achieved the planned turnaround and has been reduced to a viable core as far as the capacities are concerned. Earnings from the rehabilitation operations will not be depressing Group figures any more in the current financial year. This is being demonstrated at the moment by the further increase in the occupancy rate in October too. On the basis of this positive market development, we intend to dispose of the segment by selling part or all of the business operations.

Balance sheets at 30.09.2007 and 30.09.2006

Group	30.09.07 in € '000	30.09.06 in € '000
Intangible assets	33,307	32,396
Property, plant and equipment	152,272	194,334
Other non-current assets	6,085	22,422
Inventories	13,412	9,710
Cash	15,314	29,486
Other current assets	68,151	36,454
Balance sheet total	**288,542**	**324,802**
Equity*	82,374	67,948
Pension provisions	18,268	17,511
Non-current financial debt	58,114	119,039
Other non-current debt	41,908	59,655
Current financial debt	39,435	11,614
Other current debt	48,443	49,035
Balance sheet total	**288,542**	**324,802**

* Including 84.2% special item for deferred investment grants

Statements of cash flow*

Group	3 months 2007|2008 in € '000	3 months 2006|2007 in € '000
Net Group income	6,815	1,494
Expenditure/income with no effect on payment	-3,554	3,107
Decrease/increase in assets and liabilities	28,122	-7,920
Cash flow from investment activities	-1,704	-600
Cash flow from financing activities	-24,124	1,943
Decrease/increase in liquid funds	5,556	-1,976

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

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 3 months (IAS)

Group	2007|2008 in € '000	2006|2007 in € '000	Change in %
Sales from Group operations	54,863	52,757	4.0
Nursing division sales	43,002	40,257	6.8
Rehabilitation division sales	11,861	12,500	-5.1
EBITDAR	15,694	15,406	1.9
EBITDA	6,310	6,403	-1.4
Depreciation	-2,003	-2,383	-15.9
EBIT	4,307	4,020	7.1
Interest balance	-1,912	-1,934	-1.1
EBT	2,395	2,086	14.8
DVFA result	4,792	3,638	31.7
DVFA earnings per share nursing	0,39	0,35	11.6
DVFA earnings per share rehabilitation	0,00	-0,05	-107.2

Financial calender for the 07|08 financial year

Event for analysts	13 November 2007
Annual General Meeting	4 December 2007
Dividend payment	5 December 2007
Report on the 2nd quarter	8 February 2008
Report on the 3rd quarter	8 May 2008
Annual Report 2007|2008	October 2008
Annual General Meeting	December 2008

Imprint

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The report on the 1st quarter is published in German and English and is available on request from Marseille-Kliniken AG, Corporate Communications.

Marseille-Kliniken AG balance sheet

	1st quarter 30.09.2007 in € '000	Annual report 30.06.2007 in € '000	Comparative quarter 30.09.2006 in € '000
Assets			
Non-current assets			
Intangible assets	33,307	33,596	32,396
Property, plant & equipment	152,272	152,445	194,334
Investment property	0	0	9,677
Other long-term assets	3,113	3,118	5,062
Deferred tax assets	2,972	4,374	7,683
	191,664	**193,533**	**249,152**
Current assets			
Inventories	13,412	9,496	9,710
Accounts receivables	12,370	12,628	14,670
Other receivables, other assets	48,090	76,017	20,231
Tax receivables	3,303	3,410	1,553
Cash on hand, bank balances	15,314	9,758	29,486
Non-current assets held for sale	4,388	4,226	0
	96,877	115,535	75,650
Total assets	**288,542**	**309,067**	**324,802**

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	-588	-63	-384
Consolidated loss	-6,787	-13,739	-16,783
Minority status	805	942	190
	41,044	**34,754**	**30,637**
Non-current liabilities			
Deferred benefits from public authorities	49,101	49,510	50,694
Long-term interest bearing loan	58,114	87,165	119,039
Provisions, accruals for pensions	18,268	18,268	17,511
Deferred tax liabilities	10,461	17,011	20,408
Other long-term liabilities	23,677	23,934	25,864
	159,621	**195,887**	**233,516**
Current liabilities			
Short-term interest bearing loan	39,435	33,982	11,614
Other provisions	17,066	15,270	19,917
Trade payables	6,906	10,158	5,112
Accrued taxes	1,364	1,380	3,435
Other short-term liabilities	23,107	17,636	20,571
	87,877	**78,426**	**60,649**
Total equity and liabilities	**288,542**	**309,067**	**324,802**

Marseille-Kliniken AG consolidated statement of equity movements

01.07.2006 to 30.09.2006	Capital stock €	Capital reserve €	Revenue reserve €	Consolidated loss €	Treasury stock €	Shares Marseille-Kliniken AG €	Minorities Minority interest €	Consolidated Group Total equity €
Balance on 01.07.2006	31,100,000.00	15,887,038.24	627,105.53	-19,153,232.41	0,00	28,460,911.36	682,793.29	29,143,704.65
Purchase of own shares	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	1,986,634.75	0.00	1,986,634.75	-492,321.00	1,494,313.75
Balance on 30.09.2006	31,100,000.00	15,887,038.24	627,105.53	-17,166,597.66	0.00	30,447,546.11	190,472.29	30,638,018.40

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
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 profit and loss accounts

	1st quarter 01.07.07 to 30.09.07 in € '000	Comparative quarter 01.07.06 to 30.09.06 in € '000
Revenues	54,863	52,757
Change in inventories of finished goods and work in progress	-242	465
Company-produced additions to plant and equipment	4,640	3,646
Other operating income	2,341	1,620
Total revenues	**61,602**	**58,488**
Cost of materials/draw benefits expenses	10,250	8,869
Personnel expenses	28,004	27,784
Depreciation and amortisation	2,003	2,383
Other operating expense	16,983	15,432
Earnings before interest and taxes (EBIT)	**4,362**	**4,020**
Interest income	113	251
Interest expenses	2,025	2,185
Earnings before taxes (EBT)	**2,450**	**2,086**
Tax expenses	-4,420	545
Other taxes	55	47
Net profit after taxes (EAT)	**6,815**	**1,494**
Minority interests	137	492
Net profit for the quarter	**6,952**	**1,986**
Undiluted profit per share	0.57 €	0.16 €

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 30.06.2007 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 2006/2007. In addition to the following explanatory information about selected points in the notes about the period that ended on 30.09.2007, we refer to the notes to the consolidated financial statements for the period that ended on 30.06.2007 (IAS 34.15).

Companies consolidated

There was no change in the companies consolidated by Marseille-Kliniken AG in accordance with IAS 27.12 over the situation on 30.06.2007.

Deferred taxes

The upper house of the German parliament passed a resolution approving the 2008 Company Tax Reform Act at its 835th meeting on 6. July 2007. The reduction in the corporation tax rate from 25% to 15% had considerable impact on deferred taxes at Marseille-Kliniken AG in the first quarter of the financial year, which now have to be determined (including reunification tax) on the basis of 15.825% instead of 26.375%, as in the past. At Group level, this reduction in the tax rate had an effect on deferred tax liabilities totalling income of about € 4.1 million and on deferred tax assets totalling expenses of € 1.9 million. At the individual company level, there was a positive impact on earnings of € 2.4 million at Marseille-Kliniken AG and of € 0.3 million at Karlsruher Sanatorium AG.

Inventories

The increase of € 4.9 million in inventories in the first quarter was attributable essentially to building and site development costs for the projects in Bad Langensalza (€ 1.8 million) and Potsdam (€ 1.5 million).

Miscellaneous receivables

The miscellaneous receivables with an original total of € 57.9 million attributable to the SALB (sale-and-leaseback) transaction of 29. June 2007 that were shown in the consolidated financial statements for the period that ended on 30.06.2007 decreased by € 28.2 million to an initial € 29.7 million on 30.09.2007 due to the receipt of payment in September 2007. Payment of the remaining amount was made in October 2007.

Cash

The increase in liquid funds is directly connected with the above-mentioned receipt of payment.

Financial debt

Thanks to special repayments made following the receipt of payment from the SALB (sale-and-leaseback) transaction of 29. June 2007, financial debt decreased by € 23.6 million, from € 121.1 million to € 97.5 million. The increase in current financial debt is attributable to the reclassification from non-current financial debt because of a further special repayment of € 7.3 million in October 2007.

Treasury shares

In the first quarter of the financial year, Marseille-Kliniken AG acquired another 31,644 of its own shares for a price of € 16.60 per share. The total holding amounts to 35,846 shares, which are stated at acquisition costs of € 588,314.07.

The amount of the share capital accounted for by the treasury shares on 30.09.2007 totalled € 91,754, which corresponds to about 0.3% of the share capital.

Miscellaneous notes

The deferred investment grants of € 49.1 million (30.06.2007: € 49.5 million) are being released in earnings in accordance with the useful life of the assets for which the grants were made.

The effect this will have on increasing equity in future minus the relevant tax on income increased from € 36.5 million (73.625%) on 30.06.2007 to € 41.3 million (84.175%) on 30.09.2007 because of the 2008 Company Tax Reform Act.

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