RHÖN-KLINIKUM AG

Interim Report
Q1 – Q3

2008

Key ratios July to September 2008 / July to September 2007

All data in € `000	July - Sept. 2008	July - Sept. 2007	Change in %
Revenues	536,122	505,554	6.0
Material and consumables used	135,669	121,879	11.3
Employee benefits expense	322,340	302,356	6.6
Depreciation/amortisation and impairment	23,213	21,341	8.8
Net consolidated profit according to IFRS	27,234	34,249	-20.5
Earnings share of RHÖN-KLINIKUM shareholders	25,924	32,697	-20.7
Earnings share of minority owners	1,310	1,552	-15.6
Return on revenue (in %)	5.1	6.8	-25.3
EBT	32,312	34,231	-5.6
EBIT	40,705	41,903	-2.9
EBIT-ratio (in %)	7.6	8.3	-8.4
EBITDA	63,918	63,244	1.1
EBITDA-ratio (in %)	11.9	12.5	-4.8
Operating Cash Flow	52,295	47,470	10.2
Property, plant and equipment as well as investment property	1,317,916	1,183,463	11.4
Income tax claims (long-term)	18,689	19,645	-4.9
Equity capital according to IFRS	867,102	785,998	10.3
Balance sheet total according to IFRS	2,095,020	2,054,240	2.0
Investments			
in property, plant and equipment as well as in investment property	68,036	48,451	40.4
in other assets	70	0	n/a
Earnings per ordinary share (in €)	0.25	0.32	-21.9
Number of employees (at 30 September)	33,046	32,094	3.0
Case numbers (patients treated)	408,155	382,420	6.7
Beds and places	14,684	14,845	-1.1

Key ratios for the individual quarters of 2008

All data in € `000	July - Sept. 2008	April - June 2008	Jan. - March 2008
Revenues	536,122	529,437	520,741
Material and consumables used	135,669	134,017	127,071
Employee benefits expense	322,340	320,648	315,087
Depreciation/amortisation and impairment	23,213	21,870	20,473
Net consolidated profit according to IFRS	27,234	32,368	29,563
Earnings share of RHÖN-KLINIKUM shareholders	25,924	31,062	28,213
Earnings share of minority owners	1,310	1,306	1,350
Return on revenue (in %)	5.1	6.1	5.7
EBT	32,312	39,463	35,396
EBIT	40,705	42,501	43,729
EBIT-ratio (in %)	7.6	8.0	8.4
EBITDA	63,918	64,371	64,202
EBITDA-ratio (in %)	11.9	12.1	12.3
Operating Cash Flow	52,295	52,102	51,958
Property, plant and equipment as well as investment property	1,317,916	1,275,828	1,229,013
Income tax claims (long-term)	18,689	20,902	20,777
Equity capital according to IFRS	867,102	845,122	840,364
Balance sheet total according to IFRS	2,095,020	2,076,752	2,028,580
Investments			
in property, plant and equipment as well as in investment property	68,036	69,489	40,244
in other assets	70	73	53
Earnings per ordinary share (in €)	0.25	0.30	0.27
Number of employees (at 30 September)	33,046	32,385	32,303
Case numbers (patients treated)	408,155	423,181	410,194
Beds and places	14,684	14,584	14,584

Key ratios January to September 2008 / January to September 2007

All data in € `000	Jan. - Sept. 2008	Jan. - Sept. 2007	Change in %
Revenues	1,586,300	1,512,520	4.9
Material and consumables used	396,757	368,987	7.5
Employee benefits expense	958,075	902,781	6.1
Depreciation/amortisation and impairment	65,556	65,479	0.1
Net consolidated profit according to IFRS	89,165	86,862	2.7
Earnings share of RHÖN-KLINIKUM shareholders	85,199	82,918	2.8
Earnings share of minority owners	3,966	3,944	0.6
Return on revenue (in %)	5.6	5.8	-3.4
EBT	107,171	107,662	-0.5
EBIT	126,935	122,712	3.4
EBIT-ratio (in %)	8.0	8.2	-2.4
EBITDA	192,491	188,191	2.3
EBITDA-ratio (in %)	12.1	12.5	-3.2
Operating Cash Flow	156,355	140,728	11.1
Property, plant and equipment as well as investment property	1,317,916	1,183,463	11.4
Income tax claims (long-term)	18,689	19,645	-4.9
Equity capital according to IFRS	867,102	785,998	10.3
Return on equity (in %)	14.2	15.3	-7.2
Balance sheet total according to IFRS	2,095,020	2,054,240	2.0
Investments			
in property, plant and equipment as well as in investment property	177,769	122,839	44.7
in other assets	196	252	-22.3
Earnings per ordinary share (in €)	0.82	0.80	2.5
Number of employees (at 30 September)	33,046	32,094	3.0
Case numbers (patients treated)	1,241,530	1,165,138	6.6
Beds and places	14,684	14,845	-1.1

Dear Sir or Madam,

For the first three quarters of financial year 2008, RHÖN-KLINIKUM AG has met its targets: we achieved significant growth compared with the previous year, with patient numbers increasing to 1.24 million (+ 6.6%), revenues reaching € 1.59 billion (+ 4.9%) and net consolidated profit raised to € 89.2 million (+ 2.6%). Despite special burdens from changes in legislation and rising personnel and material costs, the Group expanded its operative performance.

Our solid business model secured by sound long-term financing continues to be unaffected by the crisis on the financial markets: medically necessary treatments are not dependent on financial market crises.

The attitude of the various levels of government in Germany (local, state and federal) to the privatisation of public hospitals currently faces a dilemma: calls for a "strong state" are set against falling trade tax revenues and the deteriorating earnings situation of public hospital operators. Overall, we expect to see increasing pressure for the creation of efficient healthcare delivery structures and processes. With our network of hospitals we see the opportunity of achieving growth through the acquisition of acute hospitals.

The regulatory framework for the healthcare market from 2009 is becoming clearer: now that contributions to healthcare funds have been set at a uniform rate of 15.5%, the uniform health fund, as a new centralised healthcare institution, will be able to begin its task, from 1 January, of pooling revenue from contributions and distributing the same to the statutory healthcare funds.

The German Hospital Finance Reform Act will essentially result in the existing framework conditions on the supply side being continued. The planned elimination of the reform impost and start-up financing for integrated care as well as the special programme for funding increases in wage costs and additional nursing staff will not fully offset the industry-wide underfunding of future increases in personnel and material costs.

The future regime of public investment financing remains unclear, something that will take its toll on medical progress – particularly at hospitals suffering from underinvestment. This will create competitive advantages for our Group hospitals thanks to their high investment capacity – advantages that we intend to turn into value increases.

Currently we are pressing ahead with the expansion of medical services networks, for example in the treatment of cancer patients. The core idea is to make our expertise in cutting-edge medicine available to our basic- and standard-care facilities. In our oncological network we have already affiliated nine Group hospitals to the Comprehensive Cancer Center at Marburg University Hospital. This has enabled us to make diagnostic and operative expertise of cutting-edge medicine available regionally. For the future we plan to expand these network structures to further areas.

We plan to forge ahead with the co-operative integration in outpatient-inpatient care in an equal partnership with interested community-based doctors. We are steadily moving ahead with the development of our integrated, two-step healthcare delivery approach and for this purpose will launch selected pilot projects. We are convinced that this will promote the necessary structural change in healthcare as well as integration between the sectors.

Given the results of the first nine months and the positive expectations for business performance in the closing quarter, we confirm our revenue forecast for full-year 2008 of € 2.1 billion and our earnings forecast of € 123 million.

Wolfgang Pföhler

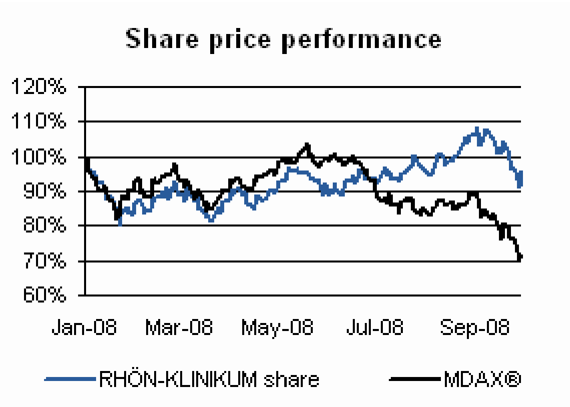
Chairman of the Board of Management of RHÖN-KLINIKUM AG

THE RHÖN-KLINIKUM SHARE

With the loss of confidence in the markets resulting from the financial crisis coupled with growing fears of recession, the stock markets, which have been in decline since the beginning of the year, have dropped to new yearly lows. The state rescue packages for the financial sector announced at the beginning of October were intended to restore a minimum level of confidence in the financial market and at least prevent further bank collapses.

Since the beginning of the year, DAX® stocks had lost roughly 28% of their value by 30 September 2008, the MDAX® stocks had lost 30%, and at the beginning of October saw a further significant drop.

To date, the shares of RHÖN-KLINIKUM AG have partly been able to escape the downward trend and at 30 September 2008 were down - 4.54% at € 20.60, although early in October the peak losses recorded hit - 22%.



Our market capitalisation at the end of the quarter stood at € 2.14 billion (31 December 2007: € 2.24 billion), ranking us 10th in the MDAX® (31 December 2007: 22nd).

Thanks to our sound financing structure we do not see any risks posed by the possible default of individual lenders.

In phases of weakening economic activity, pressure on municipal hospital operators increases as revenues decline and funding gaps widen. This narrows the manoeuvring room to compensate for losses.

For us this is a situation that offers opportunities for further hospital takeovers and sustained growth.

RHÖN-KLINIKUM share		
ISIN		DE0007042301
Ticker symbol		RHK
Registered share capital		259,200,000 €
Number of shares		103,680,000
	30 Sept. 2008	**31 Dec. 2007**
Share capital (€ m)	259.20	259.20
Number of shares (m)	103.68	103.68
Market capitalisation (€ m)	2,135.81	2,237.41
Share prices, in €		
Closing price	20.60	21.58
High	23.32	23.35
Low	17.22	17.96

At our DVFA Analysts Conference on 6 November 2008 in Frankfurt am Main, the Board of Management will further explain the quarterly figures and also examine the economic and political situation.

The DVFA Analysts Conference will be transmitted live at 10.00 a.m. on our website www.rhoen-klinikum-ag.com and will then be accessible on our website under the "Investors" section.

A financial calendar containing all important financial dates for 2008 and 2009 is provided on the back inside cover as well as on our website at www.rhoen-klinikum-ag.com under the "Investors" section.

REPORT ON THE THIRD QUARTER AND THE FIRST NINE MONTHS OF FINANCIAL YEAR 2008

- Stable growth in patient numbers in the first nine months (+ 6.6%).
- Growth in revenue of 4.9% and rise in operating earnings of 4.3% in line with expectations
- Basis created for strengthening and expansion of our integrated basic-care facilities

GENERAL REMARKS

We are pleased to present this interim report which has been prepared in accordance with International Financial Reporting Standards (IFRS) in their version applicable for 2008. The accounting and valuation methods applied, with the exception of the amendments of accounting and valuation methods (hedge accounting and recognition of construction time interest) explained in the report on the first half of the financial year, were consistent with those described in detail in the 2007 consolidated financial statements. For details please refer to our statements in the 2007 Annual Financial Statement and to the report on the first half of 2008.

In the interest of comparability with the previous year, we have converted all share-based key ratios to the new number of shares applicable since the 2007 Annual General Meeting, namely 103,680,000 shares (previously: 51,840,000 shares).

With the takeover of St. Petri-Hospital in Warburg, the number of hospitals consolidated increased from 1 September 2008 to a total of 47 hospitals in 9 federal states.

For arithmetic reasons rounding differences of ± one unit (€, %, etc.) may occur in the tables.

Economic Development

The general conditions on the German hospital market have deteriorated during financial year 2008. With the deductions from revenues for initial financing of integrated care and for restructuring the healthcare system being maintained at 1.0%, the extent – after three quarters – of underfunding for wage and price increases is clearly revealed by personnel and material costs.

Actual cost increases of at least 4.0% will be offset in 2008 only to the tune of 0.64% (rate of change in the aggregate income of all health insurance fund members), and in the amount of the unfunded rates of increase are creating earnings burdens and painful liquidity shortages with many hospitals. Due to the discontentment with this situation, some 130,000 hospital employees from throughout Germany gathered in Berlin in September 2008 for public protests. For 2009, the German government has announced a package of measures for the hospitals in a total volume of roughly € 3.0 billion.

Our strategy of meeting the structural underfunding of cost increases by expanding service volumes and consequently its revenues was successful, even if this is resulting in temporary pressure on margins with rising absolute earnings.

The strategy of RHÖN-KLINIKUM AG in 2008 of meeting the structural underfunding of cost increases by expanding service volumes and consequently its revenues was successful. Margins came under temporary pressure from cost increases, although we succeeded in raising net consolidated profit in absolute terms.

RHÖN-KLINIKUM AG's positive trend in service volumes (+ 6.6%), revenues (+ 4.9%)

and earnings (+ 2.6%), bucking the general trend on the German hospital market, was made an issue by certain parties in the Bavarian State election campaign. This political headwind is notably aimed at checking the creation of our specialist outpatient physician structures at basic-care facilities. We expect these actions to be only short-lived, and will steadfastly continue our path since we are convinced of the long-term success of our integrative and co-operative care concepts.

Trend in service volumes

We have so far treated 1,241,530 patients in 2008 (previous year: 1,165,138 patients), i.e. a total of 76,392 more patients compared with the first nine months of financial year 2007. This represents a rise of 6.6%. Of this growth, the outpatient area accounted for roughly 80% and the inpatient area for around 20%. After adjusting for consolidation effects (first-time consolidation of Krankenhaus Köthen GmbH on 1 April 2007 and first-time consolidation of St. Petri-Hospital Warburg on 1 September 2008), this translates into organic growth of 2.7% in the inpatient area, 7.8% in the outpatient area and 6.0% over all areas. We expect the positive growth trend to continue in the fourth quarter.

The increase in service volumes compared with the third quarter of 2007 is 6.7%, or 6.6% after first-time consolidation effects, and thus roughly in line with the trend of the first nine months, with the inpatient area contributing 3.2% and the outpatient area 8.6% to this growth.

Nearly all of the Group's facilities contributed to the overall positive trend in service volumes. At some of our Bavarian sites we recorded a decline in patient numbers in the third quarter.

At our Bad Kissingen site, the move of Heinz Kalk-Krankenhaus to the site of St. Elisabeth-Krankenhaus took place in September, resulting in a decline in admissions. The reorganisation of some head physician departments, the transfer of the oncology department from Hammelburg to Bad Kissingen, as well as the reorganisation of the future medical portfolio in Hammelburg is currently being communicated to the admitting physicians. In the next quarters we expect to see steadily rising service volumes once again.

Trend in revenue and earnings of first to third quarter

In the first nine months of financial year 2008 we achieved

- a rise in revenues by € 73.8 million or 4.9% to € 1,586.3 million (previous year: € 1,512.5 million),
- growth in EBITDA by € 4.3 million or 2.3%,
- an increase in EBIT by € 4.2 million or 3.4%, and
- a € 2.3 million (2.6%) rise in net consolidated profit to € 89.2 million (previous year: € 86.9 million).

This is in line with our targets. Although we are continually achieving restructuring successes and internal growth at our hospitals, these were eclipsed by disproportionate price and wage increases. As a result of the expansion in revenues, our margins declined versus the previous year by 0.4 percentage points for EBITDA, 0.2 percentage points for EBIT and 0.2 percentage points for the net consolidated profit.

Although arithmetically the earnings result achieved falls slightly short – by € 3.0 million, of which € 1.4 million from impairments on financial instruments – of the figure targeted for three quarters, we are confident that with the further positive trend in service volumes as well as agreements with payers and labour partners we will record fourth quarter results enabling us to confirm our forecast for net annual profit of € 123 million. In this regard we assume that we will not have to cope with any significant burdens on earnings from the impairment on our financial instruments.

Of the € 73.8 million rise in revenues in the first nine months of financial year 2008, € 7.2 million stems from the first-time consolidation of Krankenhaus Köthen on 1 April 2007, € 4.1 million from growth at newly acquired medical care centres (MVZs), and € 1.1 million from the first-time consolidation of St. Petri-Hospital Warburg on 1 September 2008 and the remaining € 61.4 million or 4.1% from organic growth of our facilities.

Adjusting for changes in the market value of our financial instruments used for hedging purposes as well as by one-off and permanent tax effects, we succeeded – in the face of huge cost increases – in raising our operating consolidated profit in the first nine months of financial year 2008 by € 3.7 million or 4.3% to € 90.6 million thanks to efficiency gains.

Net consolidated profit after three quarters	**2008 € m**	**2007 € m**	**Change € m**
Net consolidated profit	89.2	86.9	2.3
Effects of			
changes in market values of financial instruments	1.4	-1.4	2.8
items	0.0	-10.0	10.0
lowering of corporation tax rate	0.0	11.4	-11.4
Total	**90.6**	**86.9**	**3.7**

Whereas the first-time consolidation of Krankenhaus Köthen with effect from 1 April 2007 strengthened the consolidated result of the first nine months of financial year 2008 by € 0.2 million (previous year: € - 0.4 million), St. Petri-Hospital, consolidated for the first time from 1 September 2008, burdened the consolidated result by € 0.2 million. We are confident that the turnaround in earnings will be achieved in Warburg in 2009.

Net consolidated profit of € 89.2 million in the first nine months translates into an Earning per ordinary Share (EpS) of € 0.82 (previous year: € 0.80) after minority interests in profit amounting to € 4.0 million.

Trend in revenues and earnings in the third quarter

In the third quarter we generated revenues of € 536.1 million (previous year: € 505.6 million) and a net consolidated profit of € 27.2 million (previous year: € 34.2 million). Of the rise in revenues, € 1.1 million is attributable to the commissioning of St. Petri-Hospital in Warburg from 1 September 2008, € 1.5 million to growth in revenues at newly added MVZs, and € 27.9 million (5.5%) to organic growth.

Adjusted for the required impairment on the market values of our financial instruments as well as tax effects, the operating consolidated profit in the third quarter of € 29.1 million was slightly above the previous year's level. Margins remain fall slightly short of their levels in past years due to the expansion of revenues in the context of disproportionate cost increases.

The stated net consolidated profit of € 27.2 million in the third quarter translates into an EpS of € 0.25 (previous year: € 0.32) after minority interests in profit of € 1.3 million.

Investments and financing

In the first nine months of the current financial year, we invested a total of € 224.0 million (previous year: € 179.7 million) Group-wide, of which € 92.1 million in the third quarter (previous year: € 58.2 million), of which a total amount of € 2.6 million was accounted for by the takeover of St. Petri-Hospital Warburg (previous year: hospital takeovers and subsequent purchase price tranches of € 16.0 million).

From own funds we invested € 178.0 million (previous year: € 123.0 million), of which

€ 68.1 million (previous year: € 48.4 million) in the third quarter.

Since the last reporting date our net debt to banks (including securities amounting to € 1.0 million) has risen from € 496.2 million to € 546.2 million and our equity capital has increased from € 810.8 million to € 867.1 million. Growth in equity capital of € 56.3 million corresponds to net consolidated profit of the first three quarters of 2008 (€ 89.2 million) less liquidity outflows to shareholders and minority owners of € 32.3 million (previous year: € 29.6 million) less a negative differential amount (€ 0.6 million) from the market valuation of designated financial instruments.

Our equity capital ratio has seen an increase versus 31 December 2007 from 39.1% to 41.4%. Our non-current assets are secured at 98.8% (31 December 2007: 105.0%) by equity capital and long-term debt.

In the first nine months of financial year 2008 we generated a cash flow (not including one-off non-cash effects) of € 156.4 million (previous year: € 140.7 million), of which € 52.3 million in the third quarter (previous year: € 47.5 million).

Group financial structures are sound, stable and oriented on the long term.

Outlook

For financial year 2008 we expect revenues to reach around € 2.1 billion and a net consolidated profit of € 123 million. We expect our steady organic and external growth to continue.

From 2009 onwards, based on the current intentions of the legislator, hospitals are to benefit from revenue increases which, though not able nor intended to fully offset the trend in costs, will nevertheless bring a significant improvement in the funding coverage of such cost increases. Provided that in the current context of the financial market crisis and its impact on the real economy the funding promises given are kept, we expect further earnings growth in 2009.

The competitive situations between hospitals and the market shake-up, i.e. the reduction of overcapacities or inefficient capacities, persist.

We are well prepared for this competition. We expect that our market share can be raised further through organic and external growth. We expect our long-standing facilities to continue posting stable margins.

CONSOLIDATED TREND

Sites and capacities

	Date	Hospital	Beds
As at 30 June 2008		**46**	**14,584**
St. Petri-Hospital Warburg	1 Sept. 2008	1	153
Net change in beds in existing hospitals (balance)			**-53**
As at 30 September 2008		**47**	**14,684**

As at 30 September 2008 we have 47 consolidated hospitals with 14,684 beds/places at a total of 36 sites in nine federal states.

As at 9 May 2008, we acquired St. Petri-Hospital Warburg, a basic care facility with 153 approved beds, from Krankenhauszweck-verband Warburg. The company will be included in the consolidated financial statement from 1 September 2008. Integration processes at St. Petri-Hospital are moving ahead on schedule. We are confident that we will succeed – starting from a loss for the year in 2007 of € 0.7 million – in improving the financial situation very significantly already in the remainder of 2008. Subject to certain imponderables, we currently expect a nearly balanced result.

At the following sites we put into service 6 MVZs with 14 specialist doctors' practices, and expanded already existing MVZs by 10 specialist doctors' practices, during the first nine months of 2008:

	Date	MVZ	Practices
As at 31 December 2007		**14**	**39**
Commissioned in Wiesbaden	1 Jan. 2008	1	2
Commissioned in Köthen	1 Jan. 2008	1	3
Commissioned in Marburg	1 Jan. 2008	1	2
Commissioned in Hammelburg	1 April 2008	1	2
Commissioned in Münchberg	1 April 2008	1	2
Amalgamation of MVZ in Bad Neustadt	1 April 2008	-1	-
Commissioned in Waltershausen	1 July 2008	1	3
Expansions at already existing MVZ		-	10
As at 30 September 2008		**19**	**63**

Given the considerable networking we see between our MVZs and our basic care hospitals, we have decided to bring these together organisationally wherever basic care hospitals and MVZs operate in a close regional environment. We are convinced that co-operation schemes with community-based doctors and the resulting synergies will make it possible to further maintain in future high-quality healthcare provision which is close to where people live and affordable for everyone.

In 2008 we commissioned two further service companies for provision of infrastructural services. With our service companies – now 13 in total – we provide, exclusively for our own hospital companies, in particular catering, cleaning and laundry services as well as domestic services.

Patients

January through September	2008	2007
Inpatient and day-case treatments at our		
acute hospitals	428,857	413,746
rehabilitation hospitals and other facilities	7,344	7,150
	436,201	420,896
Outpatient attendances		
at our acute hospitals	709,997	689,128
at our MVZ	95,332	55,114
Total	**1,241,530**	**1,165,138**

In the first nine months a total of 1,241,530 patients (up by 76,392 patients / 6.6%) were treated in the Group's hospitals and MVZs. Of this increase, outpatient treatments account for roughly 80%. Adjusted for consolidation effects (first-time consolidation of Krankenhaus Köthen GmbH on 1 April 2007 and first-time consolidation of St. Petri-Hospital Warburg on 1 September 2008), this translates into growth in patient numbers of 69,965 patients or 6.0%. Of this growth, 11,573 patients or 2.7% are attributable to the inpatient area and 58,392 patients or 7.8% to the outpatient area.

The 6.7% increase in service volumes versus the third quarter of 2007, also taking account of seasonal effects, is thus roughly in line with the trend of the first nine months.

Per-case revenues

January through September	2008	2007
Case revenues		
inpatient (€)	3,470	3,435
outpatient (€)	90	90

Per-case revenues in the inpatient area recorded a 1.0% rise compared with the previous year. About half of this growth is attributable to price increases and half to increases in the severity of cases.

Employees

Employees	30 Sept. 2008	31 Dec. 2007
Hospitals	29,389	29,389
MVZ	205	118
Service companies	3,452	2,715
Total	**33,046**	**32,222**

At 30 September 2008, the Group employed 33,046 persons (31 December 2007: 32,222). Since the last reporting date there have been the following developments:

	Number
As at 31 December 2007	**32,222**
Change in employees at hospital subsidiaries	-293
Added from personnel taken over in Warburg	293
Change in employees at MVZ subsidiaries	87
Change in employees at service companies	737
As at 30 September 2008	**33,046**

The reduction of staff at the hospital companies – against an overall increase in staff numbers throughout the Group by 144 persons – stems from the transfer of 437 employees to a Group-owned service company.

The first-time consolidation of the hospital in Warburg added 293 new employees.

The staff increase at the MVZ companies is consistent with the strategy of expanding this business area.

The staff increase at the service companies is attributable to the commissioning of two new service companies as well as increased staffing at existing companies.

BUSINESS DEVELOPMENT

In the first nine months of financial year 2008 our hospitals put in a good performance overall despite the underfunding of collective wage developments for doctors and the trend in food prices and expenditure for water, energy and fuels. Thanks to higher service volumes and stringent cost management, our hospitals succeeded not only in offsetting these higher expenditures but also in generating further profit contributions.

The hospitals succeeded in raising their EBIT from € 122.4 million by € 4.0 million (3.3%) to € 126.4 million. St. Petri-Hospital in Warburg burdened EBIT by € 0.2 million.

In the first nine months of financial year 2008 our MVZ companies generated a positive EBIT of € 0.2 million, which exceeds the loss of the previous year (€ 0.4 million) by € 0.6 million.

In the first nine months of financial year 2008, our service companies generated a positive EBIT of € 0.3 million (previous year: € 0.7 million).

Compared with the same period last year, we achieved restructuring successes throughout the Group, as measured by the improvement in EBIT of € 4.2 million.

EBIT January to September	**2008** **€ m**	**2007** **€ m**	**Change** **€ m**
Long-standing hospitals (already consolidated in 2005)	126.0	122.7	3.3
Acquisition 2006 (Universitätsklinikum Gießen and Marburg GmbH, Heinz Kalk-Krankenhaus Bad Kissingen, Frankenwaldklinik Kronach GmbH)	0.4	0.1	0.3
Acquisition 2007 (Krankenhaus Köthen GmbH)	0.2	-0.4	0.6
Acquisition 2008 (St. Petri-Hospital Warburg)	-0.2	0.0	-0.2
Other companies (MVZ and service companies)	0.5	0.3	0.2
Total	**126.9**	**122.7**	**4.2**

Revenues and earnings

The Group's economic performance is shown as follows:

January - September	**2008** **€ m**	**2007** **€ m**	**Change** **€ m**	 **%**
Revenues	1,586.3	1,512.5	73.8	4.9
EBITDA	192.5	188.2	4.3	2.3
EBIT	126.9	122.7	4.2	3.4
EBT	107.2	107.7	-0.5	-0.5
Operating cash flow	156.4	140.7	15.7	11.2
Net consolidated profit	89.2	86.9	2.3	2.6

Without taking into account further acquisitions, we expect in particular our absolute key ratios to continue improving in the further course of financial year 2008 as well as in 2009.

January to September	2008 %	2007 %
Return on equity (after taxes)	14.2	15.3
Return on revenues	5.6	5.8
Cost of material ratio	25.0	24.4
Personnel cost ratio	60.4	59.7
Depreciation and amortisation ratio	4.1	4.3
Other cost ratio	9.5	10.1
Tax ratio	1.2	1.4

Compared with the same period last year, revenues grew by € 73.8 million or 4.9%. Adjusting for changes in the scope of consolidation, this translates into organic growth of € 61.4 million or 4.1%.

The rise in the cost-of-materials ratio from 24.4% to 25% stems on the one hand from the fact that growth in service volumes within the Group is increasingly taking place in those medical areas with a disproportionately high share of material costs, and on the other from the considerable increase in expenditure for food and energy resulting from price increases.

January - September	2008	2007	Change	
	€ m	€ m	€ m	%
Food	11.3	9.7	1.6	16.5
Energy	44.4	41.4	3.0	7.2
Total	55.7	51.1	4.6	9.0

Despite restructuring successes, the personnel cost ratio rose from 59.7% to 60.4%. This was brought about above all by in-house wage agreements concluded in the course of the year with doctors and other hospital staff which had a cost-increasing impact right from the start of the current financial year and can hardly be offset by the change in the rate of aggregate income (of all health insurance members) of 0.64%.

Despite the completion and commissioning of our portal clinics in Miltenberg, Hammelburg and Wittingen as well as the paediatric hospital in Gießen took place in the second quarter, the depreciation and amortisation item rose compared with the same period last year by only € 0.1 million. The previous year included a € 2.0 million impairment on a building whose use in connection with the construction of a new hospital building will be discontinued in future.

Operating earnings before interest and tax (EBIT) rose from € 122.7 million in 2007 to € 126.9 million in 2008. This increase was achieved to the detriment of margins given the disproportionate rise in revenues resulting from the expansion in service volumes. The target of expanding service volumes to compensate for insufficiently funded cost increases was thus achieved.

The financial result worsened by € 4.7 million compared with the same period last year. This stemmed from the net earnings-reducing effects of the impairment on our interest rate hedging instruments resulting from a change in interest rates (€ 1.7 million), comparing with revaluations of € 1.6 million over the same period last year. The remaining rise in expenditures of € 1.4 million stems from the rise in our net financial debt.

Adjusted for the earnings-increasing revaluation of deferred tax items to the tune of € 10.0 million carried out in the previous year, tax expenditure declined from € 30.8 million to € 18.0 million in the first nine months of financial year 2008. The decline in adjusted tax expenditure by € 12.8 million compared with the same period last year stems in particular from the decline in the corporation tax rate to 15.0% (previous year: 25.0%).

Minority interests in profit rose slightly from € 3.9 million last year to € 4.0 million.

The interest of RHÖN-KLINIKUM AG shareholders in profit for the first nine months of 2008 rose by € 2.3 million or 2.8% to

€ 85.2 million compared with the same period last year. This corresponds to earnings per share of € 0.82 (previous year: € 0.80).

Asset and capital structure

	30 September 2008		31 December 2007	
	€ m	%	€ m	%
ASSETS				
Non-current assets	1,601.1	76.4	1,487.2	71.7
Current assets	493.9	23.6	585.9	28.3
	2,095.0	**100.0**	**2,073.1**	**100.0**
SHARE-HOLDERS´ EQUITY AND LIABILITIES				
Shareholders´ equity	867.1	41.4	810.8	39.1
Long-term loan capital	714.3	34.1	750.4	36.2
Short-term loan capital	513.6	24.5	511.9	24.7
	2,095.0	**100.0**	**2,073.1**	**100.0**

Driven by acquisitions and investments, our assets increased by € 21.9 million or 1.1%, with non-current assets rising on the back of investments by € 113.9 million – comparing with declines in current assets by € 92.0 million.

The equity ratio rose from 39.1% to 41.4%.

Equity	2008			2007
	Share-holders	Minorities	Total	Total
	€ m	€ m	€ m	€ m
Balance at 1 January	**769.7**	**41.1**	**810.8**	**728.7**
Net consolidated profit for the first nine month of 2008	85.2	4.0	89.2	86.9
Financial derivatives	-0.6	0.0	-0.6	0.0
Net income for the first nine month of 2008	84.6	4.0	88.6	86.9
Dividends paid	-29.0	-3.3	-32.3	-29.6
Change in scope of consolidation	0.0	0.0	0.0	0.0
Balance at 30 September	**825.3**	**41.8**	**867.1**	**786.0**

We now report equity of € 867.1 million (31 December 2007: € 810.8 million), with dividend payments to shareholders and minority owners in the amount of € 32.3 million already included.

Since the second quarter of 2008 we have grouped several financial debts and interest rate hedging instruments acquired for these into valuation units (cash flow hedge). The change in the market value of these financial debts compared with the level as at 30 June 2008 (after tax) was € 5.3 million. The financial instruments recognised at equity without effect on the income statement declined from € 4.7 million (as at 30 June 2008) by € 5.3 million to € - 0.6 million (as at 30 September 2008).

The change in the market value of non-designated financial instruments totalled € 1.9 million since 30 June 2008 (after tax) and burdened the third-quarter result.

Our long-term assets are secured at 98.8% (31 December 2007: 105.0%) by equity capital and long-term debt since investments in the third quarter were financed primarily by the reduction in short-term liquidity. Including marketable securities amounting to € 1.0 million (31 December 2007: € 9.5 million), net debt to banks rose since the last reporting date from € 496.2 million to € 546.2 million as at 30 September 2008.

Our key financial ratios developed as follows:

	2007 Q4	2008 Q1	2008 Q2	2008 Q3
Net financial debt (€ m)	496.2 *	497.9 *	555.2 *	546.2 *
EBITDA (€ m)	61.2	64.2	64.4	63.9
Net interest expenditure (€ m)	6.2 **	6.1 **	5.8 **	6.1 **
Net financial debt/ EBITDA (€ m)	2.03	1.94	2.16	2.14
EBITDA / net interest expenditure (€ m)	9.9	10.5	11.1	10.5

*) including marketable securities
**) excluding mark-up / discount of financial derivatives

Our internal financing strength has increased significantly. Compared with the same period last year, cash flow, calculated from net annual profit less depreciation/amortisation and other non-cash items, rose by € 15.7 million or 11.2% to reach € 156.4 million.

The origin and appropriation of our liquidity are shown in the following overview:

January through September	2008 € '000	2007 € '000
Cash generated from operating activities	151.0	106.3
Cash used in investing activities	-160.3	-111.3
Cash used in financing activities	-71.8	-2.2
Change in financing funds and in cash and cash equivalents	**-81.1**	**-7.2**
Cash and cash equivalents as at 1 January	164.7	155.8
Financing funds as at 30 September	**83.6**	**148.6**

Investing activities

Aggregate investments of € 224.0 million (previous year: € 179.7 million) in the first nine months of financial year 2008 are shown in the following table:

	Use of Gov´t grants € m	Use of Own funds € m	Total € m
Current capital expenditure	46.0	175.4	221.4
Hospital takeover	0.0	2.6	2.6
Total	**46.0**	**178.0**	**224.0**

Of these investments made in the first nine months, € 46.0 million was attributable to investments funded from grants under the Hospital Financing Act (KHG) and deducted from total investments pursuant to the relevant provisions of IAS.

An analysis of investments by site is given below:

	€ m
Gießen-Marburg	94.8
Hildesheim	10.7
Bad Kissingen	8.6
Leipzig	8.4
Bad Neustadt	8.0
Bad Berka	6.9
Kronach	6.3
Wittingen	5.0
Meiningen	4.4
Frankfurt (Oder)	3.8
München Pasing-Perlach	3.3
Pforzheim	2.9
Köthen	2.3
Waltershausen-Friedrichroda	2.0
Miltenberg-Erlenbach	1.9
Cuxhaven	1.6
Freital	1.2
other sites	3.3
Total	**175.4**

At St. Petri-Hospital in Warburg we acquired total assets of € 2.6 million.

In the remaining course of financial year 2008 we expect further investments to the tune of roughly € 60.0 million from investment projects already under way.

Under company purchase agreements entered into we still have outstanding investment obligations of € 478.6 million until 2012.

Bad Neustadt a. d. Saale, 30 October 2008

RHÖN-KLINIKUM AG

THE BOARD OF MANAGEMENT

Andrea Aulkemeyer	Wolfgang Kunz	Gerald Meder
Dietmar Pawlik	Wolfgang Pföhler	Dr. Brunhilde Seidel-Kwem

Consolidated Balance Sheet 30 September 2008

	30 September 2008		31 December 2007	
	€ '000	%	€ '000	%
ASSETS				
Non-current assets				
Goodwill and other intangible assets	258,257	12.3	255,581	12.3
Property, plant and equipment	1,313,868	62.7	1,205,270	58.1
Investment property	4,048	0.2	4,172	0.2
Income tax claims	18,689	0.9	20,577	1.0
Other receivables and other financial assets	6,279	0.3	1,556	0.1
	1,601,141	**76.4**	**1,487,156**	**71.7**
Current asset				
Inventories	39,462	1.9	39,842	1.9
Accounts receivable, other receivables and other financial assets	347,456	16.6	358,532	17.4
Current income tax claims	17,740	0.8	17,512	0.8
Cash and cash equivalents	89,221	4.3	170,057	8.2
	493,879	**23.6**	**585,943**	**28.3**
	2,095,020	**100.0**	**2,073,099**	**100.0**

	30 September 2008		31 December 2007	
	€ '000	**%**	**€ '000**	**%**
EQUITY AND LIABILITIES				
Equity				
Subscribed capital	259,200	12.4	259,200	12.5
Capital reserve	37,582	1.8	37,582	1.8
Retained earnings	443,387	21.1	366,714	17.7
Net consolidated profit attributable to shareholders of RHÖN-KLINIKUM AG	85,199	4.1	106,292	5.1
Treasury shares	-77	0.0	-77	0.0
Equity attributable to shareholders of RHÖN-KLINIKUM AG	825,291	39.4	769,711	37.1
Outside owners' minority interests in group equity	41,811	2.0	41,120	2.0
	867,102	**41.4**	**810,831**	**39.1**
Long-term dept				
Financial debt	620,588	29.6	656,537	31.7
Deferred tax liabilities	12,962	0.6	12,867	0.6
Provisions for post-employment benefits	8,969	0.4	8,164	0.4
Other liabilities	71,815	3.5	72,834	3.5
	714,334	**34.1**	**750,402**	**36.2**
Short-term debt				
Financial debt	18,458	0.9	19,562	0.9
Accounts payable	97,313	4.6	107,966	5.2
Current income tax liabilities	5,753	0.3	10,560	0.5
Other provisions	27,755	1.3	24,485	1.2
Other liabilities	364,305	17.4	349,293	16.9
	513,584	**24.5**	**511,866**	**24.7**
	2,095,020	**100.0**	**2,073,099**	**100.0**

Consolidated Income Statement

January to September	2008 € '000	2008 %	2007 € '000	2007 %
Revenues	1,586,300	100.0	1,512,520	100.0
Other operating income	110,795	7.0	100,753	6.7
	1,697,095	**107.0**	**1,613,273**	**106.7**
Material and consumables used	396,757	25.0	368,987	24.4
Employee benefit expense	958,075	60.4	902,781	59.7
Other operating expenses	149,772	9.5	153,314	10.1
	1,504,604	**94.9**	**1,425,082**	**94.2**
Interim result (EBITDA)	**192,491**	**12.1**	**188,191**	**12.5**
Depreciation and impairment	65,556	4.1	65,479	4.3
Operating earnings (EBIT)	**126,935**	**8.0**	**122,712**	**8.2**
Finance expenditure	25,567	1.6	22,661	1.5
Finance income	5,803	0.4	7,611	0.5
Financial result	**19,764**	**1.2**	**15,050**	**1.0**
Earnings before income taxes (EBT)	**107,171**	**6.8**	**107,662**	**7.2**
Income taxes	18,006	1.2	20,800	1.4
Net consolidated profit	**89,165**	**5.6**	**86,862**	**5.8**
Thereof attributable to				
minority owners	**3,966**	**0.2**	**3,944**	**0.3**
shareholders of RHÖN-KLINIKUM AG	**85,199**	**5.4**	**82,918**	**5.5**
Earnings per ordinary share in €	**0.82**		**0.80**	

July to September	2008 € '000	2008 %	2007 € '000	2007 %
Revenues	536,122	100.0	505,554	100.0
Other operating income	37,024	6.9	33,747	6.7
	573,146	**106.9**	**539,301**	**106.7**
Material and consumables used	135,669	25.3	121,879	24.1
Employee benefit expense	322,340	60.1	302,356	59.8
Other operating expenses	51,219	9.6	51,822	10.3
	509,228	**95.0**	**476,057**	**94.2**
Interim result (EBITDA)	**63,918**	**11.9**	**63,244**	**12.5**
Depreciation and impairment	23,213	4.3	21,341	4.2
Operating earnings (EBIT)	**40,705**	**7.6**	**41,903**	**8.3**
Finance expenditure	8,478	1.6	8,032	1.6
Finance income	85	0.0	360	0.1
Financial result	**8,393**	**1.6**	**7,672**	**1.5**
Earnings before income taxes (EBT)	**32,312**	**6.0**	**34,231**	**6.8**
Income taxes	5,078	0.9	-18	0.0
Net consolidated profit	**27,234**	**5.1**	**34,249**	**6.8**
Thereof attributable to				
minority owners	**1,310**	**0.2**	**1,552**	**0.3**
shareholders of RHÖN-KLINIKUM AG	**25,924**	**4.9**	**32,697**	**6.5**
Earnings per ordinary share in €	**0.25**		**0.32**	

Statement of Changes in Shareholder's Equity

	Shareholders	Minorities	Total
	€ m	€ m	€ m
Balance at 31 December 2006	**691,097**	**37,644**	**728,741**
Net consolidated profit for the first half of 2007	82,918	3,944	86,862
Dividends paid	-25,913	-3,692	-29,605
Change in scope of consolidation	-1,764	1,764	0
Balance at 30 September 2007	**746,338**	**39,660**	**785,998**
Balance at 31 December 2007	**769,711**	**41,120**	**810,831**
Net consolidated profit for the first nine month of 2008	85,199	3,966	89,165
Financial derivatives	-596	-	-596
Net income for the first nine month of 2008	84,603	3,966	88,569
Dividends paid	-29,023	-3,244	-32,267
Other Changes	0	-31	-31
Balance at 30 September 2008	**825,291**	**41,811**	**867,102**

Cash Flow Statement

January to September	**2008 € m**	**2007 € m**
Earnings before taxes	107.2	107.7
Financial result (net)	19.8	15.1
Impairment and losses on disposal of assets	65.8	65.5
Non-cash valuations of financial derivatives	1.7	-1.6
	194.5	**186.7**
Change in net current assets		
Change in inventories	0.8	1.4
Change in accounts receivable	-10.0	-5.4
Change in other receivables	10.8	-7.1
Change in liabilities (excluding financial debts)	-6.8	-19.9
Change in provisions	4.1	0.1
Income taxes paid	-16.8	-26.8
Interest paid	-25.6	-22.7
Cash generated from operating activities	**151.0**	**106.3**
Investments in property, plant and equipment and in intangible assets	-169.7	-116.5
Purchase of securities	0.0	-52.5
Sale of securities	8.5	49.5
Acquisition of subsidiaries	-5.8	-3.2
Sale proceeds from disposal of assets	0.9	3.8
Interest received	5.8	7.6
Cash used in investing activities	**-160.3**	**-111.3**
Payments on contracting of financial debts	160.0	105.0
Repayments of financial debts	-199.6	-77.6
Dividend payments to shareholders of RHÖN-KLINIKUM AG	-29.0	-25.9
Dividends paid to minority owners	-3.2	-3.7
Cash used in financing activities	**-71.8**	**-2.2**
Change in financing funds	-81.1	-7.2
Financing funds on 1 January	164.7	155.8
Financing funds on 30 September	**83.6**	**148.6**

Dates for shareholders and financial analysts

2008

6 November 2008	Analyst Conference

2009

12 February 2009	Preliminary results for financial year 2008
23 April 2009	Results Press Conference: publication of 2008 annual financial report
23 April 2009	Publication of interim report for the quarter ending 31 March 2009
10 June 2009	Annual General Meeting
6 August 2009	Publication of half-year financial report as at 30 June 2009
29 October 2009	Publication of interim report for the quarter ending 30 September 2009

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