Report on the 1st 9 months of the year
1. July 2005 to 31. March 2006

Better
if we are there

MARSEILLE-KLINIKEN AG

Summary of the first 9 months

1. July 2005 to 31. March 2006

		05 | 06	04 | 05	Change in %
Results				
Total sales*	€ m	156.9	152.1	3.1
EBITDAR**	€ m	43.0	43.1	-0.2
EBITDA**	€ m	26.3	29.2	-9.9
EBIT**	€ m	15.9	18.7	-15.3
EBIT margin**	%	10.3	12.5	-17.3
Net income	€ m	8.6	4.9	77.8
RoS	%	4.3	4.3	1.2
DVFA/SG result	€ m	6.7	6.4	3.7
Gross cash flow**	€ m	13.3	15.8	-16.0
Balance sheet				
Fixed assets	€ m	283.0	340.7	-16.9
Investments	€ m	-104.2	-6.8	1,427.3
Shareholders' equity***	€ m	68.2	64.0	6.6
Equity ratio	%	20.3	16.7	21.3
Other key indicators				
Employees	Number on 31.03.06	4,916	4,536	8.4
Facilities	Number	61	59	2.2
Bed capacity	Number on 31.03.06	8,564	7,428	15.3
Occupancy rate****	%	88.6	89.3	-0.8

* Including change in the level of building work in progress and other own work capitalised

** Including DVFA/SG correction items

*** Including 73.6% special items with an equity portion

**** Excluding the facilities that started operation: Hamburg, Hennigsdorf and Büren

Main Group figures (IFRS)

Highlights

- Capacity increased by 1,136 beds
- Sales and earning growth driven by nursing division
- Equity ratio raised to 20.3%

Dear shareholders and friends of the company,

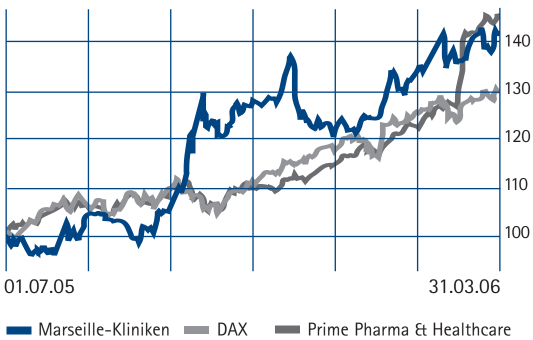
You can see from the development in the price of the Marseille-Kliniken share that the financial community is realising our company's potential more and more. The share price has risen steadily since the report on the first six months of the year was published. Following the completion of nine months of our 2005/2006 financial year, everything indicates that this development will be continuing in the long term too.

The development of the share price reflects the success of our business model. Marseille-Kliniken AG has sharpened its profile considerably in the current financial year. We are adopting new approaches in the expansion of our core business of nursing care for the elderly by entering associated areas of operation with high future potential. Networking of the Group with smart and innovative IT systems involves new structures, which are improving the controllability of day-to-day business significantly. The establishment of networked structures is giving us an edge on the market, because this is the only way a growing branch organisation can be controlled. It is difficult for the competition to match this because of a lack of comparable IT facilities.

Our two sale-and-leaseback contracts with foreign investors are a milestone. The property portfolio now consists of 70% leased facilities and 30% owned facilities. This is right in line with our plans and sets new standards at the national level, because we are the first company in our industry to co-operate with international financial investors. With the sale and subsequent leaseback of the properties, we have optimised the balance sheet to a large extent and have reduced the non-operating activity of property management considerably. For the first time since the takeover of KASANAG in 1996, our net financial debts have decreased to less than € 100 million and the equity ratio has increased to 20.3% of the balance sheet total (HGB: 27%), taking financial leases for property into consideration. This gives us a sound basis for achieving

Development of the Marseille-Kliniken share price

indexed, 1. July 2005 = 100
ISIN: DE0007783003 Security Identification No.: 778300



the planned growth to 12,000 beds. Processing of seven of the ten properties included in our latest transaction with CIT Group Europe amounting to 86.5% (€ 101.2 million) of the total volume has been completed; the authorities still have to give their final approval for the remaining three properties, for which subsidies were received.

The core business of nursing care for the elderly has continued to develop positively. The division is growing and is operating very profitably. The occupancy rates at the existing properties are good and are getting better and better at the "slow starters" in Landshut and Montabaur. The situations at the facility that started operation in Dresden (full occupancy) and at the special nursing home in Hennigsdorf (65% occupancy rate at the end of March) are as we expected. There has been a tremendous public response to the AMARITA home in the centre of Hamburg with 336 beds, which is being accepted by the market to an increasing extent. The senior citizens' residential home Düsseldorf-Volksgarten with 88 beds is opening at the end of May. In Meerbusch, North Rhine-Westphalia, we are in the process of developing a facility with 150 beds specially for the area of dementia and coma patients with the same investor. Preparations are being made for a senior citizens' residential home with 170 beds in Bremerhaven, which will round off our existing regional network of three facilities. This home is scheduled to be completed by the end of 2007.

We have high expectations of our basic strategic decision to distinguish in our portfolio of facilities between considerably higher "four-star standards" on the one hand and on particularly inexpensive two-star homes on the other hand. We will be extending our range of comfortable, three-star facilities, which have dominated our portfolio up to now, primarily by making acquisitions at reasonable prices in the course of the process of market consolidation. High growth rates can be expected in the market for what are known as "two-star hotels" for assisted living and inpatient nursing care for the elderly. Assisted living satisfies the desire many elderly people have to remain highly independent for as long as possible even when money is tight, while feeling safe and secure in their old age at the same time. This new area of operation for us is starting to become a distinct feature of our activities. In Halle, we are providing outpatient services for 756 residential units in three building complexes and have reached an advanced stage in networking of them with our IT systems. In Potsdam, we are in the process of implementing the service concept at a facility with 130 beds. In Berlin-Kreuzberg, we are adopting a completely new approach with the establishment of a facility for Turkish customers, which is being managed by an operating company established jointly with the Turkish community in Berlin. Remodelling of the building will have been completed by the end of 2006. If the concept works, we have all options open to us in other urban areas.

Integrated treatment concepts of the kind we have established in Büren / Westphalia also have a promising future. We have taken over a hospital in Büren that focusses on gerontological disorders and supplements the range of services available to the senior citizens who live almost opposite in the residential home we run in the town. In future, there will be more and more opportunities of this sort, which involve minimal financial risks. No end of hospitals on the German market are in financial difficulties and can only be saved by being turned around as private companies.

We are not planning and implementing our strategic moves into new terrain in a vacuum, incidentally. We commissioned the opinion research institute TNS Emnid to produce the first internationally comparable survey about "Expectations of the 50+ generation". Although the survey confirms that senior citizens today are doing better than ever before, they at the same time think that their prospects are gloomy. Developments in the social field are seen in a particularly negative light in Germany. The "50+ generation" is profoundly pessimistic about the care that will be available to them when they need to be nursed as well as about health treatment. With our concept of different "star" standards, we are anticipating the huge change in society which is occurring due to the completely new situation that an entire society is ageing rather than one age group.

Analysts always combine their thoroughly positive forecasts about Marseille-Kliniken AG with the proviso that they only apply if the rehabilitation operations do not upset developments in the long term. It is a fact that the rehabilitation division is no longer a large enough part of the company to cause us problems in the more distant term. The proportion of sales that it accounts for has decreased to about 20% and this figure will be dropping further as the nursing division expands. As expected, we are making losses in the rehabilitation division this financial year too, but they are being reduced more and more by the ongoing implementation of the measures that have been initiated. Our objectives in the rehabilitation division are clearly defined. We aim to concentrate exclusively on the big facilities with more than 100 beds in the long run and to specialise the services provided at the clinics. We have made enormous progress towards a final turnaround of this division. The closure of the locations in Waldkirch and Reinerzau has improved the operating result considerably. The sale of the properties of the somatic clinics at the locations in Blankenburg (Saxony-Anhalt) and Bad Klosterlausnitz (Thuringia) in the context of the transaction with CIT Group Europe has been reducing our financing costs since February of this year and is leading to better results. Integration of rehabilitation management in the central management organisation, which has already been established successfully in the nursing division, is making it possible to control daily clinic business more efficiently. We will be realigning the last weak point that remains in our operations, the psychosomatic clinic in Schömberg, by turning 100 beds of the total capacity of 200 beds into a nursing clinic, probably by the end of the summer. In view of the plan to reach an occupancy rate of 90%, the operating losses generated because of the substantial shortfall in capacity utilisation will be eliminated. Spinning the operations of the subsidiary KASANAG with six rehabilitation clinics off into legally independent private limited companies is, finally, making it easier for us to pass the operation and/or ownership of individual clinics on to appropriate partners, if and when this is necessary.

In spite of the adverse development in the rehabilitation operations in the 3rd quarter for seasonal reasons (loss of € 2.2 million), the main figures for the first nine months of the 2005/2006 financial year confirm our forecast for the year as a whole: Marseille-Kliniken will be growing and will be improving earnings to a disproportionately large extent. Operating sales increased by 2.4% to € 154.1 million in the months of July 2005 to March 2006. While they grew by 6.7% to € 118.8 million in the nursing division, they decreased by 9.7% to € 35.3 million in the rehabilitation division, mainly due to the elimination of capacities. The beds available in the Group were occupied 88.6% of the time; the reduction of 0.7% point is attributable to the development in occupancy in the rehabilitation division.

The occupancy rate in nursing care for the elderly was 91.7% (previous year: 90.5%), whereas it was 74.9% in the rehabilitation division (previous year: 75.8%). The Group DVFA result, which was generated entirely by the nursing division, was up € 0.3 million at € 6.7 million. The result in the nursing division was € 0.8 million higher than in the previous year at € 10.1 million and the operating loss in the rehabilitation division was € 0.5 million higher at € 3.4 million. Net income increased from € 4.9 million to € 8.6 million in the period under review.

In the 4th quarter, we are expecting a substantial improvement in quarterly earnings, since the nursing division will be developing even more dynamically. We consider that the 3rd quarter result in the rehabilitation division is attributable mainly to seasonal influences and therefore anticipate earnings in the 4th quarter at the same level as in the 1st and 2nd quarters of the current financial year because of the increases in occupancy that have already occurred in the months of February to April.

The first nine months of the 2005/2006 financial year were eventful and we are determined to maintain the company's momentum. We have developed a large number of new projects that will be enabling significant sales and earnings potential to be exploited in the coming months and years. Our aim is for it to be worthwhile investing in Marseille-Kliniken. We would like to thank you as our shareholders for your loyalty to the company. You have our word that we will be justifying this loyalty in future as well. Our thanks go at the same time to the company employees, who demonstrate impressive professional skills and great commitment in looking after the residents and patients at our facilities. They guarantee that our promise "Better if we are there" is kept.

Your

Axel Hölzer
Chairman of the Management Board

Slight upward trend in the economy

More and more economic researchers are talking about a forthcoming upswing in Germany. After the German economy only grew by 1.1% in each of the past two years (adjusted to take account of the number of working days), growth of 1.4% to 1.5% is expected in 2006. The confidence is confirmed by the Ifo business climate index, which is considered to be a good early indicator of economic developments. It increased to a surprisingly large extent to 102 points in the spring and was therefore higher than since the upswing year of 2000, when the economy grew by 3.2%. The increase is being driven on the one hand by the expanding export economy and on the other hand by the willingness of companies to invest. The purpose of the planned investments is, however, more to rationalise and replace old equipment than to increase capacities. Some experts therefore doubt that the investments will be reflected in demand for employees too. A permanent reduction in unemployment is, however, essential to stimulate private consumption, which is traditionally the strongest driver of the economy. Modest growth of 0.5% is forecast for domestic demand this year, which is unlikely to be sufficient to boost economic growth significantly. In spite of all the positive signs, there is no indication of a self-supporting upswing with growth rates of 2% and more over the coming years. Particularly in view of the fact that the increase of 3% in the VAT rate planned for 2007 is just around the corner.

Turbulent times ahead on the health market

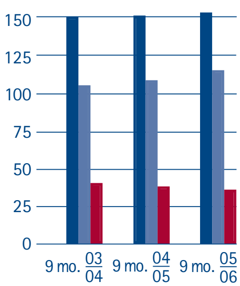
The game of hide-and-seek that has been played in health policy for years now is likely to come to an end. Reforms that give the German health system a viable future cannot be postponed any longer. The biggest problem in the current system is too much planned economy and too little market. No reform will therefore be a success that concentrates solely on enacting laws to provide the system with additional sources of funds, as has been the case in the past. The introduction of effective competitive control elements is crucial. Experts agree that the German health system is suffering from a complete lack of transparency in its flows of funds and extreme government regulation of the contractual relationships. The costs and quality of the medical services provided are not reflected in the prices paid.

Pressure to reform the nursing care insurance system is growing too. Experts consider it to be the social security system in the greatest need of reform. In spite of the extra charge of 0.25% paid into the nursing care insurance system by the childless, the funds made a loss of € 364 million last year. The reserves of about € 3 billion or two months' expenditure will be exhausted in 2008 at the latest. In contrast to the health reform, the grand coalition has already agreed on the basic points of the nursing care reform. They involve inclusion of the financially sound private nursing care insurance providers in the financial compensation system for the statutory nursing care insurance funds. Financial reserves are in addition to be saved for the time after 2020, when nursing costs will be increasing steeply as the population ages faster and faster. A further measure that is planned is the introduction of a dynamic basis for the benefits provided by the nursing care insurance funds, which have not been adapted to take account of

Group
Nursing
Rehabilitation

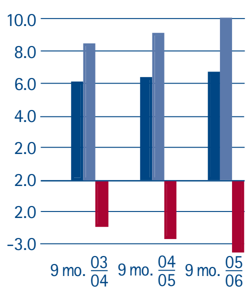
Operating sales by segments

in € m



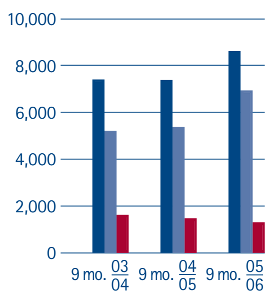
DVFA result by segments

in € m



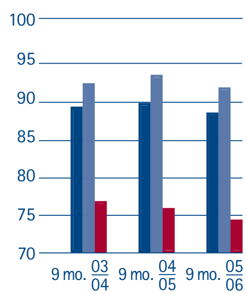
Bed capacity by segments

on average



Occupancy rate by segments

in %



inflation since 1995. There are to be improvements in the benefits provided to elderly patients in need of nursing care because of mental confusion or dementia. Finally, the grand coalition intends to raise the rates paid for outpatient nursing care and, in return for this, to reduce the payments made for inpatient nursing care, primarily where patients in the lower nursing care categories are concerned.

The last measure outlined above is particularly likely to fail because of the situation as it is in practice. People who are receiving inpatient treatment today choose this form of treatment after careful consideration. Because of a lack of family support, social isolation and their state of health, which cannot be kept stable by means of outpatient care, they have come to the conclusion that inpatient care is the lesser of two "evils". The outcome will therefore be that the people affected will continue to want to receive inpatient care.

Decisions taken to safeguard Marseille-Kliniken's future

The company continued to generate profitable growth in the first nine months of the 2005/2006 financial year. Important decisions have been taken to safeguard the future of the company. The property transactions are improving the balance sheet and are reducing the financing costs, particularly in the rehabilitation division. Marseille-Kliniken AG is developing new concepts that promise to create substantial potential in future. They include assisted living, nursing clinics and entry into the specialised acute hospital field. The target of increasing the number of beds to 12,000 by 2008 continues to be pursued. Several projects that are in the planning phase or are already being built guarantee growth. Taking into account the facilities that have started operation in the nursing division and the remaining turnaround expenditure in the rehabilitation division, the main sales, earnings and occupancy figures in the report on the first 9 months indicate strong quality awareness and active marketing. The increasing Marseille-Kliniken share price reflects the high marketability of the business model.

The following figures for the first nine months of the 2005/2006 financial year and those for the same period the previous year have been compiled on the basis of the IAS/IFRS accounting standards.

Another increase in operating sales

Group sales in the first nine months of the 2005/2006 financial year increased by € 4.8 million over the same period the previous year to € 156.9 million. The sales growth was attributable solely to the expanding nursing division, which more than made up for the sales shortfall of € 3.8 million to € 35.3 million in the rehabilitation division. The nursing division increased sales by € 7.5 million over the same period the previous year.

The Marseille-Kliniken Group operates 61 facilities: 51 nursing homes, 9 rehabilitation clinics and, since 1. January 2006, 1 hospital - St. Nikolaus Hospital in Büren. With the further expansion of the nursing operations by 1,268 beds, from 5,727 to 6,995, due to the opening of the new facilities in Dresden, Hennigsdorf and Hamburg, with the takeover of Allgemeine Dienstleistungsgesellschaft mbH in Halle a.d.S., which focusses on assisted living, with the leasing of the clinic locations in Waldkirch and Reinerzau to an external operator and with the reduction of 132 beds, from 1,701 to 1,569, the proportion of the beds accounted for by the rehabilitation division dropped to less than 20% of the total of 8,564 on 31. March 2006 (previous year: 7,428). The conversion of 100 beds at the Schömberg clinic to a nursing clinic will speed up this trend even more.

Due to the inclusion of new facilities that started operation and the more than 5% poorer occupancy rate at the rehabilitation clinics in the months of January to March 2006 compared with the previous quarters of the current financial year, the Group occupancy rate decreased by 0.7% point to 88.6% (previous year: 89.3%).

Further profitable growth in the nursing division

The nursing division continues to drive Group sales and profitability growth. The sales and earning potential has not been exhausted yet at the occupancy level reached so far and will be increasing considerably in the next few quarters as a result of optimisation of the facilities that have started operation. The DVFA result improved to € 10.1 million on the back of a sales increase of 6.7% or € 7.5 million. The beds were occupied 91.7% on average in the period under review (previous year: 90.5% with facilities that started operation). The occupancy rate at the existing facilities was 93.8% (previous year: 93.6%).

Poor 3rd quarter in the rehabilitation division for seasonal reasons

The cumulated occupancy rate in the rehabilitation division was 74.9% in the first nine months of the financial year (previous year: 75.8%). The quarterly occupancy rate (January to March 2006) decreased by 5.2% from 74.9% in the same quarter the previous year to 69.7%, however. The main reason for this was the extremely low occupancy rate in January of 63.1% (previous year: 79.0%). Occupancy already increased again to 74.5% and 74.3% in February and March respectively. The lower occupancy rate led to an additional shortfall in operating sales and earnings which could not be compensated for, so that a loss of € 2.2 million was made in the 3rd quarter of the financial year alone. In the first half of the financial year, a cumulated loss of € 1.2 million was made with an average occupancy rate of 77.2%. The cumulated DVFA loss of € 3.4 million was € 0.5 million lower than in the same period the previous year, when it amounted to € 2.9 million, but the overall trend is positive in spite of the poor 3rd quarter of the financial year due to the current development in the occupancy rate.

In view of the successes achieved in restructuring, the positive impact expected thanks to additional action that has been taken and the reduction in financing costs at the Teufelsbad Fachklinik and Algos Fachklinik clinics included in the sale-and-leaseback package, we are working on the assumption that there will be further steady improvement in earnings in this division.

DVFA result continues to increase

In spite of the large quarterly loss made in the rehabilitation division, the growth and earnings development that continued unchanged in the nursing division helped to make sure that the Group DVFA result improved by € 0.3 million or 3,7% over the first nine months of the previous year to € 6.7 million. The cumulated DVFA earnings per share of € 0.55 were € 0.02 higher than in the same period the previous year. The result reported by the nursing division of € 10.1 million, an increase of € 0.8 million, corresponds to DVFA earnings per share of € 0.83 (previous year: € 0.77). The loss per share in the rehabilitation division of € 0.28 was € 0.04 higher than in the previous year (€ 0.24).

Group earnings before tax of € 12.4 million (previous year: € 7.0 million) and Group net income of € 8.6 million (previous year: € 4.9 million) were higher than in the previous year because of the non-recurring impact on earnings of the property transactions.

EBIT increased by € 5.7 million to € 23.4 million and EBITDA went up by € 4.7 million to € 34.3 million. EBITDAR, the most accurate indicator of profitability, were higher than in the previous year (€ 43.8 million) at € 51.1 million. The reduction in the margins in relation to sales of the key figures EBIT and EBITDA after DVFA/SG adjustments is attributable not only to the increase in rental and leasing expenses because of the property transactions but also to the shortfalls in occupancy and sales in the rehabilitation division. In spite of the lower margins - the EBIT margin decreased from 12.5% to 10.3%, the EBITDA margin fell from 19.4% to 17.1% and the EBITDAR margin went down from 28.6% to 27.9% - the adjusted figures continue to be better than average by international standards. The margins will remain at a high level for the whole of the 2005/2006 financial year.

Asset disposals due to property transactions with GE and CIT

In view of the property disposals made with the GE transaction and, in particular, the CIT transaction, total investments in the first nine months of the 2005/2006 financial year were down at -€ 104.2 million. The disposals of tangible assets totalling € 117.0 million associated with the transactions are offset essentially by leasing contract present values of € 44.3 million that have to be classified as financial leases in accordance with IAS 17, so that the tangible assets decreased by € 74.6 million, from € 316.8 million in the previous year to € 242.2 million.

The shareholders' equity increased by € 4.2 million over the same date the previous year to € 68.2 million on 31. March 2006. The equity ratio was 3.6% points better than in the previous year at 20.3% of the balance sheet total.

As expected, there was a further substantial improvement in the HGB shareholders' equity due to the implementation of the second sale-and-leaseback transaction with CIT. The HGB shareholders' equity amounted to € 72.4 million and therefore corresponds to an equity ratio of 27.4% (previous year: 18.6%).

Following adjustment for DVFA/SG items, gross cash flow was € 2.5 million lower than in the previous year (€ 15.8 million) at € 13.3 million. The financial debts of the Group have been reduced by € 108.7 million from € 206.8 million to € 98.1 million in the current financial year thanks to scheduled repayments as well as special repayments using the income from the property transactions with GE and CIT. The ratio of financial debts (long-term bank loans) to the balance sheet total therefore decreased from 47.8% in the previous year to 26.2% on 31. March 2006.

Further increase in staff

There was another increase in the number of Group staff following the opening of new facilities and the takeovers. 4,916 people were employed in the first nine months of the 2005/2006 financial year (on 31. March 2006); this corresponds to growth of 380 employees. 2,788 people were employed in the nursing division on the qualifying date, 645 at the rehabilitation and acute clinics and 1,483 at the service and administration companies. Compared with the total increase in staff, 366 employees were taken on by the nursing division. Personnel expenses rose by 4.4% to € 81.3 million, a disproportionately small increase when compared with the 8.4% growth in the number of employees.

Upward trend in the share price continues

The price of the Marseille-Kliniken share varied between € 12.36 and € 14.55 in the months of January to March 2006. The share closed at a price of € 14.55 on 31. March 2006. In April 2006, the price stayed at the high average level of € 15.05 and therefore developed in line with the trend of other indices (DAX, Prime Pharma & Healthcare PI).

Prospects for the year as a whole

We are expecting a substantial improvement in quarterly earnings in the 4th quarter, because the positive developments in the nursing division will be even more dynamic, while the result in the rehabilitation division in the 4th quarter will be at the same level as in the 1st and 2nd quarter of the current financial year due to the increases in occupancy that have already occurred in the months of February to April.

We are therefore continuing to work on the assumption of above-average sales and earnings growth compared with the previous year. This expectation is based to a large extent on the capacity expansion programme and the dependability of the dynamic growth achieved in the nursing division.

The non-recurring shortfalls in occupancy, sales and earnings in the rehabilitation division in the 3rd quarter of the financial year cannot stop our restructuring concept returning this division to profit.

Our unusually good performance in the nursing division determines the emphasis in our operations, which are still focussed on further profitable growth of the Group. The rehabilitation division, which only contributes about 20% to Group sales in the meantime, is becoming less and less important as far as the profitability of the Group as a whole is concerned.

Marseille-Kliniken AG balance sheets

at 31. March 2006 and 31. March 2005

Group	31.03.06 in € '000	31.03.05 in € '000
Intangible assets	32,968	22,384
Tangible assets	242,230	316,788
Financial assets	7,850	1,509
Receivables and liquid funds	20,524	17,393
Other assets	33,082	25,108
Balance sheet total	**336,654**	**383,182**
Shareholders' equity*	68,227	64,006
Pension provisions	17,335	17,390
Other provisions	22,126	26,668
Financial debts	98,079	206,752
Other liabilities	130,887	68,366
Balance sheet total	**336,654**	**383,182**

* Including 73,6% special items for investment grants

Financial calendar

HPS health care conference Frankfurt/Main	24. May 2006
Annual report 2005/2006	October 2006
Report on the 1st quarter 2006/2007	08. November 2006
Annual General Meeting 2006/2007	December 2006

Profit and loss accounts

for the period from 1. July 2005 to 31. March 2006
and the figures for the previous year

Group	05 I 06 in € '000	04 I 05 in € '000	Change in %
Sales from Group operations	154,088	150,414	2.4
Nursing division sales	118,788	111,344	6.7
Rehabilitation division sales	35,300	39,070	-9.7
EBITDAR	51,074	43,781	16.7
EBITDA	34,313	29,624	15.8
Depreciation	-10,923	-11,885	-8.1
EBIT	23,390	17,739	31.9
Interest balance	-10,960	-10,752	1.9
EBT	12,430	6,987	77.9
DVFA result	6,671	6,434	3.7
	in €	in €	
DVFA earnings per share nursing	0.83	0.77	7.7
DVFA earnings per share rehabilitation	-0.28	-0.24	16.6

Share information

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

Statements of cash flow*

for the period from 1. July 2005 to 31. March 2006
and the figures for the previous year

Group	9 months 05 I 06 in € '000	9 months 04 I 05 in € '000
Net Group income	8,637	4,857
Expenditure / income with no effect on payment	12,088	10,401
Decrease / increase in assets and liabilities	-19,094	-4,465
Cash flow from investment activities	104,224	6,824
Cash flow from financing activities	-96,053	-19,618
Decrease / increase in liquid funds	9,802	-2,001

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

Imprint

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The report on the 1st 9 months is published in German and English and is available on request from Marseille-Kliniken AG, Corporate Communications.

Balance sheets of Marseille-Kliniken AG according to IFRS

for the period from 1. July 2005 to 31. March 2006
and the figures for the previous year

	9 months 31.03.2006	Annual accounts 30.06.2005	9 months 31.03.2005
Assets	**EUR '000**	**EUR '000**	**EUR '000**
Short-term assets			
Liquid funds	3,812	4,734	1,703
Securities held as current assets	101	101	101
Trade accounts receivable	10,714	12,929	12,091
Inventories	2,289	1.577	1,869
Tax reimbursement claim	0	172	2,860
Deferred charges, prepaid expenses and other assets	36,690	36,541	23,877
Total short-term assets	53,606	56,054	42,501
Long-term assets			
Tangible assets	242,230	292,929	316,788
Intangible assets	3,668	3,958	3,604
Goodwill	29,300	18,767	18,780
Financial assets	7,850	2,498	1,509
Financial assets held at equity	0	0	0
Total long-term assets	283,048	318,152	340,681
Long-term assets held for sale	0	21,514	0
Total assets	**336,654**	**395,720**	**383,182**
Shareholders' equity and liabilities			
Short-term liabilities	9,888	20,189	23,581
Short-term debt and current portion of long-term debt	7,082	8,767	4,906
Trade accounts payable	22,126	19,414	26,668
Provisions	24,147	27,599	12,143
Other short-term liabilities	63,243	75,969	67,298
Total short-term liabilities			
Long-term liabilities	88,191	157,115	183,171
Long-term debt	45,475	45,887	46,295
Special fixed asset items	17,335	17,337	17,390
Pension commitments	87,065	40,346	39,381
Others	238,066	260,685	286,237
Total long-term liabilities	578	-111	-274
Minority interests			
Shareholders' equity	31,100	31,100	31,100
Subscribed capital	15,887	15,887	15,887
Capital reserve	243	243	243
Revenue reserves	1,093	1,039	995
Own shares	-13,556	-16,644	-18,304
Retained earnings / accumulated losses	34,767	31,625	29,921
Total shareholders' equity			
Debt in direct connection with long-term assets held for sale	0	27,552	0
Total shareholders' equity and liabilities	**336,654**	**395,720**	**383,182**

Profit and loss accounts according to IFRS

for the period from 1. July 2005 to
31. March 2006 and the figures for the previous year

	Quarterly report		Accumulated period	
	01.01.06 31.03.06 EUR '000	01.01.05 31.03.05 EUR '000	01.07.05 31.03.06 EUR '000	01.07.04 31.03.05 EUR '000
Sales	52,642	47,654	154,088	149,100
Other operating income	16,062	4,793	19,606	8,337
Changes in the level of finished products and products in progress	2,811	131	2,811	131
Other own work capitalised	-972	1,944	0	2,916
Cost of materials / cost of purchased services	-8,019	-6,369	-22,703	-21,053
Personnel expenses	-29,130	-25,734	-81,298	-77,902
Depreciation of tangible (and intangible) assets	-3,643	-4,605	-10,923	-11,885
Depreciation of goodwill	0	0	0	0
Other operating expenses	-18,040	-11,754	-38,191	-31,905
Others	0	0	0	0
EBIT	**11,711**	**6,060**	**23,390**	**17,739**
Interest income / expenses	-3,847	-3,639	-10,960	-10,752
Income from participating interests	0	0	0	0
	0			
Income / expenses from financial assets held at equity	0	0	0	0
Exchange rate gains / losses	0	0	0	0
Other income / expenses	7,864	0	0	0
Earnings before tax (and minority interests)	**0**	**2,421**	**12,430**	**6,987**
Taxes on income and earnings	-2,835	-1,158	-3,598	-1,921
Other taxes	-26	-39	-195	-208
Extraordinary income / expenses	0	0	0	0
Earnings before minority interests	**5,003**	**1,224**	**8,637**	**4,858**
Minority interests	-546	418	-690	274
Net income / loss	**4,457**	**1,642**	**7,947**	**5,132**

Statement of changes in shareholders' equity according to IFRS

for the period from 1. July 2005 to
31. March 2006 and the figures for the previous year

	Subscribed capital EUR '000	Capital reserve EUR '000	Revenue reserves EUR '000	Group result EUR '000	Total EUR '000
01.07.2004	31,100	15,887	1,197	-18,576	29,608
Subsequent valuation /carried forward	0	0	41	0	41
Distribution of profits	0	0	0	-4,860	-4,860
Net income for the period	0	0	0	5,132	5,132
31.03.2005	31,100	15,887	1,238	-18,304	29,921

	Subscribed capital EUR '000	Capital reserve EUR '000	Revenue reserves EUR '000	Group result EUR '000	Total EUR '000
01.07.2005	31,100	15,887	1,282	-16,644	31,625
Own shares	0	0	54	0	54
Distribution of profits	0	0	0	-4,860	-4,860
Net income for the period	0	0	0	7,948	7,948
31.03.2006	31,100	15,887	1,336	-13,556	34,767

Notes

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

The quarterly accounts compiled by Marseille-Kliniken AG comply with the standards currently issued by the International Accounting Standards Board (IASB) and the interpretations by the International Financial Reporting Interpretations Committee (IFRIC, previously SIC).

Method of presentation

The quarterly accounts have been prepared in accordance with IAS 34 (minimum features of an interim report).

The following procedure has also been adopted on the basis of the meeting held by the working party about German IAS corporate accounting (FN - IDW No. 1/2002, pages 67 ff.). Taking into account the purpose of quarterly reporting as an information instrument based on the company and Group annual accounts and in accordance with IAS 1.91, it is necessary in the opinion of the working party in order to present an accurate and true picture of the asset situation, financial position and profitability of the company compiling the accounts in accordance with the IAS to include information about the accounting and valuation methods applied in the first IAS quarterly report above and beyond the requirements of IAS 34.

Particular mention needs to be made in this context of the options offered by the IAS that have been exercised as well as of the accounting and valuation methods applied that differ from the accounting and valuation methods which were applied in the company and Group annual accounts prepared under commercial law that preceded the IAS quarterly report.

Where the accounting and valuation methods applied in the IAS quarterly report and the company and Group annual accounts prepared under commercial law are identical, reference to the explanatory notes provided in the company and Group annual accounts prepared under commercial law appears to be adequate.

Accounting and valuation methods

The same accounting and valuation methods as in the last Group annual accounts for the period that ended on 30. June 2005 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 2004/2005.

The following statements relate in particular to changes at 31. March 2006. We refer to the notes to the Group annual accounts at 30. June 2005 with respect to explanations that are not presented (IAS 34.15).

Explanatory information about selected points in the notes

Companies consolidated

In contrast to the HGB (German Commercial Code), the following companies are also consolidated in accordance with the IAS:

• TD Trump Deutschland AG (at equity)

Where companies are included in the accounts as associated companies by the equity method, IAS 28.22 only allows write-downs up to a maximum of the book value of the participating interest. The posting of losses above and beyond the book value is neutralised in accordance with the IAS 28 accounting method.

Miscellaneous notes

The "non-amortisation approach" introduced in accordance with IFRS 3 for goodwill has to be applied to all company mergers that are made from 31. March 2004 onwards. From the 2003/2004 financial year onwards and for the current financial year, advantage has been taken of the rule about retrospective application according to IFRS 3.85 ("Limited Retrospective Application") and scheduled depreciation according to IAS 22 (revised in 1998) has been suspended.

In accordance with IAS 32.33, the own shares shown in current assets under commercial law are offset against the corresponding revenue reserves for own shares. In line with the changes in the own shares acquired in the 2005/2006 year under review, this amount of € 54,000 has been shown openly in the statement of changes in shareholders' equity.

Another major difference between the HGB and the IAS relates to the accounting of eight leasing contracts for land and buildings. According to IAS 17, all of these contracts satisfy the conditions of finance leases.

The leased buildings have therefore been stated as assets of € 88,144,000 in the Group accounts at 31. March 2006 in accordance with IAS 17.12 and liabilities to the lessors of the same amount have been included. The subsequent valuations of these assets and liabilities shown in the Group balance sheets have been made in accordance with IAS 17.25 ff.

According to IAS 17.61, the profits from the sale are treated as "deferred income" and the profit from the sale of five properties of the fixed assets is therefore released in results over the duration of the leasing contract.

IAS 27.33 states that the minority interests must be shown as an individual item in the Group balance sheets and must therefore be included separately from the shareholders' equity of the parent company.

The special items for investment subsidies and grants for fixed assets of € 45,475,000 are released in results according to the useful life of the assets funded.

The effect this will have on increasing shareholders' equity in future minus the relevant tax on income amounts to € 33,481,000. The shareholders' equity plus the special items for investment subsidies and grants that increase shareholders equity therefore amount to € 68,227,000.

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