INTERIM REPORT
Q1 – Q3 2011

RHÖN-KLINIKUM
AKTIENGESELLSCHAFT

CONTENTS

LETTER TO SHAREHOLDERS

Dear Shareholders,

For the first three quarters of financial year 2011, RHÖN-KLINIKUM AG can report a positive result: we treated 1,701,489 patients at our hospitals and medical care centres (MVZs), or 10.9% more than in the first nine months of the previous year. Our revenues grew by 2.9% to € 1,958.3 million, and our net consolidated profit was up by € 13.1 million (12.2%) compared with the figure for the same period last year.

The debt crisis in the euro zone and its impact on the economy are leading to considerable insecurity on the equity markets. The share of RHÖN-KLINIKUM AG, too, could not escape the fluctuations. Looking at the real economy, however, the healthcare market has continued to prove itself as a stable growth market. Whereas the aggregate economy has cooled significantly, the business climate within the healthcare industry is largely positive. This is also seen in the noticeable rise in index for the healthcare industry determined monthly by the RWI (Rheinisch-Westfälisches Institut für Wirtschaftsforschung). The aggregate level of the index rose from 100.1 points in June to latterly 104.7 points in September of this year.

RHÖN-KLINIKUM AG was able to steadily continue its growth course during the first nine months of the financial year. Nonetheless, we are not entirely unaffected by the challenging framework conditions on the hospital market. The real price increase of 0.3% on average is well under the trend in costs. By introducing measures early on, we succeed in offsetting underfunding, and our business model once again proved extremely viable. We therefore reaffirm our forecast for 2011:

We expect revenues of roughly € 2.65 billion, an operating EBITDA of € 340 million and a net consolidated profit of € 160 million. Given the existing risks and rewards, we see the possibility of both earnings results fluctuating within a range of plus or minus 5 per cent.

The German healthcare industry continues to be in flux as a result of rising demand being driven by demographic change and advances in medicine. With the Care Structures Act (Versorgungsstrukturgesetz – VSsG), structural measures are intended to be introduced to secure generalised healthcare delivery locally. The new measures are focused on offsetting regional differences in healthcare delivery. We see ourselves as the mover and initiator for structures that are viable for the future thanks to our highly integrated care structures – reaching beyond the bounds of our hospitals or practices – and our unique healthcare network within the Group.

One example of this is provided by our new hospital building in Hildesheim that was inaugurated in September. The intermediate-care facility is the centre of a hospital network within the Group covering broad areas of Lower Saxony. By choosing to build on a new site, not only a modern hospital complex but (given the direct link to a large specialist doctors' centre) also a whole health care centre was created.

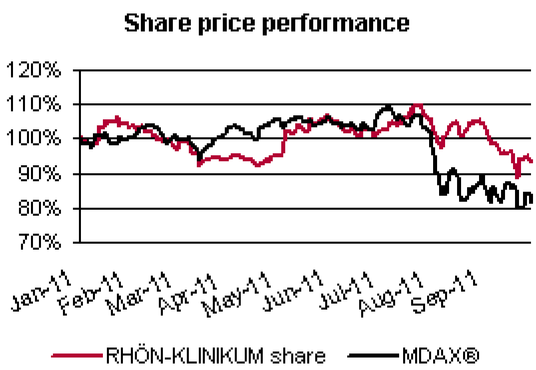
By steadily expanding medical care net-works, we are creating the basis for the good medical care of tomorrow available to everyone. For us, this is both a mission and a driving force.

Wolfgang Pföhler
Chairman of the Board of Management of RHÖN-KLINIKUM AG

THE RHÖN-KLINIKUM SHARE

In the third quarter of 2011, the political response to the escalating debt crisis in Greece and other European countries was again the focus of interest of the capital markets. The matters watched critically were particularly the austerity measures of the countries concerned, the measures being discussed to check contagion effects, the expansion of the European rescue fund and the negative signals and incentives associated with such measures. At the same time there were increasing signs that the effects of the debt crisis are spreading beyond the financial sector and seen the real economy. Early indicators such as the Ifo business climate index fell significantly, especially in terms of its expectation component.

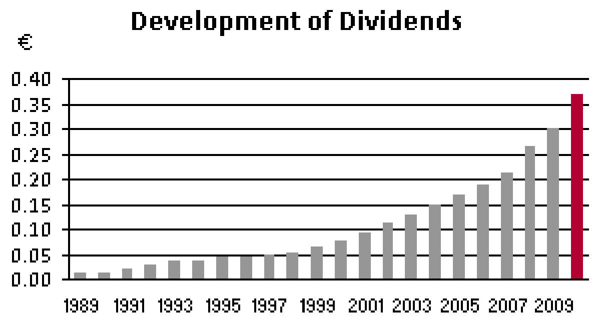
The equity markets responded across the board with marked price losses. The DJ EURO STOXX Index lost 23.1% over the quarter, and the German leading index DAX® gave up 25.4%, closing at 5,502 points as at 30 September 2011. The MDAX® yielded 23.7%. In this situation, the biggest losses were suffered by financial and cyclical stocks. By contrast, the DJ EURO STOXX Healthcare Services Index lost only 9.2% over the quarter.



The share of RHÖN-KLINIKUM AG saw only a moderately disproportionate decline during the third quarter (-8.6%), ending the quarter with a closing price of € 15.22. As at 30 September 2011 our market capitalisation, including all issued 138.2 million non-par shares, stood at € 2.1 billion (30 June 2011: € 2.3 billion). In the MDAX® we thus ranked 11th by market capitalisation (30 June 2011: 13th).

RHÖN-KLINIKUM share		
ISIN		DE0007042301
Ticker symbol		RHK
Registered share capital		345,580,000 €
Number of shares		138,232,000
	30 Sept. 2011	**31 Dec. 2010**
Market capitalisation (€ m)	2,103.89	2,276.68
Share prices, in €	**1 Jan.-30 Sept. 2011**	**1 Jan.-31. Dec. 2010**
Closing price	15.22	16.47
High	17.96	19.44
Low	14.44	15.26

On 9 February 2012, we will publish our preliminary results for financial year 2011. The results press conference for publication of the Annual Financial Report will be held on 26 April 2012. On the same day we will publish our interim report for the three months ending on 31 March 2012.



All data adjusted in euros (138,232,000 ordinary shares)

A financial calendar containing all important financial dates for 2012 is provided at the end of this Report as well as on our website at www.rhoen-klinikum-ag.com under the section "Investors".

CONSOLIDATED INTERIM REPORT OF THE MANAGEMENT

REPORT ON THE THIRD QUARTER AND THE FIRST NINE MONTHS OF FINANCIAL YEAR 2011

- Stable development over financial year 2011 (patient numbers: + 10.9%, revenues: + 2.9% and earnings: + 12.2%) and compared with the third quarter of 2010 (patient numbers: + 8.5%, revenues: + 3.1% and earnings: - 0.2%).
- Thanks to higher service volumes and efficiency gains, we were able to fully offset the statutory revenue deductions and cost trends in 2011 and to keep our EBIT stable at a ratio of 7.8%.
- With revenues in the first nine months of € 2.0 billion, an adjusted EBITDA of € 243.8 million and net consolidated profit of € 120.3 million in the third quarter, our performance is fully in line with our targets and the stated profit forecast of € 160.0 million subject to a possible fluctuation range of plus or minus 5%.

GENERAL INFORMATION

The Interim Consolidated Financial Statements of RHÖN-KLINIKUM AG for the year ended 30 September 2011 have been prepared applying section 315a of the German Commercial Code (Handelsgesetzbuch – HGB) in accordance with International Financial Reporting Standards (IFRS) and the corresponding interpretations of the International Accounting Standards Board (IASB) which are the subject of mandatory adoption in accordance with the European Parliament and Council Directive number 1606/2002 concerning the application of international accounting standards in the European Union in financial year 2011.

The accounting and valuation methods applied, to the extent already applied in financial year 2010 and consistently applied in financial year 2011, are set out in detail in the Consolidated Financial Statement of RHÖN-KLINIKUM AG as at 31 December 2010. The accounting and valuation methods applied for the first time in financial year 2011 are explained at length in the Abridged Notes to this Interim Report.

The regulations of the collective Standard “Improvements to IFRSs” (May 2010) as well as the new version of IAS 24 “Related Party Disclosures” in particular are applied for the first time in 2011. This does not have any impact on the net assets, financial position and results of operations. In accordance with IAS 33, earnings per share were determined according to the weighted average number of ordinary shares outstanding on a pro rata temporis basis.

If data are provided below on individual companies, these are values before consolidation. For computational reasons, rounding differences of ± one unit (€, %, etc.) may occur in the tables.

REVIEW OF BUSINESS PERFORMANCE IN THE FIRST NINE MONTHS AND OUTLOOK FOR THE FOURTH QUARTER

Comparison of the first nine months

In the third quarter of 2011, RHÖN-KLINIKUM AG and Siemens AG reached an agreement whereby RHÖN-KLINIKUM AG will be compensated for the financial disadvantages of the "Marburg Particle Therapy" development project being discontinued. At RHÖN-KLINIKUM AG the discontinuation of the project resulted in impairments of € 17.0 million in the third quarter of 2011, which were offset by compensation payments of Siemens AG. The measures resulted in an increase in EBITDA with correspondingly higher impairments. Overall, this does not have any impact on EBIT and the consolidated result.

The EBITDA trends described in the Consolidated Interim Report of the Management relate exclusively to EBITDA adjusted for the above-described effects.

January through September	2011	2010	Change	
	€m	€m	€m	%
Revenues	1,958.3	1,903.4	54.9	2.9
EBITDA	243.8	228.5	15.3	6.7
EBIT	153.0	147.9	5.1	3.4
EBT	133.6	130.5	3.1	2.4
Operating cash flow	211.0	188.7	22.3	11.8
Net consolidated profit	120.3	107.2	13.1	12.2

Compared with the first nine months of 2010, we recorded

- a rise in case numbers by 167,201 cases or 10.9% to a total of 1,701,489 cases (previous year: 1,534,288 cases),
- a rise in revenues by € 54.9 million or 2.9% to € 1,958.3 million (previous year: € 1,903.4 million),
- an increase in EBITDA by € 15.3 million or 6.7% to € 243.8 million (previous year: € 228.5 million),
- an increase in EBIT by € 5.1 million or 3.4% to € 153.0 million (previous year: € 147.9 million), and
- a € 13.1 million (12.2%) rise in net consolidated profit to € 120.3 million (previous year: € 107.2 million),

thus reaching our targets.

Of the rise in revenues by € 54.9 million or 2.9%, € 41.1 million is attributable to organic growth. For the first time, the ophthalmological facility Augenärztliche Diagnostik- und Therapie-Centrum Düsseldorf consolidated as of 1 January 2011, Augenärztliche Diagnostik- und Therapie-Centrum Siegburg consolidated from 1 July 2011, and Klinik Hildesheimer Land GmbH consolidated from 30 July 2010 contributed to growth in revenues to the tune of € 13.8 million and to growth in earnings in the amount of € 1.9 million.

The € 13.1 million higher net consolidated profit translates into a return on revenues of 6.1% (previous year: 5.6%). This sharp rise in financial year 2011 was helped by a one-off tax effect of € 9.0 million from the conclusion of profit-and-loss transfer agreements with four Group facilities. In the previous year, an effect from budget negotiations of € 6.1 million not attributable to the period under review was recorded. Without these two earnings effects, we achieved an increase in consolidated earnings adjusted for the aforementioned effects by € 10.2 million or 10.1%. Of this, € 6.7 million is attributable to improvements in earnings at Universitätsklinikum Gießen und Marburg GmbH.

The trend in EBIT (+ 3.4%) as well as EBT (+ 2.4%), which was disproportionately moderate compared with the increase in EBITDA (+ 6.7%), is the result of the operating buildings in Salzgitter, Erlenbach, Marburg and Gießen, Hildesheim completed in the fourth quarter of the previous year and in the reporting year, as well as from a slight rise in the interest rate level.

The interest of RHÖN-KLINIKUM AG shareholders in net consolidated profit was € 116.8 million (previous year: € 103.0 million). This corresponds to earnings per share of € 0.85 (previous year: € 0.75).

Comparison of the third quarter

July through September	2011	2010	Deviation	
	€m	€m	€m	%
Revenues	660.0	640.4	19.6	3.1
EBITDA	82.0	77.0	5.0	6.5
EBIT	50.7	49.6	1.1	2.2
EBT	43.3	43.5	-0.2	-0.5
Operating cash flow	67.6	64.4	3.2	5.0
Net consolidated profit	36.1	36.2	-0.1	-0.2

In the third quarter of 2011 versus the third quarter of 2010, we achieved

- a rise in case numbers by 43,153 cases or 8.5% to a total of 553,596 cases (previous year: 510,443 cases),
- a rise in revenues by € 19.6 million or 3.1% to € 660.0 million (previous year: € 640.4 million),
- a rise in EBITDA by € 5.0 million or 6.5% to € 82.0 million (previous year: € 77.0 million),
- an increase in EBIT by € 1.1 million or 2.2% to € 50.7 million (previous year: € 49.6 million), and
- a slightly lower net consolidated profit (minus € 0.1 million or minus 0.2%) of € 36.1 million (previous year: € 36.2 million).

Although the Company's performance was also stable in the third quarter of financial year 2011 with a growth rate of 8.5%, the trends in revenues and key earnings figures in the third quarter of 2011 compared with the same period of the previous year were decisively marked by the above-mentioned effects. Compared with the previous year, EBITDA was improved by € 5.0 million. The margin was improved from 12.0% to 12.4%. Earnings were weighed down by interest burdens that for the first time had to be carried for a full quarter, and depreciation of the newly occupied facilities and the move to Hildesheim in September 2011. Overall, a net consolidated profit nearly at the level of last year was generated.

The net consolidated profit attributable to RHÖN-KLINIKUM AG shareholders in the third quarter of € 35.0 million (previous year: € 34.9 million) translates into an EpS of € 0.26 (previous year: € 0.25).

Investment and financing

In the first nine months of the current financial year, the Group invested a total of € 215.0 million (previous year: € 251.3 million) in tangible assets (new hospital buildings and replacement investments) and in intangible assets (practice values), of which € 188.8 million (previous year: € 224.2 million) from own funds.

In the first nine months of 2011 we distributed a total of € 53.2 million to shareholders and minority owners (previous year: € 43.6 million).

For net cash used in investments and distributions to shareholders, minority owners and employees, we had an operating cash flow – calculated from net consolidated profit plus depreciation and amortisation and other non-cash items – of € 211.0 million (previous year: € 188.7 million) as well as loan funds.

Since the last reporting date our net financial debt rose from € 551.5 million to

€ 561.7 million, and our equity capital increased since the last reporting date from € 1,495.2 million to € 1,560.7 million.

The increase in equity capital compared with the reporting date of 31 December 2010 by € 65.5 million results from net consolidated profit for the first nine months of financial year 2011 (€ 120.3 million) as well as capital contributions from minorities (€ 5.2 million), on the one hand, and from dividends paid to shareholders and minority owners (€ 53.2 million) and negative changes in the market values of derivative financial instruments designated as interest-rate hedging instruments (€ 6.8 million), on the other. The equity capital ratio increased compared with the last reporting date from 48.9% to 51.4%.

Our non-current assets are financed fully, at notionally 112.4% (31 December 2010: 112.0%), at matching maturities by equity capital and non-current debt. Moreover, our current assets are also covered by € 274.5 million of non-current equity and debt items.

Forecast for 2011

Based on the trend in service volumes and earnings for the third quarter, we continue to expect financial year 2011 as a whole – even without further acquisitions and under the currently known statutory framework conditions – to post revenues of € 2.65 billion, an operating EBITDA of € 340 million and a net consolidated profit of € 160 million, with the last two key figures possibly fluctuating within a range of plus or minus 5%.

Economic and legal situation

The leading economic research institutes have slightly raised their growth forecasts for the current year in Germany, and significantly lowered them for the coming year. In their fall report, experts forecast growth of 2.9% for the current year, with growth of only 0.8% being expected for the coming year. In the spring the institutions had still put the figure at 2.8% and 2% p.a., respectively. This decline may stem from fears that the debt crisis might spread and turn into a banking crisis, with corresponding ramifications for the real economy.

As at August 2011, some 41.0 million people were gainfully employed in Germany. That was 553,000 (or 1.4%) more than a year ago. The situation on the labour market is continuing to ease. The current jobless rate for September 2011 is 6.6%. This is also having an impact on the health sector, as is seen particularly in a sharp rise in expenditures for locum doctors.

In the short term, the public sector is expecting sharp rises in tax revenues that can be used either for reducing debt or for public investments. An inflationary trend in prices put at 2.6% – essentially resulting from rising energy prices – is currently perceived as still acceptable.

The positive developments in the real economy are being overshadowed by risks of another financial crisis or a euro crisis. If at the national level governments prove unable to remove the past or present imbalances in the budgets of some southern European countries and the United States through sustained budget consolidation, thus bringing about a stabilisation of the financial markets, this could have serious consequences for the real economy and (with a certain time lag) also impact the healthcare sector.

As in the previous years, changes in demographics are expected to translate into higher demand for hospital services in 2011 also, with the increase expected to be in the range of roughly 1.5% to 2.0%. In 2011, statutory rules on remuneration provide for differentiated discounts for agreed and non-agreed surplus service volumes. Based on expected price increases of roughly 2.5% for personnel and material costs and an actual price increase rate of 0.3% included in the state base rates in 2011, further burdens on earnings will result that will have to be offset by restructuring successes and higher service volumes.

As a result, the selective trend on the service provider side will continue in 2011 as well. In our view, only those hospitals that are able to continually expand their service portfolio while at the same time exploiting cost advantages will be able to exist on the market on a sustained basis without having to rely on state aid. In our industry, standstill means regression, and thus ultimately elimination from the market.

In the third quarter, based on our information, our Group hospitals achieved growth that was disproportionate to the aggregate healthcare market in Germany and thus strengthened our market share even without hospital takeovers.

Regardless of the statutorily intended plurality of hospital owners, we have increasingly been observing of late consolidation efforts within the public and church segments taking the legal form of co-operatives or group companies. Takeovers amongst private hospital chains (Asklepios/ Mediclin, Helios/Damp) are bringing about a further consolidation. Based on offers submitted to us, we believe that the transaction market is gathering pace once again and that acquisition-driven growth will become increasingly significant.

We lay claim to our ability of operating hospitals very efficiently and successfully, and of being able to bring about the quick and qualified integration of newly acquired facilities. Overall, we therefore see ourselves in a highly favourable position, also for the coming year, in terms of our organic and acquisition-driven growth prospects.

CORPORATE GOVERNANCE

Corporate constitution

With effect from 31 December 2010, Ms. Andrea Aulkemeyer and Mr. Gerald Meder, with effect from 30 June 2011 Dr. med. Christoph Straub, and with effect from 30 September 2011 Mr. Wolfgang Kunz left the Board of Management. With effect from 1 January 2011, Mr. Martin Menger was appointed as a further member of the Board of Management. The allocation of responsibilities within the Board of Management was adjusted accordingly in each case.

After reaching the age limit, Dr. Rudolf Schwab left the Supervisory Board upon expiry of 30 April 2011. At the same time, Mr. Helmut Bühner succeeded him to the Supervisory Board. In all other respects, the composition of the Supervisory Board remained unchanged. Regarding the composition of the Supervisory Board as well as its allocation of duties and responsibilities, please refer to the Annual Report for the last reporting date.

In the first nine months of financial year 2011, we received the following notifications pursuant to section 21 et seq. of the Securities Trading Act (Wertpapierhandelsgesetz – WpHG):

- Templeton Investment Counsel, LLC, Fort Lauderdale/USA, notified us of its voting share falling below a threshold in January 2011 (voting share of 2.95%).
- Templeton Investment Counsel, LLC, Wilmington, Delaware, USA, notified us of its voting share exceeding a threshold in March 2011 (voting share of 3.05%).

- BlackRock, Inc., New York, USA, notified us of its voting share falling below a threshold in April 2011 (voting share of 2.93%) and exceeding a threshold in August 2011 (voting share of 3.08%).
- Franklin Mutual Series Funds, Short Hills/USA, notified us of its voting share falling below a threshold in September 2011 (voting share of 4.997%).

During the reporting period, RHÖN-KLINIKUM AG was notified of transactions pursuant to section 15a of the Securities Trading Act (WpHG) of members of the Board of Management or of the Supervisory Board (directors' dealings). These concern the purchase by Mr. Detlef Klimpe, a member of the Supervisory Board, of 980 ordinary shares via XETRA on 16 May 2011 at a price of € 16.85 for a total volume of € 16,513.00. No other notifications regarding transactions by executives pursuant to section 15a of the WpHG (directors' dealings) were made.

All other elements of our corporate constitution have remained unchanged in financial year 2011 to date. In this regard we refer to the explanations provided in the Management Report of the 2010 Annual Report.

Risks and opportunities

Any opportunities that arise and risks that exist are typically dominated by long-term cycles. As a result, short-term changes in the market environment are still usually the exception.

On the cost side, we recorded sharp price rises in the third quarter of 2011. We are using all available means to achieve increases in service volumes (organic growth) as well as to raise efficiency by continuously improving our processes.

We are convinced that we will succeed in compensating for the disproportionately moderate rise (compared with the rise in costs) in prices for our services.

Since the reporting date of 31 December 2010 there have been no significant changes in risks and rewards. As before, we do not see any risks posing a threat to the Company's existence, neither for the individual subsidiaries nor for the Group.

CONSOLIDATED TREND

Sites and capacities

	Hospitals	Beds
As at 31 December 2010	**53**	**15,900**
Change in capacities	0	60
As at 30 September 2011	**53**	**15,960**

As at 30 September 2011 our consolidated financial statement included 53 hospitals with 15,960 beds/places at a total of 43 sites in ten federal states. Since 31 December 2010, we recorded only a moderate net change in the number of approved beds (60) at our acute inpatient capacities in line with the requirement budgets in the individual federal states.

In the first nine months of 2011 we expanded our outpatient capacities by four MVZs overall and by 31.0 specialist doctor's practices overall:

	Date	MVZs	Specialist physician practices
As at 31 December 2010		**33**	**125.5**
Opened			
Düsseldorf	1 Jan.2011	1	11.0
Pforzheim III	1 Jan.2011	1	2.0
Siegburg	1 July 2011	1	7.0
Frankfurt (Oder)	1 July 2011	1	3.0
Magdeburg	6 July 2011	1	2.0
Extensions			
Various sites		-	11.0
Disposals			
Various sites		-1	-5.0
As at 30 September 2011		**37**	**156.5**

Disposals of MVZs are the result of the merger of our MVZs in Bad Kissingen and Hammelburg in the interest of streamlining work processes. The disposals of specialist doctor's practices primarily relate to practices applied for but not acquired in disciplines not covered by state requirement budgets. The disposals result in neither ordinary depreciation nor impairments.

With effect from 1 October 2011 we established an additional ophthalmological diagnosis and therapy centre with seven specialist practices. We expanded our existing medical care centres by a total of 3.0 specialist doctor's practices.

Patients

January through September	2011	2010	Change absolute	%
Inpatient and day-case treatments,				
acute hospitals	498,345	490,588	7,757	1.6
Rehabilitation hospitals and other facilities	8,402	7,485	917	12.3
	506,747	498,073	8,674	1.7
Outpatient attendances at our				
acute hospitals	791,765	771,408	20,357	2.6
MVZs	402,977	264,807	138,170	52.2
	1,194,742	1,036,215	158,527	15.3
Total	**1,701,489**	**1,534,288**	**167,201**	**10.9**

In the first nine months a total of 1,701,489 patients (up by 167,201 patients / 10.9%) were treated in the Group's hospitals and MVZs. Of this increase, outpatient treatments account for roughly 95%.

Growth in the inpatient area – as measured in terms of valuation ratios – was 2.8% in the first nine months of 2011.

Per-case revenues

January through September	2011	2010
Case revenue		
inpatient (€)	3,638	3,613
outpatient (€)	96	91

Compared with the first nine months of the previous year, average per-case revenue rose by € 25 or 0.7% in the inpatient area, of which the statutory price effect accounts for roughly 0.3 percentage points and the higher case severity for 0.4 percentage points.

In the outpatient area, average per-case revenues rose by € 5 or about 5.5%. Here, our expanded service portfolio boosted revenues in particular thanks to the integration of the acquired ophthalmological diagnosis and therapy centres with comparatively higher per-case revenues.

Employees

Employees	30 Sept. '11	31 Dec. '10	Change absolute	%
Hospitals	34,073	33,838	235	0.7
MVZs	757	535	222	41.5
Service companies	3,993	3,685	308	8.4
Total	**38,823**	**38,058**	**765**	**2.0**

On 30 September 2011, the Group employed 38,823 persons (31 December 2010: 38,058).

BUSINESS DEVELOPMENT

Taking into account various regulatory and economic factors, the overall performance achieved in the months from January to September of financial year 2011 was in line with expectations for the key ratios used for the management of the Group.

In the first nine months of financial year 2011, we raised service volumes within the Group hospital network. From these revenue contributions generated, we succeeded overall in curbing increases in personnel and material expenses and higher depreciation, as well as in keeping our margins stable compared with the same period last year.

Thanks to efficiency raising measures introduced throughout the Group in the area of management of materials and supplies, we achieved a reduction in expenditure which more than offset the price-induced rise in material costs.

Remuneration negotiations for financial year 2011 were concluded on 30 September 2011 for the vast majority of hospital sites. In respect of personnel costs, collective negotiations on in-house collective agreements are yet to be conducted for three hospitals in financial year 2011; these are not expected to result in any significant earnings effects.

Whenever statements on key ratios and margins in interim financial statements are considered, it has to be kept in mind that in hospitals revenues (for the financial year and for the respective periods under review during the year) can only be precisely attributed after conclusion of the budget negotiations. For this reason, quarterly and half-year financial statements may reveal some imprecisions in the estimates made.

Revenues and earnings

The trends as described in the following have been adjusted for the effects of the compensation payment made by Siemens AG for the discontinuation of the "Marburg Particle Therapy" development project.

January - September	2011	2010	Change	
	€m	€m	€m	%
income				
Revenues	1,958.3	1,903.4	54.9	2.9
Other operating income	136.2	126.0	10.2	8.1
Total	**2,094.5**	**2,029.4**	**65.1**	**3.2**
Expenditure				
Materials and consumables used	503.2	485.4	17.8	3.7
Employee benefits expense	1,161.1	1,138.1	23.0	2.0
Other expenditure	186.4	177.4	9.0	5.1
Total	**1,850.7**	**1,800.9**	**49.8**	**2.8**
EBITDA	**243.8**	**228.5**	**15.3**	**6.7**
Depreciation	90.8	80.6	10.2	12.7
EBIT	**153.0**	**147.9**	**5.1**	**3.4**
Financial result	19.4	17.4	2.0	11.5
EBT	**133.6**	**130.5**	**3.1**	**2.4**
Income taxes	13.3	23.3	-10.0	-42.9
Net consolidated profit	**120.3**	**107.2**	**13.1**	**12.2**

Compared with the same period last year, revenues grew by € 54.9 million or 2.9%. Organic growth accounts for € 41.1 million, or 2.2%, of this rise. In this regard it has to be noted that the revenues of the comparison period 2010 included a positive budget effect, not attributable to the period under review, of € 8.3 million.

The "Other income" item rose on the back of increases in revenue from ancillary and incidental activities as well as in income from government grants and allowances by € 10.2 million.

A one-off tax effect of € 9.0 million in the second quarter of 2011 resulted from the conclusion of profit-and-loss transfer agreements with four Group facilities; this improved the income tax rate for the period of January to September 2011. In addition, the Group's results of operations will see a moderate and sustained improvement by at least some € 2 million p.a. as a result of a moderate reduction in the tax rate.

After a result of € 38.0 million (previous year: € 34.3 million) for the first quarter of 2011 and of € 46.2 million (previous year: € 36.7 million) for the second quarter, we generated € 36.1 million (previous year: € 36.2 million) in the third quarter without one-off effects.

January - September	2011	2010
	%	%
EBITDA margin	12.4	12.0
EBIT margin	7.8	7.8
EBT margin	6.8	6.9
Return on revenue	6.1	5.6
Return on equity	10.5	10.0

We raised the EBITDA margin compared with the same period last year to 12.4% (previous year: 12.0%). We succeed in doing this by achieving efficiency gains consistently throughout the entire Group. Thanks to the commissioning of new hospital buildings at the end of 2010 as well as in 2011, depreciation rose by € 10.2 million. Against this background, the EBIT margin did not change compared with the same period last year, standing at 7.8% (previous year: 7.8%).

Compared with the same period last year, we recorded in the first nine months of financial year 2011 a rise in the negative financial result by € 2.0 million to € 19.4 million as a result of the rise in average net debt. This reduced the EBT margin slightly from 6.9% to 6.8%.

The one-off tax effect of € 9.0 million from the conclusion of profit-and-loss transfer agreements resulted in return on revenues rising disproportionately from 5.6% to 6.1%. Adjusted for this effect, return on revenues in the first nine months of financial year 2011 was 5.7%.

Without taking into account further acquisitions, we expect an overall positive performance of our key ratios in the further course of financial year 2011.

January - September	**2011 %**	**2010 %**
Cost of materials ratio	25.7	25.5
Personnel cost ratio	59.3	59.8
Other cost ratio	9.5	9.3
Depreciation and amortisation ratio	4.6	4.2
Financial result ratio	1.0	0.9
Tax rate	0.7	1.3

The disproportionate rise in depreciation by € 10.2 million or 12.7% to € 90.8 million and thus the rise in the depreciation/amortisation item from 4.2% to 4.6% is attributable, among other things, to the commissionings of our new and extension buildings in Erlenbach and Salzgitter (December 2010) and the completed construction measures in Marburg and Gießen (March and May 2011) as well as in Hildesheim (September 2011).

In the months from January to September, the material expenditure item rose compared with the same period last year by € 17.8 million or 3.7%, in turn resulting in a slightly disproportionate rise in the material expenditure ratio from 25.5% to 25.7%. Also in the third quarter, it was possible in some cases to more than compensate for sharp price rises through product standardisation and advice to users. The steadily rising services purchased from locum doctors, which only in some cases compensate original personnel expenditures, had an expenditure increasing effect. Adjusted for the effect of locum doctors, the material cost ratio declined from 24.2% by 0.1 percentage points to 24.1%. We expect to achieve a further reduction in this adjusted ratio in the fourth quarter.

The disproportionately moderate rise in personnel expenditures from € 23.0 million or 2.0% to € 1,161.1 million and the resulting decline in the personnel expense ratio from 59.8% to 59.3% reflect – with Group-wide wage effects of over 2% – efficiency gains and the shifting of medical services to locum doctors.

Compared with the same period last year, other expenditures in the period from January to September 2011 witnessed a disproportionate rise of € 9.0 million or 5.1% to reach € 186.4 million. Accordingly, the corresponding expenditure ratio increased from 9.3% to 9.5%. The main effect responsible for this trend was expenditure for repair and maintenance which rose by € 4.0 million to reach a total of € 67.4 million. The rise is attributable among other things to non-recognisable measures causally connected with various hospital construction projects.

As at 30 September 2011, net financing debt – including finance lease liabilities – was € 561.7 million (31 December 2010: € 551.5 million) and breaks down as follows:

	30 Sept.2011 €m	31 Dec.2010 €m
Cash	369.7	415.7
Current financial liabilities	77.2	69.5
Non-current financial liabilities	887.4	922.7
Finance lease liabilities	0.4	0.5
Financial liabilities	965.0	992.7
Subtotal	595.3	577.0
Negative market value of derivatives (current)	0.0	0.0
Negative market value of derivatives (non-current)	-33.6	-25.5
Net financial debt	**561.7**	**551.5**

Retroactive to 1 January 2011, RHÖN-KLINIKUM AG entered into profit-and-loss transfer agreements with tax effect with the hospitals in Leipzig, Meiningen, Karlsruhe and Kipfenberg. Firstly, non-recognised loss and interest carry-forwards that accrued at RHÖN-KLINIKUM AG up to the last reporting date were recognised at the rate of taxation, since the attribution of earnings contributions from tax consolidated groups now creates the basis for offsetting. This one-off effect had an impact of € 9.0 million in the first nine months of financial year 2011. Moreover, current tax losses of RHÖN-KLINIKUM AG in future can be used permanently for tax purposes, thus reducing the tax burden within the Group on a sustained basis by at least € 2.0 million each year. In the first nine months of financial year 2011 this effect had an earnings increasing impact of € 1.8 million. A contrary, expenditure-increasing effect in the amount of € 0.8 million essentially results from the rise in the tax assessment basis. Overall, the aforementioned effects resulted in the tax rate declining by 0.6 percentage points to 0.7%.

In the first nine months of financial year 2011 we raised net consolidated profit by € 13.1 million or 12.2% to € 120.3 million (previous year: € 107.2 million). This marked rise in financial year 2011 was helped by a one-off tax effect of € 9.0 million from the conclusion of profit-and-loss transfer agreements, whereas in the previous year only an effect from budget negotiations not attributable to the period under review of € 6.1 million was recognised. Without these two earnings effects, we achieved an increase in consolidated earnings adjusted for the aforementioned effects by € 10.2 million or 10.1%.

Minority interests in profit declined compared with the same period last year by € 0.7 million or 16.7% to € 3.5 million. This relates to the budget effect of financial year 2010, not attributable to the period under review, in which minority owners participated pro rata.

The interest of RHÖN-KLINIKUM AG shareholders in profit for the first nine months of 2011 rose by € 13.8 million or 13.4% to € 116.8 million compared with the same period last year. This corresponds to earnings per share of € 0.85 (previous year: € 0.75) in accordance with IAS 33.

In the first nine months of the current financial year, the sum of after-tax earnings and the value changes recognised at equity amounted to € 113.5 million (previous year: € 94.8 million). Whilst during the same period last year negative changes in the market values of our financial instruments of € 12.3 million were recognised directly at equity, such negative changes in market values to the tune of € 6.8 million (after tax) were likewise recognised directly at equity in the first nine months of 2011.

Asset and capital structure

	30 Sept.2011		31 Dec.2010	
	€m	%	€m	%
ASSETS				
Non-current assets	2,215.7	72.9	2,195.3	71.8
Current assets	823.0	27.1	862.9	28.2
	3,038.7	**100.0**	**3,058.2**	**100.0**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	1,560.7	51.4	1,495.2	48.9
Long-term loan capital	929.5	30.6	964.1	31.5
Short-term loan capital	548.5	18.0	598.9	19.6
	3,038.7	**100.0**	**3,058.2**	**100.0**

Amongst other things as a result of the scheduled realisation of our investment programmes, our assets increased by € 20.4 million or 0.9% since the last reporting date. We financed our equity-financed investments amounting to € 188.8 million fully from operating cash flow of € 211.0 million generated in the first nine months of the current financial year.

The equity capital ratio rose compared with the last reporting date from 48.9% to 51.4%.

The following table shows the change in equity as at the last reporting date:

Shareholders' equity	2011			2010
	Shareholders	Minorities	Total	Total
	€m	€m	€m	€m
As at 1 January	**1,458.9**	**36.3**	**1,495.2**	**1,422.9**
Equity capital transactions with owners	-51.1	3.1	-48.0	-67.7
Total result of the period	109.9	3.6	113.5	94.9
As at 30 September	**1,517.7**	**43.0**	**1,560.7**	**1,450.1**

As at 30 September 2011, equity stands at € 1,560.7 million (31 December 2010: € 1,495.2 million). The increase in equity capital compared with the reporting date of 31 December 2010 by € 65.5 million results from net consolidated profit for the first nine months of financial year 2011 (€ 120.3 million) as well as capital contributions from minorities (€ 5.2 million), on the one hand, and from dividends paid to shareholders and minority owners (€ 53.2 million) and negative changes in the market values of derivative financial instruments designated as interest-rate hedging instruments (€ 6.8 million), on the other.

112.4% (31 December 2010: 112.0%) of non-current assets is nominally covered by equity and non-current liabilities at fully matching maturities. Net financial debt rose since the last reporting date from € 551.5 million by € 10.2 million to € 561.7 million as at 30 September 2011.

Our key financial ratios developed as follows:

	30 Sept. 2011	31 Dec. 2010
Net financial liabilities in €m at reporting date (incl. finance lease liabilities)	561.7	551.5
EBITDA (€ m)	322.5 *	307.3 **
Net interest expenditure in €m (excluding mark-up / discount of financial instruments)	26.1 *	23.8 **
Net financial debt / EBITDA	1.7	1.8
EBITDA / net interest expenditure	12.4	12.9

*) Period from 1 October 2010 - 30 September 2011
**) Period from 1 January 2010 - 31 December 2010

Our internal financing strength has increased significantly. Compared with the same period last year, operating cash flow, calculated from net consolidated profit plus depreciation/ amortisation and other non-cash items, rose by € 22.3 million or 11.8% to reach € 211.0 million (previous year: € 188.7 million).

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

January through September	2011 €m	2010 €m
Cash generated from operating activities	158.5	150.4
Cash used in investing activities	-124.3	-203.0
Cash used/generated in financing activities	-93.2	15.5
Change in cash and cash equivalents	**-59.0**	**-37.1**
Cash and cash equivalents at 1 January	393.2	420.6
Cash and cash equivalents as at 30 September	**334.2**	**383.5**

The discontinuation or winding-up of the “Marburg Particle Therapy“ development project led to a disposal of plant under construction of € 62.8 million, in conjunction with a payment received in the same amount which reduced cash used in investment activities.

Investing activities

Aggregate investments of € 215.0 million (previous year: € 251.3 million) in the first nine months of financial year 2011 are shown in the following table:

	Use of		
	Gov’t grants €m	Own funds €m	Total €m
Current capital expenditur	26.2	169.0	195.2
Takeovers	0.0	19.8	19.8
Total	**26.2**	**188.8**	**215.0**

Of these investments made in the first nine months, € 26.2 million (previous year: € 27.1 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 IFRS.

An analysis of current investments financed from company funds by site is given below:

	€m
Gießen-Marburg	57.4
Hildesheim	26.6
Gifhorn	16.3
Munich	14.1
Pforzheim	9.4
Kipfenberg	5.4
Bad Neustadt	4.9
Köthen	4.1
Leipzig	3.5
Salzgitter	3.1
Wiesbaden	2.4
Frankfurt (Oder)	2.2
Other sites	19.6
Total	**169.0**

Under company purchase agreements entered into in previous years, we still have outstanding investment obligations of € 65.8 million until 2014.

Outlook

We are involved in several acquisition procedures for inpatient and outpatient facilities which cannot be reported on publicly at the current stage. With effect from 1 October 2011, we will integrate a further ophthalmological diagnosis and therapy centre in Mönchengladbach, thus achieving a further steady expansion within this business unit.

The originally expected future earnings from the particle therapy facility are not material in relation to the Group’s total output. For this reason we do not expect the project’s discontinuation to have any materially adverse impact on the future net assets, financial position and results of operations.

Talks are currently being held with the Federal State of Hesse on a further partnership in a specific treatment field.

For financial year 2011 we expect – under the currently known statutory framework conditions and without further acquisitions – revenues of € 2.65 billion, an operating EBITDA of € 340 million and a net consolidated profit of € 160 million, with the possibility of both earnings results fluctuating within a range of plus or minus 5%.

In the further course of financial year 2011 we will steadfastly seek efficiency gains from optimisation programmes at our individual hospital sites. We moreover expect to see rises in service volumes and revenues with profit contributions resulting in a sustainable rise in our consolidated earnings.

Bad Neustadt a. d. Saale, 27 October 2011

RHÖN-KLINIKUM AG

THE BOARD OF MANAGEMENT

Volker Feldkamp Dr. rer. pol. Erik Hamann Martin Menger

Wolfgang Pföhler Dr. rer. oec. Irmgard Stippler

CONSOLIDATED ABRIDGED INTERIM FINANCIAL STATEMENT

Consolidated Income Statement and Consolidated Statement of Comprehensive Income, January through September

January through September	2011		2010	
	€ '000	%	€ '000	%
Revenues	1,958,319	100.0	1,903,362	100.0
Other operating income	153,187	7.8	126,047	6.6
	2,111,506	**107.8**	**2,029,409**	**106.6**
Materials and consumables used	503,247	25.7	485,421	25.5
Employee benefits expense	1,161,122	59.3	1,138,084	59.8
Other expenses	186,391	9.5	177,434	9.3
	1,850,760	**94.5**	**1,800,939**	**94.6**
Interim result (EBITDA)	**260,746**	**13.3**	**228,470**	**12.0**
Depreciation/amortisation and impairment	107,759	5.5	80,560	4.2
Operating result (EBIT)	**152,987**	**7.8**	**147,910**	**7.8**
Finance expenses	25,767	1.3	22,670	1.2
Finance income	6,413	0.3	5,267	0.3
Financial result	**19,354**	**1.0**	**17,403**	**0.9**
Earnings before tax (EBT)	**133,633**	**6.8**	**130,507**	**6.9**
Income taxes	13,315	0.7	23,357	1.3
Net consolidated profit	**120,318**	**6.1**	**107,150**	**5.6**
of which				
minority interests	**3,548**	**0.2**	**4,163**	**0.2**
shareholders of RHÖN-KLINIKUM AG	**116,770**	**5.9**	**102,987**	**5.4**
Earnings per share in €				
undiluted	**0.85**		**0.75**	
diluted	**0.85**		**0.75**	

January through September	2011	2010
	€ '000	€ '000
Net consolidated profit	**120,318**	**107,150**
of which		
minority interests	3,548	4,163
shareholders of RHÖN-KLINIKUM AG	116,770	102,987
change in fair value of derivatives used for hedging purposes	-8,119	-14,652
Income taxes	1,285	2,319
Change in the amount recognised at equity (cash flow hedges)	**-6,834**	**-12,333**
Sum of value changes recognised at equity	**-6,834**	**-12,333**
of which		
minority interests	0	0
shareholders of RHÖN-KLINIKUM AG	-6,834	-12,333
Sum of earnings after tax and changes recognised at equity	**113,484**	**94,817**
of which		
minority interests	3,548	4,163
shareholders of RHÖN-KLINIKUM AG	109,936	90,654

Consolidated Income Statement and Consolidated Statement of Comprehensive Income, July through September

July through September	2011		2010	
	€ '000	%	€ '000	%
Revenues	660,020	100.0	640,446	100.0
Other operating income	63,139	9.6	42,647	6.6
	723,159	**109.6**	**683,093**	**106.6**
Materials and consumables used	170,095	25.8	163,239	25.5
Employee benefits expense	393,192	59.6	381,746	59.6
Other expenses	60,818	9.2	61,068	9.5
	624,105	**94.6**	**606,053**	**94.6**
Interim result				
(EBITDA)	**99,054**	**15.0**	**77,040**	**12.0**
Depreciation/amortisation and impairment	48,413	7.3	27,452	4.3
Operating result (EBIT)	**50,641**	**7.7**	**49,588**	**7.7**
Finance expenses	9,477	1.4	7,954	1.2
Finance income	2,172	0.3	1,891	0.3
Financial result	**7,305**	**1.1**	**6,063**	**0.9**
Earnings before tax (EBT)	**43,336**	**6.6**	**43,525**	**6.8**
Income taxes	7,246	1.1	7,349	1.1
Net consolidated profit	**36,090**	**5.5**	**36,176**	**5.7**
of which				
minority interests	**1,092**	**0.2**	**1,227**	**0.2**
shareholders of RHÖN-KLINIKUM AG	**34,998**	**5.3**	**34,949**	**5.5**
Earnings per share in €				
undiluted	**0.26**		**0.25**	
diluted	**0.26**		**0.25**	

July through September	2011	2010
	€ '000	€ '000
Net consolidated profit	**36,090**	**36,176**
of which		
minority interests	1,092	1,227
shareholders of RHÖN-KLINIKUM AG	34,998	34,949
change in fair value of derivatives used for hedging purposes	-12,044	-2,115
income taxes	1,906	335
Change in the amount recognised at equity capital (cash flow hedges)	**-10,138**	**-1,780**
Sum of value changes recognised at equity	**-10,138**	**-1,780**
of which		
minority interests	0	0
shareholders of RHÖN-KLINIKUM AG	-10,138	-1,780
Sum of earnings after tax and changes recognised at equity	**25,952**	**34,396**
of which		
minority interests	1,092	1,227
shareholders of RHÖN-KLINIKUM AG	24,860	33,169

Consolidated Balance Sheet at 30 September 2011

	30 September 2011		31 December 2010	
	€ '000	%	€ '000	%
A S S E T S				
Non-current assets				
Goodwill and other intangible assets	360,291	11.8	346,863	11.3
Property, plant and equipment	1,831,845	60.3	1,827,488	59.8
Investment property	4,708	0.1	4,873	0.2
Income tax receivables	11,495	0.4	13,616	0.4
Deferred tax assets	5,514	0.2	777	0.0
Other financial assets	1,908	0.1	1,724	0.1
	2,215,761	**72.9**	**2,195,341**	**71.8**
Current assets				
Inventories	46,046	1.5	47,941	1.6
Accounts receivable	357,424	11.8	331,417	10.8
Other financial assets	30,881	1.0	34,122	1.1
Other receivables	13,264	0.4	6,079	0.2
Current income taxes receivable	5,644	0.2	27,601	0.9
Cash and cash equivalents	369,708	12.2	415,743	13.6
	822,967	**27.1**	**862,903**	**28.2**
	3,038,728	**100.0**	**3,058,244**	**100.0**

	30 September 2011		31 December 2010	
	€ '000	%	€ '000	%
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Subscribed capital	345,580	11.4	345,580	11.3
Capital reserve	395,994	13.0	395,994	12.9
Other reserves	776,180	25.6	717,381	23.5
Treasury shares	-76	0.0	-76	0.0
Equity attributable to shareholders of RHÖN-KLINIKUM AG	1,517,678	50.0	1,458,879	47.7
Minority interests held by non-Group third parties	43,063	1.4	36,316	1.2
	1,560,741	**51.4**	**1,495,195**	**48.9**
Non-current liabilities				
Financial liabilities	887,432	29.2	922,682	30.2
Provisions for post-employment benefits	8,524	0.3	12,591	0.4
Other financial liabilities	33,566	1.1	28,829	0.9
	929,522	**30.6**	**964,102**	**31.5**
Current liabilities				
Financial liabilities	77,209	2.5	69,475	2.3
Accounts payable	117,631	3.8	151,509	5.0
Current income tax liabilities	7,836	0.3	8,790	0.3
Other provisions	22,953	0.8	22,373	0.7
Other financial liabilities	320,373	10.5	345,961	11.3
Other liabilities	2,463	0.1	839	0.0
	548,465	**18.0**	**598,947**	**19.6**
	3,038,728	**100.0**	**3,058,244**	**100.0**

Consolidated Changes in Equity

	Subcribed capital	Capital reserve	Other reserves [1)]	Treasury shares	Equity attributable to shareholders of RHÖN-KLINIKUM AG	Minority in-terests held by non-Group parties in equity [1)]	Shareholders' equity
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Balance at 31 Dec. '09/ 1 Jan. '10	**345,580**	**395,994**	**634,597**	**-76**	**1,376,095**	**46,844**	**1,422,939**
Equity capital transactions with owners							
Capital contributions	-	-	-	-	0	29	29
Purchase of interest after obtaining control	-	-	-10,198	-	-10,198	-13,846	-24,044
Dividend payments	-	-	-41,462	-	-41,462	-2,156	-43,618
Result for the period and changes recognised without effect in profit or loss of the period	-	-	90,654	-	90,654	4,163	94,817
As at 30 Sept. 2010	**345,580**	**395,994**	**673,591**	**-76**	**1,415,089**	**35,034**	**1,450,123**
Balance at 31 Dec. '10/ 1 Jan. '11	**345,580**	**395,994**	**717,381**	**-76**	**1,458,879**	**36,316**	**1,495,195**
Equity capital transactions with owners							
Capital contributions	-	-	-	-	0	5,174	5,174
Dividend payments	-	-	-51,137	-	-51,137	-1,975	-53,112
Result for the period and changes recognised without effect in profit or loss of the period	-	-	109,936	-	109,936	3,548	113,484
As at 30 Sept. 2011	**345,580**	**395,994**	**776,180**	**-76**	**1,517,678**	**43,063**	**1,560,741**

[1]Including other comprehensive income (OCI)

Consolidated Cash Flow Statement

January through September	2011 €m	2010 €m
Earnings before taxes	133.6	130.5
Financial result (net)	19.4	17.1
Impairment and gains/losses on disposal of assets	107.7	81.3
Non-cash valuations of financial derivatives	0.0	0.3
	260.7	**229.2**
Change in net current assets		
Change in inventories	1.9	1.3
Change in accounts receivable	-26.1	-31.6
Change in other receivables	-4.0	-1.3
Change in liabilities (excluding financial liabilities)	-47.1	-9.7
Change in provisions	-3.5	0.8
Income taxes paid	5.6	-23.5
Interest paid	-29.0	-14.8
Cash generated from operating activities	**158.5**	**150.4**
Investments in property, plant and equipment and in intangible assets	-179.5	-205.6
Disbursements for acquisitions, net of cash acquired	-14.7	-5.0
Sale proceeds from disposal of assets	63.5	2.3
Interest received	6.4	5.3
Cash used in investing activities	**-124.3**	**-203.0**
Payments on contracting of non-current financial liabilities	0.0	396.2
Repayment of financial liabilities	-45.4	-337.1
Dividend payments to shareholders of RHÖN-KLINIKUM AG	-51.1	-41.5
Dividends and contributions of minority owners	3.3	-2.1
Cash used/generated in financing activities	**-93.2**	**15.5**
Change in cash and cash equivalents	-59.0	-37.1
Cash and cash equivalents at 1 January	393.2	420.6
Cash and cash equivalents as at 30 September	**334.2**	**383.5**

Abridged Notes

GENERAL INFORMATION

RHÖN-KLINIKUM AG is steadily undergoing a development from hospital operator to healthcare provider. As in the past, the focus of all its activities continues to be on building, acquiring and operating hospitals of all categories, primarily in acute care. At some sites rehabilitation measures are also offered to round off the offerings in the area of acute inpatient care. Outpatient structures in the form of medical care centres (MVZs) as well as co-operation schemes with community-based practitioners are being continually expanded. We provide our services exclusively in Germany.

The Company is a stock corporation established under German law and has been listed on the stock market (MDAX®) since 1989. The registered office of the Company is in Bad Neustadt a. d. Saale, Salzburger Leite 1, Germany.

The Interim Consolidated Financial Statements will be published on 27 October 2011 on the homepage of RHÖN-KLINIKUM AG as well as with Deutsche Börse.

ACCOUNTING POLICIES

The Interim Consolidated Financial Statements of RHÖN-KLINIKUM AG as at 30 September 2011 have been prepared in accordance with the rules of IAS 34 in abridged form applying section 315a of the German Commercial Code (Handelsgesetzbuch – HGB) and in accordance with the rules, effective at the reporting date and recognised by the European Union, of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, as well as the interpretations of the International Financial Reporting Standard Interpretations Committee (IFRS IC). Furthermore, the provisions of the German accounting standard DRS 16 (interim financial reporting) were observed in the preparation of this Interim Report.

With the exception of the cases further described hereunder, the same accounting, valuation and calculation methods were applied as in the Consolidated Financial Statements for the financial year ending on 31 December 2010. The Interim Financial Statements of RHÖN-KLINIKUM AG as at 30 September 2011 for the first three quarters of 2011 must therefore be read and assessed in conjunction with the Consolidated Financial Statements of RHÖN-KLINIKUM AG for the year ending 31 December 2010.

<u>a) New accounting rules from financial year 2011</u>

<u>New standards and interpretations of practical relevance from financial year 2011</u>

The following revised standards which were already adopted by the European Union are of practical relevance from financial year 2011:

- Collective standard “Improvements to IFRSs” (May 2010)

In May 2010 the IASB published the third annual collective standard “Improvements to IFRSs” for making minor changes to IFRS. The objective of these changes is to clarify the content of the rules and to remove unintended inconsistencies between standards. A significant part of the changes is the subject of mandatory first-time adoption for financial years commencing on or after 1 January 2011.

- New version of IAS 24 “Related Party Disclosures”

On 4 November 2009 the IASB published a revised version of IAS 24 “Related Party Disclosures”. The revision of IAS 24 was in particular aimed at making the text of the Standard more comprehensive and clearer. With the revised version of IAS 24, provisions are clarified in areas in which the Standard hitherto had revealed inconsistencies or had been impaired in its practical application by imprecise wording. In the revised IAS 24 the significant provision of IAS 24.9 defining the term ‘related party’ was fundamentally revised. A further area of revision of IAS 24 is the introduction of a relief provision for companies under the joint management or material control of government (referred to as ‘government-related entities’).

<u>New standards and interpretations of no practical relevance from financial year 2011</u>

The following revised and newly published standards and interpretations which were already adopted by the European Union are of no practical relevance for RHÖN-KLINIKUM AG for 2011 as well as subsequent financial years:

- Revision of IAS 32 “Classification of Rights Issues”
- Revisions of IFRS 1 “Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters”
- Revisions of IFRIC 14 “Prepayments of a Minimum Funding Requirement”
- IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”

As far as can be seen at present, the following revised and newly published standards which have not yet been adopted by the European Union are of no practical relevance for 2011 as well as subsequent financial years:

- Revision of IAS 12 “Deferred Tax: Recovery of Underlying Assets”
- Revisions of IFRS 7 “Financial Instruments: Disclosures”
- Revisions of IFRS 1 “Severe Hyperinflation and Removal of Fixed Dates”

<u>b) New accounting rules from financial year 2013</u>

<u>New standards and interpretations of practical relevance from financial year 2013</u>

As far as can be seen at present, the following revised and newly published standards which have not yet been adopted by the European Union are of practical relevance from financial year 2013:

- IFRS 9 “Financial Instruments”

In November 2009, the IASB published the Standard IFRS 9 on the classification and measurement of financial assets. Under IFRS 9, the classification and measurement of financial assets is governed by a new, less complex approach. Under this new approach there are only two instead of four measurement categories for financial assets: measurement at fair value or measurement at amortised cost. In this regard, measurement at amortised cost requires the entity to hold the financial asset to collect the contractual cash flows and the financial asset to have contractual terms that give rise at specified dates to cash flows that exclusively represent payments of principal and interest on the principal outstanding. Financial instruments not satisfying these two conditions are to be measured at fair value. The classification is based on the company’s business model on the one hand, and on the characteristic properties of the contractual cash flows of the respective financial asset on the other. The Standard provides for retrospective application to all existing financial assets. The situation on the date of the Standard’s first-time adoption determines the classification according to the new rules.

In October 2010, the IASB expanded IFRS 9, “Financial Instruments”, to include rules on the recognition of financial liabilities and for derecognition of financial instruments. With the exception of the provisions for liabilities measured voluntarily at fair value (referred to as fair-value options), the rules were adopted without changes from IAS 39, Financial Instruments: Recognition and Measurement, into IFRS 9. IFRS 9 is to be applied to financial years commencing on or after 1 January 2015. Earlier adoption is permitted. RHÖN-KLINIKUM AG is currently reviewing the precise impact in terms of accounting policies.

- IFRS 10 “Consolidated Financial Statements”

In May 2011 the IASB, as part of a package of five new standards, published IFRS 10 “Consolidated Financial Statements”. It replaces the guidance contained in IAS 27 “Consolidated and Separate Financial Statements” and SIC-12 “Consolidation – special purpose entities” relating to control and consolidation. IFRS 10 changes the definition of control such that the same criteria now apply to all companies when determining a relationship of control. According to the changed definition, the prerequisites for control are power over the investee and variable returns from the involvement with the investee. Power over the investee means the possibility of currently directing the activities of the investee that have a material influence on variable returns. Such power is to be determined based on the current facts and circumstances and assessed on a continuous basis. A temporary relationship of control does not release a company from its consolidation duty. The application guidance of IFRS 10 provides examples which also show that control may also exist where fewer than 50% of voting rights are held. The principle of presenting the consolidated financial statement of the parent company and its subsidiaries as a single company as well as the consolidation methods remain unchanged. IFRS 10 is to be applied to financial years commencing on or after 1 January 2013. Early adoption is possible only in conjunction with the new provisions of IFRS 11 and IFRS 12 as well as the amendments to IAS 27 and IAS 28. No serious impacts on the accounting of companies are expected within the Group of RHÖN-KLINIKUM AG.

- IFRS 11 “Joint Arrangements”.

As a further part of the package of five new standards, IASB published IFRS 11 “Joint Arrangements” in May 2011. IFRS 11 defines a joint arrangement as an arrangement of which two or more parties have joint control over such arrangement by contract. Joint arrangements may be joint operations or joint ventures. In a joint operation, the parties to the joint arrangement have direct rights to the assets and liabilities of the arrangement. By contrast, in a joint venture the parties to the arrangement have rights to the net assets or results of the arrangement. Joint ventures are accounted for using the equity method in accordance with the amended version of IAS 28. Inclusion based on proportionate consolidation is no longer permitted. IFRS 11 is to be applied to financial years commencing on or after 1 January 2013. In this case, too, early adoption is possible only in conjunction with the new provisions of IFRS 10 and IFRS 12 as well as the amendments to IAS 27 and IAS 28. Since RHÖN-KLINIKUM AG already accounts for its joint ventures using the equity method, it is not affected by the amendment.

- IFRS 12 “Disclosures of Interests in Other Entities“

As the third of five new standards, IASB published IFRS 12 “Disclosures of Interests in Other Entities” in May 2011. It prescribes the required disclosures for entities accounting in accordance with the new standards IFRS 10 and IFRS 11. IFRS 12 replaces the disclosure duties contained in IAS 28. According to IFRS 12, entities must make disclosures enabling users of financial statements to assess the nature of as well as the risks and financial impacts associated with an entity’s interest in subsidiaries, joint arrangements and associates, and unconsolidated structured entities (special purpose entities). Disclosures are required in the following areas: material discretionary decisions and judgments to determine whether an entity controls, jointly controls, exercises a material influence over or has any other exposure to other entities, disclosures on interests in subsidiaries, interests in joint arrangements and associates, as well as interests in non-consolidated special purpose entities. IFRS 12 is to be applied to financial years commencing on or after 1 January 2013. Earlier adoption or earlier adoption in part is permitted regardless of the application of IFRS 10 and IFRS 11 and of the amendments to IAS 27 and IAS 28. RHÖN-KLINIKUM AG is currently reviewing the precise impact on the disclosures in the Notes. It is assumed that this will result in more extensive disclosures in the Notes.

- IFRS 13 “Fair Value Measurement”

In May 2011, the IASB published the Standard IFRS 13 “Fair Value Measurement”. IFRS 13 sets out how fair value measurement is to be performed and expands the disclosures on measurement at fair value provided that another standard prescribes its application. By definition, fair value is the price that independent market participants would receive upon sale of an asset (or would pay upon transfer of a liability) at arm's length terms at the valuation date. A liability's fair value thus represents the risk of default. IFRS 13 does not contain any statements regarding the matters to which fair value is to be applied and merely excludes from application IAS 17, IFRS 2 as well as other measurement variables which are similar but not identical to fair value. The well known 3-tier fair value hierarchy still has to be applied. Moreover, under IFRS 13 comprehensive disclosures in the Notes are required which are similar to the rules of IFRS 7 "Financial Instruments: Disclosures" but apply to all assets and liabilities. IFRS 13 is to be applied for the first time to financial years commencing on or after 1 January 2013. Comparison figures prior to the first-time application of IFRS 13 are not to be adjusted. Earlier adoption is permitted. RHÖN-KLINIKUM AG is currently reviewing the precise impact in terms of accounting policies. It is expected to result in more extensive disclosure duties.

- Revised version of IAS 27 "Separate Financial Statements"

In May 2011 the IASB, as part of a package of five new standards, published the revised version of IFRS 27 "Consolidated and Separate Financial Statements". It is renamed IAS 27 "Separate Financial Statements" and in future only contains provisions on separate financial statements. The existing provisions remain unchanged. The amendments to IAS 27 are to be applied for the first time to financial years commencing on or after 1 January 2013. Early adoption is possible only in conjunction with IFRS 10, IFRS 11, IFRS 12 as well as IAS 28. No serious impacts on the accounting of companies are expected within the Group of RHÖN-KLINIKUM AG.

- Revised version of IAS 28 "Investments in Associates and Joint Ventures"

As the last of five new standards, IASB published IFRS 28 "Investments in Associates" in May 2011. It is renamed IAS 28 "Investments in Associates and Joint Ventures". As before, IAS 28 describes the accounting of associates as well as use of the equity method for associates and jointly controlled entities. The amendments result from publication of IFRS 10, IFRS 11 and IFRS 12. The new IFRS 28 is to be applied for the first time to financial years commencing on or after 1 January 2013. Early adoption is possible only in conjunction with IFRS 10, IFRS 11, IFRS 12 as well as IAS 27. RHÖN-KLINIKUM AG is currently reviewing the precise impact in terms of accounting policies.

- Amendment to IAS 1 "Presentation of Items of Other Comprehensive Income"

In June 2011 the IASB published amendments to IAS 1 "Presentation of Financial Statements". This concerns the presentation of items stated in other income under the statement of comprehensive income. Accordingly, the items of other comprehensive income (OCI) are to be grouped together on the basis of whether or not in future they will be reclassified to the profit or loss section of the income statement (referred to as recycling). The amendment concerns only the presentation of the items in the comprehensive income statement, not the recognition, measurement of the items or requirements resulting from such recycling. The option of presenting the specific items before or after tax is maintained. Moreover, the term 'comprehensive income statement' was changed to 'income statement and other income'. The amended standard is to be applied to financial years commencing on or after 1 July 2012. Earlier adoption is permitted. It affects presentation in the financial statement but not the net assets, financial position and results of operations.

- Amendments to IAS 19 "Employee Benefits"

In June 2011 the IASB published amendments to IAS 19 "Employee Benefits". The most significant amendment to IAS 19 is that actuarial gains and losses are renamed as revaluations and are to be recognised immediately when they arise in other comprehensive income (OCI). The option between immediate recognition in profit or loss, in other comprehensive income (OCI) or according to the corridor approach is eliminated. In the event of plan amendments resulting in changes in the obligation to pay benefits attributable to work performed in past periods, a past service cost is created. It is recognised in the period in which the underlying plan amendment takes place and is no longer distributed. Benefits paid to employees which are still linked to the rendering of future work performance do not constitute termination benefits. IAS 19 requires more extensive disclosures in the Notes in connection with defined benefit plans, and in particular additional disclosures on the features and risks of the defined benefit plans. The amendments to IAS 19 are to be applied to financial years commencing on or after 1 January 2013. Earlier adoption is permitted. RHÖN-KLINIKUM AG is currently reviewing the precise impact in terms of accounting policies.

For further information on new Standards and interpretations and on revisions of existing Standards, we refer to our statements made in the 2010 Annual Report.

Income tax expenditure was defined on the basis of the tax rate that would be applied to earnings for the full year, i.e. the estimated average effective tax rate is applied to the pre-tax result of the interim reporting period.

SCOPE OF CONSOLIDATION

RHÖN-KLINIKUM AG holds an equity interest in 102 domestic entities, of which 95 are fully consolidated, as well as two companies accounted for using the equity method (of which one is a joint venture and the other an associated company). The other companies are recognised in the consolidated financial statements at the lower of cost or fair value.

Fully consolidated subsidiaries are all companies (including special-purpose entities) in which the Group exercises control over finance and business policy; this is normally accompanied by a share of more than 50.0% of the voting rights. When assessing whether the Group exercises control, the existence and impact of potential voting rights that are currently exercisable or convertible are considered.

Associated companies are those companies over which the Group has a substantial influence but over which it does not have control because the voting interest is between 20% and 50%. Investments in associated companies and jointly controlled entities (joint ventures) are accounted for using the equity method and upon their first-time consolidation are recognised at cost. Companies whose individual or overall impact on the net assets and results of operations is not material are included in the consolidated financial statement at the lower of cost or fair value. By notarised purchase agreement dated 13 September 2010, the medical care centre MVZ Augenärztliches Diagnostik- und Therapie-Centrum Düsseldorf GmbH (formerly: RK Klinik Betriebs GmbH Nr. 29) acquired ten ophthalmologist's practices and one anaesthesiology practice. Since the conditions of validity were met in accordance with agreement as at 1 January 2011, consolidation into the Group took place as at 1 January 2011. As part of the acquisition of the doctor's practices, costs of € 0.3 million were incurred which were reflected in expenditure of financial year 2010. The final purchase price allocation has the following impact on the Group's net assets in 2011:

MVZ Augenärztliches Diagnostik- und Therapie-Centrum Düsseldorf GmbH	**Carrying amount before acquisition €m**	**Adjustment amount €m**	**Fair value post acquisition €m**
Acquired assets and liabilities			
Property, plant and equipment	0.5		0.5
Net assets acquired			**0.5**
+ goodwill			11.7
Cost			**12.2**
- purchase price payments outstanding			0.0
- acquired cash and cash equivalents			0.0
Cash outflow on transaction			**12.2**

In the first nine months of financial year 2011, total of 13.5 doctor's practices close to hospitals and eight ophthalmological doctor's practices were acquired whose conditions of validity as per agreement were satisfied during the 2011 reporting period. Consolidation in the Group also took place in the first nine months of financial year 2011. As part of the acquisition of the doctor's practices, costs of € 0.1 million were incurred which were recognised in expenditure. The final purchase price allocation provides for the following effects on the Group's net assets in 2011:

Purchase of doctor's practices, Jan. - Sept. 2011	Carrying amount before acquisition €m	Adjustment amount €m	Fair value post acquisition €m
Acquired assets and liabilities			
Property, plant and equipment	2.3		2.3
Net assets acquired			**2.3**
+ goodwill			5.2
Cost			**7.5**
- purchase price payments outstanding			-5.1
- acquired cash and cash equivalents			0.0
Cash outflow on transaction			**2.4**

Moreover, two doctor's practices close to hospitals and eight ophthalmological doctor's practices were acquired in the first nine months of financial year 2011. Since the conditions of validity were met in accordance with agreement as at 1 October 2011, the doctor's practices will be transferred in the fourth quarter of 2011. Consolidation in the Group will also take place in the fourth quarter of 2011. No costs were incurred from the acquisition of the doctor's practices. The provisional purchase price allocation provides for the following effects on the Group's net assets in 2011:

Purchase of doctor's practices valid as at 1 October 2011	Carrying amount before acquisition €m	Adjustment amount €m	Fair value post acquisition €m
Acquired assets and liabilities			
Property, plant and equipment	0.6		0.6
Net assets acquired			**0.6**
+ goodwill			6.4
Cost			**7.0**
- purchase price payments outstanding			-7.0
- acquired cash and cash equivalents			0.0
Cash outflow on transaction			**0.0**

OPERATING SEGMENTS

Our hospitals are operated as legally independent subsidiaries which carry on their business activities in their respective regional markets in line with the guidelines and specifications of the parent company. There are no dependent hospital operations or branches within RHÖN-KLINIKUM AG.

According to IFRS 8 "Operating Segments", segment information is to be presented in accordance with the internal reporting to the chief operating decision maker (management approach).

The chief operating decision maker of RHÖN-KLINIKUM AG is the Board of Management as a whole which makes the strategic decisions for the Group and which is reported to based on the figures of the individual hospitals and subsidiaries. Accordingly, RHÖN-KLINIKUM AG with its acute hospitals and other facilities continues to have only one reportable segment since the other units such as rehabilitation facilities, medical care centres (MVZs) and service companies, whether on a stand-alone basis or in the aggregate, do not exceed the quantitative thresholds of IFRS 8.

SELECTED EXPLANATIONS REGARDING CONSOLIDATED INTERIM INCOME STATEMENT

Revenues

January through September	2011 €m	2010 €m
Fields		
Acute hospitals	1,894.6	1,855.1
Medical care centres	28.4	15.9
Rehabilitation hospitals	35.3	32.4
	1,958.3	**1,903.4**
Federal states		
Bavaria	381.0	377.5
Saxony	278.3	257.5
Thuringia	230.7	239.7
Baden-Wuerttemberg	94.6	93.4
Brandenburg	87.9	84.3
Hesse	434.9	415.9
Mecklenburg-West Pomerania	4.6	4.6
Lower Saxony	308.2	300.7
North Rhine-Westphalia	47.6	38.5
Saxony-Anhalt	90.5	91.3
	1,958.3	**1,903.4**

According to IAS 18, revenues constitute revenues generated from the provision of services and rose compared with the same period last year by € 54.9 million or 2.9% to reach € 1,958.3 million. Organic growth accounts for € 41.1 million, or 2.2%, of this rise. It has to be noted that the revenues of the same period last year included a budget effect, not attributable to the period under review, of € 8.3 million.

Other operating income

January through September	2011 €m	2010 €m
Income from services rendered	108.9	100.7
Income from grants and other allowances	12.6	9.9
Income from adjustment of receivables	1.4	2.3
Income from indemnification payments / other reimbursements	18.3	1.8
Other	12.0	11.3
	153.2	**126.0**

Income from services rendered includes income from ancillary and incidental activities as well as income from rental and lease agreements. The Group received grants and other allowances as compensation for certain purpose-tied expenditures in connection with publicly financed measures (e.g. costs of personnel and materials for research and teaching, benefits under German legislation governing part-time employment for senior workers, and for other subsidised measures).

In the third quarter of 2011, RHÖN-KLINIKUM AG and Siemens AG reached an agreement whereby RHÖN-KLINIKUM AG will be compensated for the financial disadvantages of the "Marburg Particle Therapy" development project being discontinued. At RHÖN-KLINIKUM AG the discontinuation of the project resulted in impairments of € 17.0 million in the third quarter of 2011, which were offset by compensation payments by Siemens AG in the same amount. The compensation payments resulted in a rise in income from indemnities received / other reimbursements.

The remaining rise in the "Other income" item compared with the same period last year by € 10.2 million or 8.1% is essentially attributable to the € 8.2 million increase in income from services (in particular reimbursements for training, research and teaching) as well as € 2.7 million higher income from government grants and other allowances, which compare with corresponding expenditures for maintenance.

Other expenditures

January through September	2011 €m	2010 €m
Maintenance	67.4	63.4
Charges, subscriptions and consulting fees	42.8	41.8
Administrative and IT costs	15.8	15.0
Impairment on receivables	5.1	4.4
Insurance	9.3	8.3
Rents and leaseholds	10.6	10.6
Travelling, entertaining and representation expenses	5.7	5.1
Other personnel and continuing training costs	9.9	8.5
Losses on disposal of non-current assets	0.2	0.9
Secondary taxes	0.9	0.8
Other	18.7	18.6
	186.4	**177.4**

Compared with the same period last year, the "Other expenditures" item witnessed a disproportionate rise of € 9.0 million or 5.1% to reach € 186.4 million.

This was chiefly caused by the € 4.0 million rise in expenditures for maintenance and repairs. The rise is attributable among other things to non-recognisable measures causally connected with various hospital construction projects. Moreover, other personnel and further-training expenditures in the area of continuous, further and higher-qualification training and individual advancement of staff increased by € 1.4 million.

Depreciation/amortisation and impairment

Compared with the same period last year, the "Depreciation/amortisation" item witnessed a rise of € 27.2 million to € 107.8 million. The rise includes the impairments arising as part of the discontinuation of the "Marburg Particle Therapy" development project in the amount of € 17.0 million which resulted in a rise in "Other income" in the same amount.

Financial result

The financial result includes the share of losses of companies accounted for at-equity in the amount of approximately € 268,000 (previous year: approximately € 6,000).

Income taxes

January through September	2011 €m	2010 €m
Current income tax	16.8	20.1
Deferred taxes	-3.5	3.2
	13.3	**23.3**

The tax expense item declined by € 10.0 million to € 13.3 million compared with the previous year. In this context, a tax-reducing effect was produced by the one-off effect from the conclusion of profit-and-loss transfer agreements of € 9.0 million as well as the ongoing effect from the conclusion of profit-and-loss transfer agreements in the first nine months of 2011 amounting to € 1.8 million. A contrary, tax-increasing effect in the amount of € 0.8 million essentially results from the rise in the assessment basis.

At present, tax carry-forwards are only recognised Group-wide to the extent that their assertion within 5 years is considered to be probable.

SELECTED EXPLANATIONS REGARDING CONSOLIDATED INTERIM BALANCE SHEET

Goodwill and other intangible assets

	Goodwill €m	Other intangible assets €m	Total €m
Cost			
1 January 2011	**323.1**	**54.8**	**377.9**
Additions due to changes in scope of	16.9	0.0	16.9
Additions	0.0	2.2	2.2
Disposals	0.0	0.8	0.8
Transfers	0.0	0.4	0.4
30 September 2011	**340.0**	**56.6**	**396.6**
Cumulative depreciation and impairment			
1 January 2011	**0.0**	**31.0**	**31.0**
Depreciation	0.0	6.1	6.1
Disposals	0.0	0.8	0.8
30 September 2011	**0.0**	**36.3**	**36.3**
Balance sheet value at 30 Sept. 2011	**340.0**	**20.3**	**360.3**

	Goodwill €m	Other intangible assets €m	Total €m
Cost			
1 January 2010	**323.2**	**43.1**	**366.3**
Additions	0.0	6.4	6.4
Disposals	0.0	0.1	0.1
Transfers	0.0	0.1	0.1
30 September 2010	**323.2**	**49.5**	**372.7**
Cumulative depreciation and impairment			
1 January 2010	**0.0**	**24.6**	**24.6**
Depreciation	0.0	5.1	5.1
Disposals	0.0	0.1	0.1
30 September 2010	**0.0**	**29.6**	**29.6**
Balance sheet value at 30 Sept. 2010	**323.2**	**19.9**	**343.1**

Property, plant & equipment

	Land and buildings €m	Technical plant and equipment €m	Operating and business equipment €m	Plant under construction €m	Total €m
Cost					
1 January 2011	**1,504.6**	**69.9**	**491.5**	**490.8**	**2,556.8**
Additions due to changes in scope of consolidation	0.1	0.0	2.8	0.0	2.9
Additions	29.1	3.2	39.8	94.7	166.8
Disposals	0.1	1.1	7.2	63.0	71.4
Transfers	260.3	9.4	15.6	-285.7	-0.4
30 September 2011	**1,794.0**	**81.4**	**542.5**	**236.8**	**2,654.7**
Cumulative depreciation and impairment					
1 January 2011	**403.5**	**42.6**	**283.2**	**0.0**	**729.3**
Depreciation	51.7	3.8	46.0	0.0	101.5
Disposals	0.1	1.1	6.7	0.0	7.9
30 September 2011	**455.1**	**45.3**	**322.5**	**0.0**	**822.9**
Balance sheet value at 30 Sept. 2011	**1,338.9**	**36.1**	**220.0**	**236.8**	**1,831.8**

	Land and buildings €m	Technical plant and equipment €m	Operating and business equipment €m	Plant under construction €m	Total €m
Cost					
1 January 2010	**1,428.7**	**66.4**	**458.4**	**298.7**	**2,252.2**
Additions due to changes in scope of consolidation	4.9	0.0	0.3	0.0	5.2
Additions	14.0	0.8	27.7	170.0	212.5
Disposals	2.2	0.1	3.8	0.5	6.6
Transfers	18.3	1.9	2.8	-23.1	-0.1
30 September 2010	**1,463.7**	**69.0**	**485.4**	**445.1**	**2,463.2**
Cumulative depreciation and impairment					
1 January 2010	**363.3**	**39.1**	**249.9**	**0.0**	**652.3**
Depreciation	31.1	3.1	41.0	0.0	75.2
Disposals	0.0	0.1	3.3	0.0	3.4
Transfers	0.0	0.0	0.0	0.0	0.0
30 September 2010	**394.4**	**42.1**	**287.6**	**0.0**	**724.1**
Balance sheet value at 30 Sept. 2010	**1,069.3**	**26.9**	**197.8**	**445.1**	**1,739.1**

Interests in companies accounted for at equity at approximately € 17,000 (31 December 2010: approximately € 62,000) are reported under the Other financial assets (non-current) on the grounds of materiality. The discontinuation or winding-up of the “Marburg Particle Therapy“ development project led to a disposal of plant under construction of € 62.8 million, in conjunction with a payment received in the same amount.

Shareholders' equity

Compared with the balance sheet date of 31 December 2010, the increase in equity capital by € 65.5 million to € 1,560.7 million stems from net consolidated profit (€ 120.3 million), from capital contributions by minority interests (€ 5.2 million), which compare with dividends paid to shareholders and minority owners amounting to € 53.2 million as well as the negative changes in the market values of financial derivatives designated as interest-rate hedging instruments amounting to € 6.8 million.

Under the minority interests held by non-Group third parties in equity capital amounting to € 43.1 million (31 December 2010: € 36.3 million), non-controlling interests in the net consolidated profit within the meaning of IAS 1.83 are stated.

Financial debt and financial derivatives

The draw-down of the syndicated line of credit that has existed since 2006 with a volume of € 400 million was reduced from € 205.0 million on 31 December 2010 to € 165.0 million on 30 September 2011.

The revolving line of credit with a volume of € 150 million existing since 2010 is not utilised as at 30 September 2011.

On 18 February 2010 the rating agency Moody's upgraded the institutional ranking of RHÖN-KLINIKUM AG to the category Baa2 (stable outlook). In a Credit Opinion from 18 February 2011, this rating (Baa2 – stable outlook) was confirmed by Moody's.

An interest rate swap that hedged a term loan with a volume of latterly € 0.5 million against the risk of changes in interest rates expired on 15 March 2011. This interest hedging transaction was stated together with the loan as a hedging relationship. The loan was paid down completely on 15 March 2011.

In the first nine months of the financial year, no new interest-rate hedges were concluded. The hedge relationships designated as at 31 December 2010 between variable interest-rate loans and interest-rate derivatives have also existed since 30 September 2011.

As at 30 September 2011 a total of € 28.2 million was allocated from hedge relationships to the re-valuation reserve. In the first nine months of financial year 2011, changes in the valuation of further non-hedged derivatives in the amount of approximately € 18,000 were recognised with earnings increasing effect in the financial result.

OTHER DISCLOSURES

Interests held in the Company

The shareholders specified below have notified the Company pursuant to section 21 et seq. of the WpHG that a voting interest of over 3% in the Company is held by them directly or attributed to them. The notified voting interests or numbers of shares may have changed since the relevant date of the notification and/or the relevant date on which the threshold was exceeded. The shareholders may have purchased or sold shares or the aggregate number of shares of the Company may have changed by the issuance of new shares. The notified voting interests and/or interest in the registered share capital were determined by the notifying entitles on the basis of the existing, and if applicable deviating aggregate number of shares at the time of the notification of voting rights. There are therefore overlaps between the shareholdings of the individual shareholders the precise extent of which, however, cannot be evaluated by RHÖN-KLINIKUM AG.

		Voting share on date of threshold being exceeded/fallen short of*				
Notifying entity	Published on	**Held directly %**	**Attri-buted %**	**Voting rights held %**	**Date of exceeding/falling short of the threshold**	**Threshold exceeded/fallen short of by**
Alecta pensionsförsäkring ömesesidigt, Stockholm/Sweden	17 July 2009	9.94		**9.94**	15 July 2009	< 10%
Eugen Münch, Germany**	15 Feb. 2007	9.74		**9.74**	26 Sept. 2005	< 10%
Ingeborg Münch, Germany**	15 Feb. 2007	6.42		**6.42**	17 April 2002	> 5%
Franklin Mutual Advisers, LLC, Short Hills/USA	9 Feb. 2007		5.07	**5.07**	12 July 2006	> 5%
Franklin Mutual Series Funds, Short Hills/USA	6 Oct. 2011	4.997			29 Sept. 2011	< 5%
BlackRock, Inc., New York/USA	26 Aug. 2011		3.08	**3.08**	24 Aug. 2011	> 3%
BlackRock Holdco 2, Inc., Wilmington, Delaware / USA	26 Aug. 2011		3.08		24 Aug. 2011	> 3%
BlackRock Financial Management, Inc., New York/USA	26 Aug. 2011		3.08		24 Aug. 2011	> 3%
Sun Life Financial Inc., Toronto/Canada	2 July 2010		3.07	**3.07**	29 June 2010	> 3%
Sun Life Global Investors Inc., Toronto/Canada	2 July 2010		3.07		29 June 2010	> 3%
Sun Life Assurance Company of Canada - U.S. Operations Holding, Inc., Wellesleya Hills/USA	2 July 2010		3.07		29 June 2010	> 3%
Sun Life Financial (U.S.) Holdings, Inc, Wellesley Hills/USA	2 July 2010		3.07		29 June 2010	> 3%
Sun Life Financial (U.S.) Investments LLC, Wellesley Hills/USA	2 July 2010		3.07		29 June 2010	> 3%
Sun Life of Canada (U.S.) Financial Services Holdings, Inc., Boston/USA	2 July 2010		3.07		29 June 2010	> 3%
Massachusetts Financial Services Company (MFS), Boston/USA	2 July 2010	3.07			29 June 2010	> 3%
Templeton Investment Counsel, LLC, Wilmington, Delaware, USA	4 April 2011		3.05	**3.05**	29 March 2011	> 3%

* The capital increase of 6 August 2009 is not reflected in interests exceeding/falling below the threshold before the key date of 6 August 2009.
** By reason of the capital increase of 6 August 2009, the Company was informed that the voting interest of the Münch family at this time totals 12.45% without exceeding/falling below a notification threshold.

As at 30 September 2011, the Company holds 24,000 treasury shares. This corresponds to 0.017% of the voting rights.

Corporate Bodies and Advisory Board

After reaching the age limit, Dr. Rudolf Schwab left the Supervisory Board upon expiry of 30 April 2011. Mr. Helmut Bühner succeeded him to the Supervisory Board with effect from 1 May 2011. In all other respects, the composition of the Supervisory Board remained unchanged. Regarding the composition of the Supervisory Board as well as its allocation of duties and responsibilities, please refer to the Annual Report for the last reporting date.

Ms. Andrea Aulkemeyer and Mr. Gerald Meder as of 31 December 2010, Dr. med. Christoph Straub as of 30 June 2011, as well as Mr. Wolfgang Kunz as of 30 September 2011 left the Board of Management of RHÖN-KLINIKUM AG. With effect from 1 January 2011, Mr. Martin Menger was appointed as a further member to the Board of Management of RHÖN-KLINIKUM AG.

The allocation of responsibilities within the Board of Management was adjusted accordingly.

With effect from 1 January 2011, Mr. Wolf-Peter Hentschel and with effect from 17 June 2011 Mr. Franz Widera left the Advisory Board. With effect from 17 June 2011, Mr. Sepp-Rainer Speidel was appointed to the Advisory Board.

Related parties

RHÖN-KLINIKUM Group companies, in given instances, enter into transactions with related parties, as further described in the Notes to the Consolidated Financial Statements as at 31 December 2010. The transactions conducted with related parties primarily result from service or lease relations arranged at arm's length terms. In the view of the RHÖN-KLINIKUM Group, these transactions are not of material significance.

No material transactions with related parties which are unusual in terms of their nature or amount have taken place.

The companies belonging to the group of related parties and the business transacted with these companies are unchanged in terms of the nature of the performance relationship and the amount of the pro rata temporis business volume compared with the Consolidated Financial Statements as at 31 December 2010. The same applies for the financial receivables and/or liabilities that existed with related parties.

Staff members of RHÖN-KLINIKUM AG or its subsidiaries who act as labour representatives on the Supervisory Board received the amount of remuneration as defined by their employment contracts.

Total remuneration of Supervisory Board, the Board of Management and the Advisory Board

The contractual remuneration for the members of the Supervisory Board, the Board of Management and the Advisory Board, with the exception of the new member appointed to the Supervisory Board with effect from 1 May 2011 and with the exception of the member having left the Supervisory Board on expiry of 30 April 2011, as well as with the exception of the new member appointed to the Board of Management as well as the members having left the Board of Management as at 31 December 2010 and the member having left the Board of Management as at 30 June 2011, has remained unchanged since the last reporting date. The total remuneration of the new member of the Board of Management, based on the assumption of net consolidated profit of € 160 million being generated by the end of financial year 2011, amounts to roughly € 0.6 million p. a..

No loans were granted to members of the Supervisory Board, the Board of Management or the Advisory Board.

During the reporting period, RHÖN-KLINIKUM AG was notified of transactions pursuant to section 15a of the Securities Trading Act (Wertpapierhandelsgesetz – WpHG) of members of the Board of Management or of the Supervisory Board (directors' dealings). These concern the purchase by Mr. Detlef Klimpe, a member of the Supervisory Board, of 980 ordinary shares on 16 May 2011 at a price of € 16.85 for a total volume of € 16,513.00.

Employees

At the reporting date of 30 September 2011 the Group employed a total of 38,823 persons (31 December 2010: 38,058 persons). This increase by 765 versus the reporting date of 31 December 2010 is the result of 308 persons added as a result of staffing increases at our service companies, 235 persons added as a result of staffing increases at our hospitals, as well as 222 persons added as a result of staffing increases at our MVZ companies.

Other financial obligations

The investment obligations resulting from company purchase agreements declined as a result of the investments made by the reporting date to € 65.8 million (31 December 2010: € 99.1 million).

Contingent liabilities

The aggregate amount of contingent liabilities has not changed significantly since the last reporting date.

Earnings per share

Earnings per share in accordance with IAS 33 is calculated using the share of net consolidated profit attributable to the shareholders of RHÖN-KLINIKUM AG and the weighted average number of shares in issue during the year. Diluted earnings per share correspond to basic earnings per share, as there were no stock options or convertible debentures outstanding on the reporting date.

The following table sets out the development in the shares in issue:

	No. of shares on 30 Sept. 2011	No. of shares on 30 Sept. 2010
Non-par shares	138,232,000	138,232,000
Treasury non-par shares	-24,000	-24,000
Shares in issue	**138,208,000**	**138,208,000**

Earnings per share are calculated as follows:

Non-par shares	30 Sept. 2011	30 Sept. 2010
Share in net consolidated profit (€ '000)	116,770	102,987
Weighted average number of shares in issue in '000 units	138,208	138,208
Earnings per share in €	0.85	0.75

Cash Flow Statement

Pursuant to IAS 7, the cash flow statement is broken down into the areas of operating activities, investment activities and financing activities, with cash flows from operating activities being calculated using the indirect method. Financing funds include cash and cash equivalents less bank overdrafts amounting to € 35.5 million (30 September 2010: € 20.3 million). In the cash flow statement, a figure of € 25.4 million (30 September 2010: € 28.6 million) for non-cash additions to assets as well as gains from financial derivatives in the amount of € 0.0 million (30 September 2010: losses of € 0.3 million) were eliminated.

Bad Neustadt a. d. Saale, 27 October 2011

RHÖN-KLINIKUM AG

THE BOARD OF MANAGEMENT

Volker Feldkamp Dr. rer. pol. Erik Hamann Martin Menger

Wolfgang Pföhler Dr. rer. oec. Irmgard Stippler

KEY RATIOS

KEY RATIOS JANUARY TO SEPTEMBER 2011 / JANUARY TO SEPTEMBER 2010

Data in € m	Jan. - Sept. 2011	Jan. - Sept. 2010	Change in %
Revenues	1,958.3	1,903.4	2.9
Materials and consumables used	503.2	485.4	3.7
Employee benefits expense	1,161.1	1,138.1	2.0
Depreciation/amortisation and impairment	107.8	80.6	33.7
Net consolidated profit according to IFRS	120.3	107.2	12.2
Earnings share of RHÖN-KLINIKUM AG shareholders	116.8	103.0	13.4
Earnings share of minority interests	3.5	4.2	-16.7
Return on revenue (%)	6.1	5.6	8.9
EBT	133.6	130.5	2.4
EBIT	153.0	147.9	3.4
EBIT - ratio (%)	7.8	7.8	0.0
EBITDA	260.8	228.5	14.1
EBITDA ratio (%)	13.3	12.0	10.8
Operating cash flow	211.0	188.7	11.8
Property, plant and equipment as well as investment property	1,836.6	1,744.0	5.3
Non-current income tax claims	11.5	15.3	-24.8
Equity according to IFRS	1,560.7	1,450.1	7.6
Return on equity, %	10.5	10.0	5.0
Balance sheet total according to IFRS	3,038.7	2,965.6	2.5
Investments			
in property, plant and equipment, intangible assets as well as in investment property	188.8	224.1	-15.8
in other assets	0.1	0.1	0.0
Earnings per ordinary share (€)	0.85	0.75	13.3
Number of employees (headcount)	38,823	37,688	3.0
Case numbers (patients treated)	1,701,489	1,534,288	10.9
Beds and places	15,960	15,900	0.4

KEY RATIOS JULY TO SEPTEMBER 2011 / JULY TO SEPTEMBER 2010

Data in € m	July - Sept. 2011	July - Sept. 2010	Change in %
Revenues	660.0	640.4	3.1
Materials and consumables used	170.0	163.2	4.2
Employee benefits expense	393.2	381.7	3.0
Depreciation/amortisation and impairment	48.5	27.5	76.4
Net consolidated profit according to IFRS	36.1	36.2	-0.2
Earnings share of RHÖN-KLINIKUM AG shareholders	35.0	34.9	0.3
Earnings share of minority interests	1.1	1.2	-8.3
Return on revenue (%)	5.5	5.7	-3.5
EBT	43.3	43.5	-0.5
EBIT	50.7	49.6	2.2
EBIT - ratio (%)	7.7	7.7	0.0
EBITDA	99.1	77.0	28.7
EBITDA ratio (%)	15.0	12.0	25.0
Operating cash flow	67.6	64.4	5.0
Property, plant and equipment as well as investment property	1,836.6	1,744.0	5.3
Non-current income tax claims	11.5	15.3	-24.8
Equity according to IFRS	1,560.7	1,450.1	7.6
Return on equity, %	9.3	10.1	-7.9
Balance sheet total according to IFRS	3,038.7	2,965.6	2.5
Investments			
in property, plant and equipment as well as in intangible assets and in investment property	61.5	79.4	-22.5
in other assets	0.1	0.1	0.0
Earnings per ordinary share (€)	0.26	0.25	4.0
Number of employees (headcount)	38,823	37,688	3.0
Case numbers (patients treated)	553,596	510,443	8.5
Beds and places	15,960	15,900	0.4

KEY RATIOS FOR THE INDIVIDUAL QUARTERS OF 2011

Data in € m	July - Sept. 2011	April - June 2011	Jan. – Mar. 2011
Revenues	660.0	651.1	647.2
Materials and consumables used	170.0	165.6	167.6
Employee benefits expense	393.2	386.0	381.9
Depreciation/amortisation and impairment	48.5	31.1	28.2
Net consolidated profit according to IFRS	36.1	46.2	38.0
Earnings share of RHÖN-KLINIKUM AG shareholders	35.0	45.2	36.6
Earnings share of minority interests	1.1	1.0	1.4
Return on revenue (%)	5.5	7.1	5.9
EBT	43.3	44.4	45.9
EBIT	50.7	51.7	50.6
EBIT - ratio (%)	7.7	7.9	7.8
EBITDA	99.1	82.9	78.8
EBITDA ratio (%)	15.0	12.7	12.2
Operating cash flow	67.6	77.3	66.1
Property, plant and equipment as well as investment property	1,836.6	1,889.4	1,845.5
Non-current income tax claims	11.5	13.9	13.6
Equity according to IFRS	1,560.7	1,536.6	1,544.8
Return on equity, %	9.3	12.0	10.0
Balance sheet total according to IFRS	3,038.7	3,075.4	3,085.1
Investments			
in property, plant and equipment as well as in intangible assets and in investment property	61.5	74.8	52.5
in other assets	0.1	0.0	0.0
Earnings per ordinary share (€)	0.26	0.32	0.27
Number of employees (headcount)	38,323	38,298	38,174
Case numbers (patients treated)	553,596	568,261	579,632
Beds and places	15,960	15,978	15,972

FINANCIAL CALENDAR

DATES FOR SHAREHOLDERS AND ANALYSTS

2011

27 October 2011	Publication of Interim Report for the quarter ending 30 September 2011

2012

9 February 2012	Preliminary results for financial year 2011
26 April 2012	Results Press Conference: Publication of 2011 Annual Financial Report
26 April 2012	Publication of Interim Report for the quarter ending 31 March 2012
13 June 2012	Annual General Meeting (at the Jahrhunderthalle Frankfurt)
9 August 2012	Publication of Half-Year Financial Report as at 30 June 2012
8 November 2012	Publication of Interim Report for the quarter ending 30 September 2012

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This Interim Report is also available in German.