RHÖN-KLINIKUM AG

Half-Year Financial Report

2008

Key ratios January through June 2008 / January through June 2007

All data in € `000	Jan. - June 2008	Jan. - June 2007	Change in %
Revenues	1,050,178	1,006,967	4.3
Materials and consumables used	261,088	247,108	5.7
Employee benefits expense	635,735	600,425	5.9
Depreciation/amortisation and impairment	42,343	44,139	-4.1
Net consolidated profit according to IFRS	61,931	52,613	17.7
Earnings share of RHÖN-KLINIKUM shareholders	59,275	50,221	18.0
Earnings share of minority owners	2,656	2,392	11.0
Return on revenue (%)	5.9	5.2	13.5
EBT	74,859	73,431	1.9
EBIT	86,230	80,809	6.7
EBIT-ratio (in %)	8.2	8.1	1.2
EBITDA	128,573	124,948	3.0
EBITDA-ratio (in %)	12.2	12.5	-2.4
Operating cash flow	104,060	96,752	7.6
Property, plant and equipment as well as investment property	1,275,828	1,155,520	10.4
Income tax claims (long-term)	20,902	19,455	7.4
Equity capital according to IFRS	845,122	751,856	12.4
Return on equity (in %)	15.0	14.2	5.6
Balance sheet total according to IFRS	2,076,752	2,027,329	2.4
Investments			
in property, plant and equipment as well as in investment property	109,733	74,307	47.7
in other assets	126	348	-63.8
Earnings per ordinary share (in €)	0.57	0.48	18.8
Number of empoyees (at 30 June)	32,385	31,844	1.7
Case numbers (patients treated)	833,375	782,718	6.5
Beds and places	14,584	14,861	-1.9

Key ratios April through June 2008 / April through June 2007

All data in € `000	April - June 2008	April - June 2007	Change in %
Revenues	529,437	504,955	4.8
Materials and consumables used	134,017	120,235	11.5
Employee benefits expense	320,648	305,515	5.0
Depreciation/amortisation and impairment	21,870	23,420	-6.6
Net consolidated profit according to IFRS	32,368	27,410	18.1
Earnings share of RHÖN-KLINIKUM shareholders	31,062	26,243	18.4
Earnings share of minority owners	1,306	1,167	11.9
Return on revenue (%)	6.1	5.4	13.0
EBT	39,463	38,443	2.7
EBIT	42,501	40,390	5.2
EBIT-ratio (in %)	8.0	8.0	0.0
EBITDA	64,371	63,810	0.9
EBITDA-ratio (in %)	12.1	12.6	-4.0
Operating cash flow	52,102	47,337	10.1
Property, plant and equipment as well as investment property	46,815	1,155,520	-95.9
Income tax claims (long-term)	20,902	19,455	7.4
Equity capital according to IFRS	845,122	751,856	12.4
Return on equity (in %)	15.4	14.2	8.5
Balance sheet total according to IFRS	2,076,752	2,027,329	2.4
Investments			
in property, plant and equipment as well as in investment property	69,489	42,931	61.9
in other assets	73	171	-57.3
Earnings per ordinary share (in €)	0.30	0.25	20.0
Number of empoyees (at 30 June)	32,385	31,844	1.7
Case numbers (patients treated)	423,181	393,836	7.5
Beds and places	14,584	14,861	-1.9

Key ratios April through June 2008 / January through March 2008

All data in € `000	April - June 2008	Jan. - March 2008	Change in %
Revenues	529,437	520,741	1.7
Materials and consumables used	134,017	127,071	5.5
Employee benefits expense	320,648	315,087	1.8
Depreciation/amortisation and impairment	21,870	20,473	6.8
Net consolidated profit according to IFRS	32,368	29,563	9.5
Earnings share of RHÖN-KLINIKUM shareholders	31,062	28,213	10.1
Earnings share of minority owners	1,306	1,350	-3.3
Return on revenue (%)	6.1	5.7	7.0
EBT	39,463	35,396	11.5
EBIT	42,501	43,729	-2.8
EBIT-ratio (in %)	8.0	8.4	-4.8
EBITDA	64,371	64,202	0.3
EBITDA-ratio (in %)	12.1	12.3	-1.6
Operating cash flow	52,102	51,958	0.3
Property, plant and equipment as well as investment property	46,815	1,229,013	-96.2
Income tax claims (long-term)	20,902	20,777	0.6
Equity capital according to IFRS	845,122	840,364	0.6
Return on equity (in %)	15.4	14.3	7.7
Balance sheet total according to IFRS	2,076,752	2,028,580	2.4
Investments			
in property, plant and equipment as well as in investment property	69,489	40,244	72.7
in other assets	73	53	37.7
Earnings per ordinary share (in €)	0.30	0.27	11.1
Number of empoyees (at 30 June)	32,385	32,303	0.3
Case numbers (patients treated)	423,181	410,194	3.2
Beds and places	14,584	14,584	0.0

Dear shareholders,

The achievements realised during the first half of financial year 2008 have fully met our expectations: during the first six months we treated 833,375 patients (+ 6.5 %), generating revenues of € 1.05 billion (+ 4.3 %) and net consolidated profit of € 61.9 million (+ 17.7 %) as planned.

We therefore reaffirm our forecast for the full year despite increases of wages with doctors and other hospital staff. We are looking to achieve targeted expansions in the offering and to exhaust cost and earnings synergies within our hospital network, and this in spite of rising personnel and material costs. Our target for revenues of € 2.1 billion and net consolidated profit of € 123 million remains unchanged.

Right now the future framework conditions for regulatory policy for the hospital market are being debated. It is still not clear to what extent hospitals will be relieved and how responsibilities will be allocated in the area of investment financing between the federal government and the federal states.

With our consistent investment capacity and numerous construction projects, we have created the basis for using modern medical technology and implementing optimum clinical processes at all our sites. Thanks to our long-standing experience and high expertise in combining good medicine with economically feasible care models for the well-being of patients, we are laying the groundwork for the future growth of our company.

In our hospital acquisitions we also continue to aim for qualified growth. We witness mounting economic and particularly financial pressures especially on public hospitals, and growing privatisation willingness at the various levels of government (state and municipal). We are well prepared to take further hospitals into the Group.

With our integrated growth strategy we want to adopt new approaches in the integration of the various healthcare sectors. For the same amount of resources as in the past, we want to make it possible to provide more care in future. We plan to serve patients at two care levels in future: difficult cases in central-care, intermediate-care and maximum-care facilities, and minor cases in facilities to be created in the area of outpatient/inpatient basic and standard care. We are looking to improve quality and broaden offerings in basic and standard care via specialised telemedical services offered through facilities in the area of central, intermediate and maximum care.

We want to see a partnership of equals between community-based and hospital doctors. Through various co-operation schemes, we offer community-based doctors the possibility of combining outpatient and inpatient work. We are thus opening up for them the prospect of combining medical expertise with economic commitment under their own responsibility.

Our offer goes so far that community-based doctors may exchange their accredited doctor's licences for an interest in a basic- and standard-care facility. This means that, in addition to being remunerated for outpatient services, community-based doctors have the prospect of an additional source of remuneration for services provided on an inpatient basis. At the same time we thus create a stable cross-sector medical platform for better patient care.

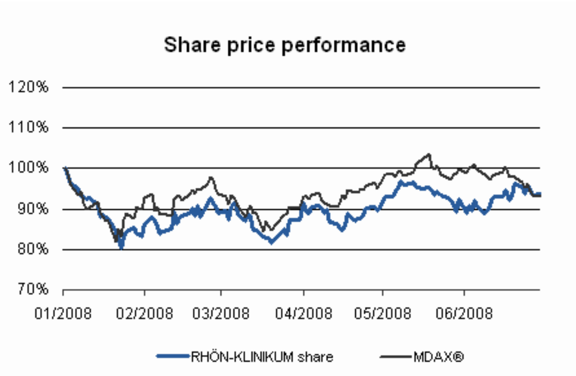
Thanks to systematic patient centralisation, we are thus able to exploit joint cost and revenue synergies at the interfaces between sectors. In an open alliance of payers, we want to promote medical innovations for the well-being of patients and help secure quality in medical care for the population at the regional level.

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

THE RHÖN-KLINIKUM SHARE

The expectations for the economy and persistent insecurity brought about by the international credit crisis continue to weigh heavily on the stock markets. By comparison, the price of the RHÖN-KLINIKUM share has held its ground in the first half of 2008.

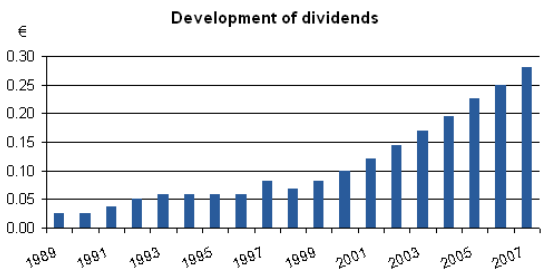
During the first half, the DAX® stocks lost some 20 %, the MDAX® 8.4 %, whereas the RHÖN-KLINIKUM share sustained a loss in its value of 6.5 %. It stood at € 20.17 as at 30 June 2008. Since the Company's market capitalisation at that time stood at € 2.09 billion (31 December 2007: € 2.24 billion), we ranked 17th in the MDAX® (31 December 2007: 22nd).



Annual General Meeting

Our 20th Annual General Meeting was held on 17 June 2008 in Frankfurt am Main. Attendance was 75.32 % of the voting share capital.

All proposed resolutions were adopted by a clear majority of the Board of Management and the Supervisory Board. The resolved dividend of € 0.28 per share was paid on 18 June 2008.



Investor relations activities

We maintain an ongoing and open dialogue with all market participants. In numerous one-on-one discussions, at roadshows and conferences, we have kept our shareholders, analysts and institutional investors informed about our corporate strategy and have presented our growth strategy to potential investors.

Given the good response seen in previous years, we held our third Capital Markets Day in Wiesbaden in September 2008. Our DVFA analyst conference will take place in Frankfurt am Main on 6 November 2008.

RHÖN-KLINIKUM share		
ISIN		DE0007042301
Ticker symbol		RHK
Registered share capital		259,200,000 €
Number of shares		103,680,000
	30 June 2008	**31 Dec. 2007**
Share capital (€ m)	259.20	259.20
Number of shares (m)	103.68	103.68
Market capitalisation (€ m)	2,091.23	2,237.41
Share prices, in €		
Closing price	20.17	21.58
High	21.49	23.35
Low	17.22	17.96

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

REPORT ON THE FIRST HALF OF 2008

- Confirmation of our growth course: service volumes raised by 6.5 % compared with last year´s period and by 3.2 % compared with the previous quarter
- Revenue growth of 4.3 % and disproportionate earnings growth of 17.7 %
- Successful launch of portal clinics in Miltenberg, Hammelburg, Wittingen, and of the paediatric clinic in Gießen

GENERAL REMARKS

We are pleased to present this interim report which has been prepared in accordance with International Financial Reporting Standards (IFRS) in their version applicable for 2008.

In derogation to the accounting and valuation methods described in detail in the 2007 Annual Report, we have applied hedge accounting since 1 April 2008. We have hedged our variable-interest loan liabilities against fluctuating payment flows and in this connection have designated certain financial derivatives as interest hedging instruments. Since that time, the changes in the market values of these financial derivatives have been recognised without earnings effect on equity after taking into account deferred tax. In the first half of 2008, this change in accounting led to the formation of a revaluation reserve amounting to € 4.7 million.

We moreover decided to apply early the amendment of IAS 23 to be observed as a mandatory provision from 2009 onwards – notably the recognition of debt capital interest that can be attributed directly to the acquisition, construction or production of a qualifying asset – already from financial year 2008 provided that the EU gives its consent to the amendment of this standard by the end of the year. On fulfilment of the condition, we expect a capitalisation volume of up to € 0.5 million for full-year 2008.

The remaining accounting and valuation methods applied were consistent with those used in the previous year. For details, please refer to our explanations in the Annual Report for financial year 2007.

For the first time our statutory auditor subjected the Half-Year Financial Report to a review. We have presented the result of his review in the Half-Year Financial Report.

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

REVIEW OF BUSINESS PERFORMANCE IN THE FIRST HALF AND OUTLOOK FOR THE SECOND HALF

The first six months of financial year 2008 developed as follows: compared with the first half of 2007, revenue rose by € 43.2 million or 4.3 % to reach € 1,050.2 million (previous year: € 1,007.0 million), EBITDA increased by € 3.7 million or 3.0 %, EBIT climbed by € 5.4 million or 6.7 %, and net consolidated profit rose by € 9.3 million or 17.7 % to reach € 61.9 million (previous year: € 52.6 million). This was in line with our targets.

Of the € 43.2 million rise in revenues, € 7.2 million was attributable to the first-time consolidation of Krankenhaus Köthen as of 1 April 2007 and € 36.0 million (3.6 %) to organic growth.

€ 8.1 million of the € 9.3 million improvement in net consolidated profit is accounted for by the first-time application of the corporation tax rate lowered to 15 percentage points (previous year: 25 percentage points) and the resulting lower earnings tax liability. The remaining earnings increase of € 1.2 million was driven during the previous year to the tune of a net € 0.4 million by one-off valuation effects, with the result that in the first half of 2008 an adjusted operating earnings increase of € 1.6 million was achieved.

The overall positive performance was also helped by moderate improvements at Universitätsklinikum Gießen und Marburg GmbH. In the first half of 2008, the university hospital generated a surplus of € 0.5 million (previous year: € 0.4 million).

The first-time consolidation of Krankenhaus Köthen (264 beds) on 1 April 2007 strengthened consolidated half-year earnings by € 0.2 million (previous year: loss of € 0.5 million).

Compared with the first quarter of financial year 2008, we raised our revenues by € 8.7 million or 1.7 % to € 529.4 million and our EBITDA by € 0.2 million to € 64.4 million. As a result of the commissioning of our portal clinics in Miltenberg, Hammelburg and Wittingen as well as the paediatric hospital in Gießen, the depreciation and amortisation item rose compared with the first quarter by € 1.4 million, resulting in a decline in EBIT of € 1.2 million. The financial result was impacted in the second quarter predominantly by changes in the market values of those components of our interest hedging instruments of € 2.8 million not to be recognised in equity, while the first quarter was burdened by expenditure of € 2.2 million. Including tax increases from distributions as well as from changes in the values of financial instruments in the second quarter in a total amount of € 1.5 million, our operative consolidated result declined slightly compared with the first quarter from € 31.5 million to € 30.8 million. This is due to the fact that for depreciation and amortisation successes in restructuring need a certain time before they can bite.

The great interest taken by the general public in our newly opened portal clinics as well as the positive response and feedback from patients in the first few weeks have shown us very clearly that we are moving in the right direction by pursuing the strategy of establishing healthcare delivery structures integrated across sectors.

We have so far treated 833,375 patients in 2008 (previous year: 782,718 patients), i.e. a total of 50,657 more patients compared with the first half of 2007. This represents a rise of 6.5 %. Of these, the acute inpatient area accounts for 10,285 patients or 3.7 %. Adjusting for consolidation effects, this translates into organic growth in the acute inpatient area of 2.6 %. In the outpatient and rehabilitative area we achieved adjusted organic growth of 7.5 % and 1.5 %, respectively.

Compared with the first quarter of 2008, we once again raised the number of patients treated by 12,987 or 3.2 %. Of these, the acute inpatient area accounts for 2,143 patients or 1.5 %, the rehabilitation area for 51 patients or 2.1%, and the outpatient area for 10,793 patients or 4.1%.

The disproportionate rise in service volumes in the outpatient area primarily stems from the expansion of our outpatient care structures. As at 30 June 2008, we operated throughout Germany 18 medical care centres (MVZ) with 55 accredited doctors' practices.

Net consolidated profit in the first half totalled € 61.9 million, which corresponds to an EpS of € 0.57 (previous year: € 0.48).

In the first six months of the current financial year, the Group invested a total of € 131.9 million (previous year: € 121.5 million) – of which € 109.9 million from own funds (previous year: € 74.6 million) – for our new hospital buildings as well as for replacement investments. For these investments an operating cash flow of € 104.1 million (previous year: € 96.8 million) was available.

With the owner of St. Petri-Hospital, a basic care hospital in North Rhine-Westphalia with 153 beds and an annual revenue volume of roughly € 15 million, we successfully concluded the contract negotiations for that facility's acquisition. The purchase agreement has been notarised and will take effect subject to the usual reservations. Since not all conditions for validity of the purchase agreement had been met by the key date, we could not yet include the company in the consolidated financial statements. We assume that the conditions will be met within the next few weeks so that the facility's first-time consolidation can take place as planned during the second half of 2008.

In the first half of 2008 we distributed € 32.3 million to shareholders and minority owners (previous year: € 29.5 million). Employees received profit-sharing bonuses and tantiems totalling € 51.5 million (previous year: € 43.8 million).

Since the reporting date our net debt to banks has risen from € 496.2 million to € 555.2 million and our equity capital has increased from € 810.8 million to € 845.1 million. The equity capital ratio has seen a slight increase compared with the reporting date, from 39.1 % to 40.8 %. Our non-current assets are financed fully (at 100.4 %) at matching maturities by equity capital and long-term debt. With our available credit lines in conjunction with the capital-related measures adopted at the Annual General Meeting on 31 May 2007, we are also well prepared for further buoyant growth in the future.

Group financial structures are sound and stable.

Helped by the results for the first and second quarters of 2008 and increases recorded in service volumes, revenues and earnings, we expect financial year 2008 – even without further acquisitions and under the currently known statutory framework conditions – to post revenues of € 2.1 billion and net consolidated profit of € 123 million. In our calculation we have already included a loss of € 0.5 million in the second half at St. Petri-Hospital Warburg.

We expect our organic growth to continue. With regard to acquisition-driven growth, we are prepared to take further hospitals into the Group.

ECONOMIC AND LEGAL ENVIRONMENT

The German economy was still growing in the first quarter. The price-, seasonally and calendar-adjusted gross domestic product (GDP) in the first quarter of 2008 was up 1.5 % compared with the fourth quarter of 2007, despite increasing burdening factors. Since the second quarter indications of a flattening in the economic trend have been increasing. Particularly rising energy and food prices have been stoking inflation in Germany. Together with various uncertainties on the capital markets triggered by the still persisting need for write-offs on mortgage loans, business sentiment indices and consumer expectations are subdued. Nonetheless, the expectation is still for record growth in 2008.

Although public finances have gradually improved also in 2008 on the back of rising tax revenues, the German healthcare system did not record sufficient growth in revenues to offset rising personnel and material costs. Also in 2008, the cost gap that has existed for years will burden the earnings situation particularly for those hospitals without further restructuring potential.

The general conditions on the hospital market in financial year 2008

- industry-wide increase in expenditure for energy and food by over 10 %
- sharp increase in personnel expenditures for doctors and other hospital staff
- continuation of the revenue-diminishing reform impost and revenue deductions to finance integrated care totalling 1.0 %, and
- underfunding of expenditure increases due to the 0.64 % rate of aggregate income of all health insurance fund members in 2008

have already further exacerbated the adverse conditions within the healthcare system since last year. In economic terms, many hospitals are overindebted or threatened by acute liquidity problems.

According to our estimates, basic and standard care hospitals with bed capacities of up to roughly 150 approved beds are coming under increasing scrutiny. For want of sufficient case numbers of their own, these hospitals depend on partnerships and networks without which their viability cannot be secured in the long term.

Overall, specific takeover prospects have improved in our view. However, it does tend to be the case that the financial state of the hospitals to be taken over is worse than before. Thanks to our restructuring expertise, we are able to shape up these facilities to make positive profit contributions, even if the process of achieving this has become more challenging.

The investment backlog of the public healthcare system continues, and currently there are no solutions in sight. The financing of investments through so-called public-private-partnership models or minority interests or financing by banks is accessible to only a selected, very small number of hospital operators that are currently showing acceptable positive results overall.

Despite the overall rising tax revenues of the state, which however are distributed very unevenly amongst the municipalities, municipal hospital operators increasingly find themselves in a dilemma: on the one hand, they have to cover the deficits of their hospitals through operating cost allowances, and on the other they can no longer afford to do this for budgetary reasons.

Consolidation trends are also apparent in the outpatient area. Over the past two years in Germany, more than 1,000 medical care centres have been established, i.e. several doctors from various disciplines have come together under one roof to form a joint company. Moreover, other forms of co-operation between community-based doctors have been increasing.

Overall, we see growth prospects for our Group both in outpatient structures through co-operation with community-based doctors and in cross-sector care offerings.

CORPORATE GOVERNANCE

Corporate constitution

The composition of our Board of Management and Supervisory Board has remained unchanged since the last reporting date. The allocation of responsibilities within the Board of Management as well as within the Supervisory Board is regularly adapted to changing requirements. As of 2 July 2008, the Supervisory Board adopted the resolution to form a Medical Innovation and Quality Committee.

Please refer to the information provided in the Notes to the Interim Financial Statements for details on the statutory company notifications made in the first half in accordance with the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG).

All other elements of our corporate constitution have remained unchanged in the first half. In this regard we refer to the explanations provided in the Management's Report of the 2007 Annual Report.

Risks and rewards

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.

In the first half our purchasing prices for food and energy saw a sharp rise. Likewise, in-house wage agreements at our hospitals have also brought significant increases in personnel costs. Thanks to our organic growth and the resulting higher revenues, we have been able to fully offset the increases in expenditures. We have hedged against further interest rises that appear to be in the offing.

We have not observed any significant changes in risks and rewards since the last reporting date. 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

Date	Hospitals	Beds
As at 31 December 2007	**46**	**14,647**
Change in capacities		**-63**
As at 30 June 2008	**46**	**14,584**

As at 30 June 2008 we have 46 consolidated hospitals with 14,584 beds/places at a total of 35 sites in nine federal states.

On 17 January 2008 the Federal High Court of Justice, in the cartel proceedings "Rhön-Grabfeld district hospitals", dismissed the appeal of RHÖN-KLINIKUM AG and thus prohibited with final effect the takeover of the hospital in Bad Neustadt planned in financial year 2004. However, neither our growth strategy nor our growth targets are affected by this.

As at 9 May 2008, we acquired St. Petri-Hospital Warburg, a basic care facility with 153 approved beds, from Krankenhauszweckverband Warburg. Since the conditions of validity provided for in the company purchase agreement had not yet been met by the key date, the company could not yet be included in the consolidated financial statements. We assume that the conditions will be met in the first half of 2008 and will consolidate the company then.

At the following sites we put into service five MVZ with eleven doctors' practices, and expanded already existing MVZ by five doctors' practices, during the first six months of 2008:

	Date	MVZ	Practices
As at 31 December 2007		**14**	**39**
Commissioned in Wiesbaden	01 Jan 08	1	2
Commissioned in Köthen	01 Jan 08	1	3
Commissioned in Marburg	01 Jan 08	1	2
Commissioned in Hammelburg	01 Apr 08	1	2
Commissioned in Müncheberg	01 Apr 08	1	2
Amalgamation of MVZs in Bad Neustadt	01 Apr 08	-1	-
Expansions at already existing MVZ		-	5
As at 30 June 2008		**18**	**55**

For the further course of financial year 2008, 3 further MVZ are planned to be established at the Waltershausen, Attendorn and Frankfurt/Oder sites. Moreover, existing MVZ will be expanded by further specialties depending on requirements and the market situation. The integration of further doctors' practices is planned during the financial year under way.

Increasingly, owners of already existing MVZ with 10 and more specialist doctors' practices have been approaching us to negotiate on partnerships or takeovers. For these takeovers as well, our requirements for qualified growth also apply. We have prepared ourselves for what could prove to be a surge in growth in this area.

Given the considerable network connections we see between our MVZ and our basic care hospitals, we have decided to bring these together organisationally wherever basic care hospitals and MVZ operate in a close regional environment. We are convinced that it is only by exploiting all resulting synergies that high-quality healthcare provision that is close to where people live and affordable for everyone can be further maintained in future.

With effect from 1 January 2008, we commissioned a further service company for provision of infrastructural services (laundry). With our service companies – now 10 in total – we provide predominantly catering, cleaning and laundry services as well as domestic services.

Patients

January through June	2008	2007
Inpatient and day-case treatments at our		
acute hospitals	286,651	276,366
rehabilitation hospitals and other facilities	4,819	4,749
	291,470	281,115
Outpatient attendances		
at our acute hospitals	480,748	464,339
at our MVZs	61,157	37,264
Total	**833,375**	**782,718**

In the first six months a total of 833,375 patients (up by 50,657 patients / 6.5 %) were treated in the Group's hospitals and MVZ. Of this increase, outpatient treatments account for roughly 79.6 %. After deducting consolidation effects (Krankenhaus Köthen), this translates into organic growth in patients of 44,756 patients or 5.7 %. This growth is distributed nearly uniformly over the entire Group.

Q1 and Q2 2008	April-June	January-March	Change absolute	%
Inpatient and day-case treatments at our				
acute hospitals	144,397	142,254	2,143	1.5
rehabilitation hospitals and other facilities	2,435	2,384	51	2.1
	146,832	144,638	2,194	1.5
Outpatient attendances				
at our acute hospitals	242,464	238,284	4,180	1.8
at our MVZs	33,885	27,272	6,613	24.2
Total	**423,181**	**410,194**	12,987	3.2

Compared with the first quarter, we continued our trend in organic growth also in the second quarter. In the second quarter we treated 12,987 patients or 3.2 % more than in the first three months of financial year 2008. Of this increase, 2,194 patients are attributable to the inpatient area and 10,793 patients to our outpatient care structures. A significant contribution to the increase in patient numbers was made by the expansion in our MVZ structures.

Per-case revenues

January through June	2008	2007
Case revenue		
inpatient (€)	3,440	3,430
outpatient (€)	88	85

Compared with the first half of the previous year, per-case revenue rose by 0.3 % in the inpatient area and by 3.5 % in the outpatient area.

In the inpatient area this development stems from a slight rise in the severity of cases. In the outpatient area our service portfolio boosted revenues thanks to the integration of acquired specialist practices with relatively high per-case revenues.

Employees

Employees	30 June 2008	31 Dec 2007
Hospitals	29,312	29,389
MVZ	173	118
Service companies	2,900	2,715
Total	**32,385**	**32,222**

At 30 June 2008, the Group employed 32,385 persons (31 December 2007: 32,222). Since the last reporting date there have been the following developments:

	Number
As at 31 December 2007	**32.222**
Change in employees at hospital subsidiaries	-77
Change in employees at MVZ subsidiaries	55
Change in employees at service companies	185
As at 30 June 2008	**32.385**

BUSINESS DEVELOPMENT

In the first six months of financial year 2008 our hospitals put in a good performance overall despite underfunding of collective wage developments for doctors and the trend in prices for food and in expenditures for water, energy and fuels.

Thanks to higher service volumes and stringent cost management, our hospitals succeeded not only in offsetting these higher expenditures but also in generating further profit contributions, thus meeting our expectations. They raised EBIT from € 81.1 million by € 4.4 million (+5.4 %) to € 85.5 million.

Our MVZ companies generated a positive EBIT of € 0.4 million in the first half of 2008 (previous year: - € 0.4 million).

In the first six months of financial year 2008, our service companies generated an EBIT of € 0.3 million versus the same period last year (previous year: € 0.1 million).

EBIT January - June	2008 € m	2007 € m	Change € m
Long-standing hospitals (already consolidated in 2005)	84.5	81.2	3.3
Acquisitions in 2006 (Universitätsklinikum Gießen und Marburg GmbH, Heinz Kalk-Krankenhaus Bad Kissingen, Frankenwaldklinik Kronach GmbH)	0.8	0.3	0.5
Acquisitions 2007 (Krankenhaus Köthen GmbH)	0.2	-0.4	0.6
Other companies (MVZ- and service companies)	0.7	-0.3	1.0
Total	**86.2**	**80.8**	**5.4**

Revenues and earnings

The Group's economic performance is shown as follows:

January - June	2008 € m	2007 € m	Change € m	%
Revenues	1,050.1	1,007.0	43.2	4.3
EBITDA	128.6	124.9	3.7	3.0
EBIT	86.2	80.8	5.4	6.7
EBT	74.9	73.4	1.5	2.0
Operating cash flow	104.1	96.8	7.3	7.5
Net consolidated profit	61.9	52.6	9.3	17.7

Without taking into account further acquisitions, we expect a continued positive performance of our key ratios in the further course of financial year 2008.

January - June	2008 %	2007 %
Return on equity (after tax)	15.0	14.2
Return on revenue	5.9	5.3
Cost of materials ratio	24.9	24.5
Personnal cost ratio	60.5	59.6
Depreciation and amortisation ratio	4.0	4.4
Other cost ratio	9.5	10.1
Tax Rate	1.2	2.1

Compared with the same period last year, revenues grew by € 43.2 million or 4.3 %. Adjusting for changes in the scope of consolidation, this translates into organic growth of € 36.0 million or 3.6 %.

We have thus achieved our target of generating enough organic growth to offset disproportionate increases in the costs of personnel and materials not sufficiently funded by the healthcare system.

In food and energy prices, we recorded price increases in the first half of 2008 which in some cases were well in excess of 10%. Also in the area of medical supplies as well as economic and administrative supplies, it was no longer possible to prevent price increases completely. Individual studies have moreover shown that growth in service volumes within the Group is increasingly taking place in medical areas with a disproportionately high share of material costs. All this led to a rise in the cost-of-materials ratio from 24.5 % to 24.9 %.

The in-house wage agreements for doctors and other hospital staff already concluded in 2008 have pushed up personnel costs. Since over the same period the rates of increase in the aggregate income of all health insurance members (0.64 % in 2008) were disproportionately moderate, this overall led to a rise in the personnel cost ratio despite restructuring successes.

Although the commissionings of our portal clinics in Miltenberg, Hammelburg and Wittingen as well as the paediatric hospital in Gießen took place in the second quarter, the depreciation and amortisation item declined compared with the same period last year by € 1.8 million. This stemmed from one-off valuation measures carried out in the previous year.

The financial result worsened by € 4.0 million compared with the same period last year. Here, changes in the market values of those components of our interest hedging instruments of € 0.6 million not to be recognised in equity had a counteractive effect on this financial result in 2008, whereas the same period of the previous year was helped by income of € 3.5 million. Adjusted for these valuation effects, the negative financial result rose by € 1.1 million compared with the same period last year. This was in particular attributable to the rise in our net debt to banks.

The decline in the tax rate compared with the previous year by 0.9 percentage points to 1.2 percentage points as well as in tax expenditure from € 20.8 million to € 12.9 million is largely the result of the first-time application of the corporation tax rate reduced to 15 percentage points (previous year: 25 percentage points) and the lower tax burden resulting from this.

In the first six months of financial year 2008 we raised net consolidated profit by € 9.3 million or 17.7 % to € 61.9 million (previous year:

€ 52.6 million). This development stems largely (to the tune of € 8.1 million) from the change in the rate of corporation tax in the wake of the 2008 corporation tax reform. The remaining earnings increase of € 1.2 million was driven during the previous year to the tune of € 0.4 million net by income from changes in the market value of our financial instruments as well as by impairments, with the result that in the first half of 2008 an adjusted operating earnings increase of € 1.6 million was achieved.

This shows us that we were able to offset the cost increases by increases in service volumes.

Minority interests in profit rose compared with the same period last year by € 0.3 million to € 2.7 million.

The interest of RHÖN-KLINIKUM AG shareholders in profit for the first six months of 2008 rose by € 9.1 million or 18.1 % to € 59.3 million compared with the same period last year. This corresponds to earnings per share of € 0.57 (previous year: € 0.48).

Asset and capital structure

	30 June 2008		31 Dec 2007	
	€ m	%	€ m	%
ASSETS				
Non-current assets	1,564.7	75.3	1,487.2	71.7
Current assets	512.0	24.7	585.9	28.3
	2,076.7	**100.0**	**2,073.1**	**100.0**
SHARE-HOLDERS´ EQUITY AND LIABILITIES				
Shareholders´equity	845.1	40.8	810.8	39.1
Long-term loan capital	726.2	34.9	750.4	36.2
Short-term loan capital	505.4	24.3	511.9	24.7
	2,076.7	**100.0**	**2,073.1**	**100.0**

Driven by investments, our assets increased by € 3.6 million or 0.2 %. We financed our investments by the operating cash flow of the first half amounting to € 104.1 million.

The equity ratio rose from 39.1 % to 40.8 %.

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

Equity	2008			2007
	Share-holders	Minorities	Total	Total
	€ m	€ m	€ m	€ m
Balance at 1 January	**769.7**	**41.1**	**810.8**	**728.7**
Net consolidated profit for the first half	59.2	2.7	61.9	52.6
Financial derivatives[1]	4.7	0.0	4.7	0.0
Net income for the first half of the year	63.9	2.7	66.6	52.6
Dividens paid	-29.0	-3.3	-32.3	-29.5
Change in scope of consilidation[2]	0.0	0.0	0.0	0.0
Balance at 30 June	**804.6**	**40.5**	**845.1**	**751.8**

[1] Net income directly recognised in equity

[2] First-time consolidation of no longer active subsidiary (30T€)

We now report equity of € 845.1 million (31 December 2007: € 810.8 million), with dividend payments to shareholders and minority owners in the amount of € 32.3 million already being included. Changes in the market values of financial derivatives designated as interest hedging instruments are recognised without earnings effect on equity after taking into account deferred tax. In the first half of 2008, this change in accounting led to the formation of a revaluation reserve amounting to € 4.7 million.

Non-current assets are fully covered by equity and non-current liabilities. Including marketable securities amounting to € 4.5 million (31 December 2007: € 9.5 million), net debt to banks rose since the last reporting date from € 496.2 million by € 59.0 million to € 555.2 million as at 30 June 2008.

Our key financial ratios developed as follows:

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

*) excluding mark-up / discount of financial instruments

Our internal financing strength has increased significantly. Compared with the same period last year, cash flow, calculated from net annual profit plus depreciation/amortisation and other non-cash items, rose by € 7.3 million or 7.5 % to reach € 104.1 million.

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

January through June	2008 € m	2007 € m
Cash generated from operating activities	70.7	35.5
Cash used in investing activities	-92.3	-59.0
Cash used in financing activities	-56.2	-4.6
Change in financing funds and in cash and cash equivalents		
Change in cash and cash equivalents	-77.8	-28.1
Cash and cash equivalents as at 1 January	164.7	155.8
Financing funds as at 30 June	**86.9**	**127.7**

Investing activities

Aggregate investments of € 131.9 million (previous year: € 121.5 million) in the first half of 2008 are shown in the following table:

	Use of		
	Gov´t grants € m	Own funds € m	Total € m
Current capital expenditure	22.0	109.9	131.9
Hospital takeover	0.0	0.0	0.0
Total	**22.0**	**109.9**	**131.9**

Of these investments made in the first half, € 22.0 million was attributable to investments funded from grants under the Hospital Financing Act (KHG) (previous year: € 46.9 million) and deducted from total investments pursuant to the relevant provisions of IAS.
An analysis of investments by site is given below:

	€ m
Gießen-Marburg	57.5
Hildesheim	7.2
Bad Neustadt	6.1
Leipzig	5.2
Bad Berka	5.1
Bad Kissingen	5.0
Wittingen	4.0
Kronach	3.1
Meiningen	3.0
Salzgitter	2.7
Köthen	1.3
München Pasing-Perlach	1.2
Frankfurt (Oder)	1.2
Pforzheim	1.2
Waltershausen-Friedrichroda	1.1
Cuxhaven	1.0
other sites	4.0
Total	**109.9**

In the further course of 2008 we have planned to invest a further amount of roughly € 150 million.

Outlook

No events of significance for reporting purposes took place after 30 June 2008 up to the preparation of this Report.

Demographic trends and advances in medicine will continue to feed demand for inpatient and outpatient healthcare services. Our hospitals are prepared to meet this additional demand both quantitatively and qualitatively.

We expect the upswing in the German economy to taper off, with overall employment remaining stable. We furthermore expect to see a rise in prices, especially for energy and food, as well as in personnel costs and interest rates. We have included the probable extent of the development in material and personnel costs in our planning calculations; we have largely hedged against rises in interest rates through interest hedging transactions.

For the second half of 2008 we are looking for a further increase in organic growth and are steadfastly carrying through with the restructuring programmes at our individual hospital sites.

We expect to see rises in revenues that will compensate for the likewise expected increases in costs and will enable additional contributions to profit.

We have prepared ourselves organisationally and financially for the takeover of further hospitals and for the expansion of our outpatient structures.

For financial year 2008 we expect – under the known statutory framework conditions and without further acquisitions – revenues of € 2.1 billion and a net consolidated profit of € 123 million.

For financial year 2009 we expect improvements in revenues that will enable us to largely offset increases in prices and wages. We assume that in 2009 our long-standing facilities will also succeed in increasing their service volumes and earnings.

Bad Neustadt a. d. Saale, 7 August 2008

RHÖN-KLINIKUM AG

THE BOARD OF MANAGEMENT

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

Consolidated Income Statement

January to June	**2008**		**2007**	
	€ `000	**%**	**€`000**	**%**
Revenues	1,050,178	100.0	1,006,967	100.0
Other operating income	73,771	7.0	67,006	6.7
	1,123,949	**107.0**	**1,073,973**	**106.7**
Material and consumables used	261,088	24.9	247,108	24.5
Employee benefit expense	635,735	60.5	600,425	59.6
Other operating expenses	98,553	9.5	101,492	10.1
	995,376	**94.8**	**949,025**	**94.2**
Interim result (EBITDA)	**128,573**	**12.2**	**124,948**	**12.5**
Depreciation and impairment	42,343	4.0	44,139	4.4
Operating earnings (EBIT)	**86,230**	**8.2**	**80,809**	**8.1**
Finance expenditure	17,089	1.6	14,630	1.5
Finance income	5,718	0.5	7,252	0.7
Financial result	**11,371**	**1.1**	**7,378**	**0.7**
Earnings before income taxes (EBT)	**74,859**	**7.1**	**73,431**	**7.4**
Income taxes	12,928	1.2	20,818	2.1
Net consolidated profit	**61,931**	**5.9**	**52,613**	**5.3**
Tereof attributable to				
minority owners	**2,656**	**0.3**	**2,392**	**0.2**
shareholders of RHÖN KLINIKUM AG	**59,275**	**5.6**	**50,221**	**5.1**
Earnings per ordinary share in €	**0.57**		**0.48**	

April to June	**2008**		**2007**	
	€ `000	**%**	**€ `000**	**%**
Revenues	529,437	100.0	504,955	100.0
Other operating income	38,990	7.4	33,528	6.6
	568,427	**107.4**	**538,483**	**106.6**
Material and consumables used	134,017	25.3	120,235	23.8
Employee benefit expense	320,648	60.6	305,515	60.5
Other operating expenses	49,391	9.4	48,923	9.7
	504,056	**95.2**	**474,673**	**94.0**
Interim result (EBITDA)	**64,371**	**12.2**	**63,810**	**12.6**
Depreciation and impairment	21,870	4.1	23,420	4.6
Operating earnings (EBIT)	**42,501**	**8.1**	**40,390**	**8.0**
Finance expenditure	6,938	1.3	7,480	1.5
Finance income	3,900	0.7	5,533	1.1
Financial result	**3,038**	**0.6**	**1,947**	**0.4**
Earnings before income taxes (EBT)	**39,463**	**7.5**	**38,443**	**7.6**
Income taxes	7,095	1.3	11,033	2.2
Net consolidated profit	**32,368**	**6.2**	**27,410**	**5.4**
Tereof attributable to				
minority owners	**1,306**	**0.2**	**1,167**	**0.2**
shareholders of RHÖN-KLINIKUM AG	**31,062**	**6.0**	**26,243**	**5.2**
Earnings per ordinary share in €	**0.30**		**0.25**	

Consolidated Balance Sheet 30 June 2008

	30 June 2008		31 December 2007	
	€ `000	%	€ `000	%
ASSETS				
Non-current assets				
Goodwill and other intangible assets	255,908	12.3	255,581	12.3
Property, plant and equipment	1,271,738	61.2	1,205,270	58.1
Investment property	4,090	0.2	4,172	0.2
Income tax claims	20,902	1.0	20,577	1.0
Other receivables and other financial assets	12,099	0.6	1,556	0.1
	1,564,737	**75.3**	**1,487,156**	**71.7**
Current assets				
Inventories	38,806	1.9	39,842	1.9
Accounts receivable, other receivables and other financial assets	347,980	16.8	358,532	17.4
Current income tax claims	26,656	1.3	17,512	0.8
Cash and cash equivalents	98,573	4.7	170,057	8.2
	512,015	**24.7**	**585,943**	**28.3**
	2,076,752	**100.0**	**2,073,099**	**100.0**

	30 June 2008		31 December 2007	
	€ `000	**%**	**€ `000**	**%**
EQUITY AND LIABILITIES				
Equity				
Subscribed capital	259,200	12.5	259,200	12.5
Capital reserve	37,582	1.8	37,582	1.8
Retained earnings	448,640	21.6	366,714	17.7
Net consolidated profit attributable to shareholders of RHÖN-KLINIKUM AG	59,275	2.9	106,292	5.1
Treasury shares	-77	0.0	-77	0.0
Equity attributable to shareholders of RHÖN-KLINIKUM AG	804,620	38.8	-77	37.1
Outside owners`minority interests in group equity	40,502	2.0	41,120	2.0
	845,122	**40.8**	**810,831**	**39.1**
Long-term debt				
Financial debt	630,289	30.3	656,537	31.7
Deferred tax liabilities	14,699	0.7	12,867	0.6
Provisions for post-employment benefits	8,758	0.4	8,164	0.4
Other liabilities	72,439	3.5	72,834	3.5
	726,185	**34.9**	**750,402**	**36.2**
Short-term debt				
Financial debt	28,257	1.4	19,562	0.9
Accounts payable	102,496	4.9	107,966	5.2
Current income tax liabilities	7,115	0.3	10,560	0.5
Other provisions	29,195	1.4	24,485	1.2
Other liabilities	338,382	16.3	349,293	16.9
	505,445	**24.3**	**511,866**	**24.7**
	2,076,752	**100.0**	**2,073,099**	**100.0**

Consolidated Changes in Equity

	subscribed capital		Retained earnings						
	Ordinary shares	Capital reserve	Revaluation reserve	Other reserves	Net consolidated profit attributable to shareholders of RHÖN-KLINIKUM AG	Treasury shares	Equity attributable to shareholders of RHÖN-KLINIKUM AG	Outside owners minority interests in Group equity	Equity
	€ `000	€ `000	€ `000	€ `000	€ `000	€ `000	€ `000	€ `000	€ `000
Balance at 31 Dec. 2006/ 1 Jan. 2007	**51,840**	**37,582**	**0**	**496,552**	**105,200**	**-77**	**691,097**	**37,644**	**728,741**
Net consolidated profit for the first half of 2007	-	-	-	-	50,221	-	50,221	2,392	52,613
Dividends paid	-	-	-	-	-25,914	-	-25,914	-3,584	-29,498
Allocation to reserves	-	-	-	79,286	-79,286	-	0	-	0
Capital increase	207,360	-	-	-207,360		-	0	-	0
Other changes	-	-	-	-1,764	-	-	-1,764	1,764	0
Balance at 30 June 2007	**259,200**	**37,582**	**0**	**366,714**	**50,221**	**-77**	**713,640**	**38,216**	**751,856**
Balance at 31 Dec. 2007/ 1 Jan. 2008	**259,200**	**37,582**	**0**	**366,714**	**106,292**	**-77**	**769,711**	**41,120**	**810,831**
Financial derivatives[1)]	-	-	4,657	-	-	-	4,657	-	4,657
Net consolidated profit for the first half of 2007	-	-	-	-	59,275	-	59,275	2,656	61,931
Net income for the first half of 2008	-	-	4,657	-	59,275	-	63,932	2,656	66,588
Dividends paid	-	-	-	-	-29,023	-	-29,023	-3,244	-32,267
Allocation to other reserves	-	-	-	77,269	-77,269	-	0	-	0
Change in scope of consolidation	-	-	-	-	-	-	0	-30	-30
Balance at 30 June 2008	**259,200**	**37,582**	**4,657**	**443,983**	**59,275**	**-77**	**804,620**	**40,502**	**845,122**

Consolidated Cash Flow Statement

January to June	**2008 € m**	**2007 € m**
Earnings bevore taxes	74.9	73.4
Financial result (net)	11.4	7.4
Impairment and losses on disposal of assets	42.6	44.2
Non-cash valuations of financial derivatives	-0.6	0.0
	128.3	**125.0**
Change in net current assets		
Change in inventories	1.0	1.7
Change in accounts receivable	-7.7	-5.3
Change in other receivables	9.0	-12.9
Change in liabilities (excluding financial debts)	-26.9	-38.8
Change in provisions	5.3	0.5
Income taxes paid	-21.2	-20.1
Interest paid	-17.1	-14.6
Cash generated from operating activities	**70.7**	**35.5**
Investments in property, plant and equipment and in intangible assets	-100.4	-63.0
Purchase of securities	0.0	-51.5
Sale of securities	5.0	49.5
Acquisition of subsidiaries	-3.0	-3.2
Sale proceeds from disposal of assets	0.4	1.9
Interest received	5.7	7.3
Cash used in investing activities	**-92.3**	**-59.0**
Payments on contracting of financial debts	160.0	55.0
Repayment of financial debts	-184.0	-30.1
Dividend payments to shareholder of RHÖN-KLINIKUM AG	-29.0	-25.9
Dividends paid to minority owner	-3.2	-3.6
Cash used in financing activities	**-56.2**	**-4.6**
Change in financing funds	-77.8	-28.1
Financing funds on 1 January	164.7	155.8
Financing funds on 30 June	**86.9**	**127.7**

NOTES

General information

RHÖN-KLINIKUM AG and its subsidiaries build, acquire and operate primarily acute-care hospitals of all categories. In addition to the rehabilitation hospitals already operated in the past, the importance of the outpatient and day-clinical areas is also growing. We provide our services exclusively in Germany.

These inpatient and outpatient medical services are provided in a statutorily regulated market which is subject to strong political influences.

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

The Interim Financial Statements will be published on 7 August 2008 on the homepage of RHÖN-KLINIKUM AG as well as with Deutsche Börse.

Accounting and valuation methods

The Consolidated Interim Financial Statements of RHÖN-KLINIKUM AG (also referred to as "the Group") as at 30 June 2008 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations relating thereto provided by the International Accounting Standards Board (IASB), which are currently the mandatory standards to be applied within the European Union (EU). Furthermore, the provisions of the German accounting standard DRS 16 (interim financial reporting) were reflected in the preparation of this Interim Report.

The Consolidated Interim Financial Statements as at 30 June 2008 were prepared on the basis of International Accounting Standard (IAS) 34 "Interim Financial Reporting". The accounting and valuation methods applied correspond to those used for the last Consolidated Financial Statements as at 31 December 2007. The Abridged Interim Financial Statements of RHÖN-KLINIKUM AG as at 30 June 2008 for the first half of 2008 must be read and assessed in conjunction with the Consolidated Financial Statements of RHÖN-KLINIKUM AG for the year ending 31 December 2007.

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.

These Consolidated Interim Financial Statements and the Consolidated Interim Report of the Management have been subjected to a review by a statutory auditor.

On 2 November 2006, the interpretation of IFRIC 11 regarding IFRS 2 – "Group and Treasury Share Transactions" was published. Its application is mandatory for financial years commencing on or after 1 March 2007. However, this interpretation is currently not relevant for RHÖN-KLINIKUM Group.

The interpretations as set out below are to be applied as mandatory for the first time for financial years commencing from 1 January 2008. However, they have not yet been adopted by the EU and on a current view are not relevant for RHÖN-KLINIKUM Group:

- IFRIC 12 – “Service Concession Arrangements”,
- IFRIC 14 – “IAS 19 – Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”.

The following new standards, amendments of standards or interpretations were published by the IASB but are not yet to be applied as mandatory for financial years commencing as of 1 January 2008. However, they are likely to be of practical relevance for RHÖN-KLINIKUM Group in the coming financial years:

- IAS 1 (Revised) - “Presentation of Financial Statements”,
- IAS 23 (Revised) - “Borrowing Costs”,
- IAS 27 (Revised) - “Consolidated and Separate Financial Statements according to IFRS”,
- IFRS 3 (Revised) - “Business Combinations”,
- IFRS 8 - “Operating Segments”.

With the exception of IFRS 8, these standards have not yet been approved by the EU. The Company is currently examining the impacts of the first-time application of these standards.

The following new standards, amendments of standards or interpretations were published by the IASB. They are not yet to be applied as mandatory for financial years commencing as of 1 January 2008. On a current view these amended standards and new interpretations are of no practical relevance for the Group in future:

- IAS 32 (Revised) - “Financial Instruments”,
- IFRS 2 (Revised) - “Share-based Payment”,
- IFRIC 13 - “Customer Loyalty Programmes”,
- IFRIC 15 - “Agreements for the Construction of Real Estate”,
- IFRIC 16 - “Hedges of a Net Investment in a Foreign Operation”.

These standards and interpretations have not yet been approved by the EU either.

On 22 May of this year, the IASB amended various standards as part of the annual improvement project. Most of the amendments take effect for financial years commencing as of 1 January 2009. On the same date, amendments to IFRS 1 as well as IAS 27 were published. The Company is currently examining the impacts of these amended standards. However, these amendments presumably will not impact accounting and valuation to any significant extent, or will not be of practical relevance.

Scope of consolidation

The Consolidated Financial Statements, in addition to RHÖN-KLINIKUM AG, include a total of 86 subsidiaries through which RHÖN-KLINIKUM AG exercises control over financial and business policy, usually with a voting share of more than 50.0 %. When assessing whether the Group exercises control, the existence and impact of potential voting rights currently exercisable or convertible are considered.

Compared with the last reporting date, the scope of consolidation has been reduced by one company after we sold one service company. The sale of this interest is of minor importance for the Group's asset, financial and earnings position.

With effect from 1 January 2008, we transferred the service area for laundry services to a subsidiary already included under the consolidated financial statements. Moreover, with effect from 1 May 2008, we assigned the further establishment, maintenance and ongoing development of a particle therapy facility to an already consolidated project company.

By purchase agreement dated 9 May 2008, RHÖN-KLINIKUM AG acquired 100 % of the shares of St. Petri-Hospital gGmbH, Warburg, subject to conditions precedent. St. Petri-Hospital Warburg has 153 beds and as at 31 December 2007 had a staff of 292 persons. The inpatient service offering comprises the main departments of internal medicine (79 beds) and surgery (46 beds) as well as the affiliated practitioner departments of urology (17 beds), children’s medicine (7 beds) and otorhinolaryngology (ENT, 4 beds). In 2007 a total of 5,658 patients were treated. Since the main conditions of validity in the purchase agreement had not yet all been met by the key date, the company merger could not yet be included in the Consolidated Interim Financial Statement as at 30 June 2008. We expect the purchase agreement to become valid within the second half of 2008, allowing us to then proceed with the consolidation of the company. We will promptly raise the hospital’s standards to our level and in this connection are planning to construct a new hospital building within the next three years. The purchase price of roughly € 3.0 million will be settled from cash of RHÖN-KLINIKUM AG. No cash and cash equivalents nor financial debt are being acquired. The purchase price allocation has not yet been finally concluded. Based on the preliminary purchase price allocation, hidden reserves in real estate amounting to approx. € 0.9 million will be realised and approx. € 1.2 million will be stated as goodwill. This goodwill essentially reflects the expectation for future positive earnings contributions from St. Petri-Hospital gGmbH, Warburg. This acquisition will be of minor importance for the Group's asset, financial and earnings position. Given the as yet incomplete purchase price allocation as well as incomplete change in the accounting of St. Petri-Hospital to the accounting and valuation rules of RHÖN-KLINIKUM AG, it is currently not yet possible to make all disclosures required under IFRS 3.67 et seq.

Selected explanations regarding consolidated interim income statement

Revenues

January to June	2008 € m	2007 € m
Business areas		
Acute inpatient hospitals	971.1	931.8
Acute outpatient hospitals	58.2	55.6
Rehabilitations hospitals	20.9	19.6
	1,050.2	**1,007.0**
Federal states		
Bavaria	227.4	226.2
Lower Saxony	168.7	161.5
Saxony	142.9	132.5
Thuringia	134.8	131.0
Brandenburg	52.4	48.7
Baden-Wuerttemberg	54.1	53.4
Hesse	239.9	231.8
Saxony-Anhalt	14.2	6.8
North Rhine-Westphalia	15.8	15.1
	1,050.2	**1,007.0**

Compared with the same period last year, revenues grew by € 43.2 million or 4.3 %. Adjusting for changes in the scope of consolidation, this translates into organic growth of € 36.0 million or 3.6 %.

Other income

January to June	2008 € m	2007 € m
Income from service rendered, grants and other allowances	63.5	57.2
Income from adjustment of receivable	1.7	0.7
Income from the release of provisions	0.4	0.3
Indemnities received	0.7	0.4
Other	7.5	8.4
	73.8	**67.0**

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 current expenditures (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).

Other expenditure

January to June	2008 € m	2007 € m
Maintenance	33.3	34.4
Charges, subscription and consulting fees	24.1	22.3
Administrative ind IT costs	9.1	8.4
Impairments on receivables	2.7	2.7
Insurance	5.4	5.4
Rents and leaseholds	4.2	4.0
Travelling, entertaining and representation expenses	2.9	2.4
Other personnel and continuing training costs	4.2	3.7
Losses on disposal of assets	0.5	0.2
Secondary taxes	0.4	0.4
Other	11.8	1.76
	98.6	**101.5**

Income taxes

January to June	2008 € m	2007 € m
Current income tax	11.9	19.8
Deferred taxes	1.0	1.0
	12.9	**20.8**

The change in current income tax is in particular attributable to the first-time application of the corporation tax rate lowered to 15 percentage points (previous year: 25 percentage points) and the resulting lower earnings tax liability.

Selected explanations regarding consolidated interim balance sheet

Goodwill and other intangible assets

	Goodwill € m	other intangible assets € m	Total € m
Cost			
1 January 2008	**242.6**	**27.5**	**270.1**
Additions	0.0	2.6	2.6
Disposals	0.0	0.1	0.1
Transfers	0.0	0.1	0.1
30 June 2008	**242.6**	**30.1**	**272.7**
Cumulative depreciation and impairment			
1 January 2008	**0.0**	**14.5**	**14.5**
Amortization	0.0	2.3	2.3
30 June 2008	**0.0**	**16.8**	**16.8**
Balance sheet value at 30 June 2008	**242.6**	**13.3**	**255.9**

	Goodwill € m	Other intangible assets € m	Total € m
Cost			
1 January 2007	**234.5**	**20.0**	**254.5**
Additions due to change in scope of consolidation[1]	8.8	0.0	8.8
Additions	3.6	3.0	6.6
Disposals	0.0	1.0	1.0
Transfers	0.0	0.1	0.1
30 June 2007	**246.9**	**22.1**	**269.0**
Cumulative depreciation and impairment			
1 January 2007	**0.0**	**11.7**	**11.7**
Amortisation	0.0	1.9	1.9
Disposals	0.0	0.6	0.6
30 June 2007	**0.0**	**13.0**	**13.0**
Balance sheet value at 30 June 2007	**246.9**	**9.1**	**256.0**

[1]incl. acquisitions

Property, plant and equipment

	Land and buildings € m	Technical equipment, plant and machinery € m	Operational and office equipment € m	Plant under construction € m	Total € m
Cost					
01 January 2008	**1,221.1**	**51.4**	**334.0**	**100.7**	**1,707.2**
Additions	8.1	1.8	33.9	63.5	**107.3**
Disposals	0.0	0.2	7.3	0.0	**7.5**
Transfers	27.5	1.5	2.6	-31.7	**-0.1**
30 June 2008	**1,256.7**	**54.5**	**363.2**	**132.5**	**1,806.9**
Cumulative depreciation and impairments					
1 January 2008	**288.5**	**31.8**	**181.6**	**0.0**	**501.9**
Depreciation	16.9	1.8	21.2	0.0	**39.9**
Disposals	0.0	0.2	6.4	0.0	**6.6**
30 June 2008	**305.4**	**33.4**	**196.4**	**0.0**	**535.2**
Balance sheet value at 30 June 2008	**951.3**	**21.1**	**166.8**	**132.5**	**1,271.7**

	Land and buildings € m	Technical equipment, plant and machinery € m	Operational and office equipment € m	Plant under construction € m	Total € m
Cost					
1 January 2007	**1,169.4**	**50.0**	**311.2**	**51.3**	**1,582.0**
Additions due to change in scope of consolidation[1]	5.9	0.2	0.6	0.0	**6.7**
Additions	12.1	1.1	20.5	18.5	**52.2**
Disposals	1.5	0.3	7.7	0.0	**9.5**
Transfers	20.7	0.1	2.3	-23.2	**-0.1**
30 June 2007	**1,206.6**	**51.2**	**326.9**	**46.6**	**1,631.3**
Cumulative depreciation and impairment					
1 January 2007	**249.7**	**30.2**	**166.1**	**0.0**	**446.0**
Depreciation	19.7	1.7	20.8	0.0	**42.2**
Disposals	0.6	0.3	7.3	0.0	**8.2**
30 June 2007	**268.8**	**31.6**	**179.6**	**0.0**	**480.0**
Balance sheet value at 30 June 2007	**937.8**	**19.6**	**147.3**	**46.6**	**1,151.3**

[1]incl. acquisitions

Investment property

The Group lets residential space to employees, office and commercial space to third parties (e.g. cafeteria), as well as premises to doctors co-operating with the hospital and to joint laboratories as part of cancellable operating leases.

The most significant operating lease contracts by amount stem from the letting of property to third parties.

The largest item in absolute terms is the letting of a building to a nursing home operator. On the basis of income valuations we see no material differences between the fair value of these properties and their carrying amounts shown below:

	Total € m
Cost	
1 January 2008/30 June 2008	5.0
Cumulative depreciation and impairments	
1 January 2008	0.8
Depreciation	0.1
30 June 2008	0.9
Value 30 June 2008	**4.1**

	Total € m
Cost	
1 January 2007/30 June 2007	5.0
Cumulative depreciation and impairments	
1 January 2007	0.6
Depreciation	0.1
30 June 2007	0.7
Value 30 June 2007	**4.3**

Equity capital

At the Annual General Meeting on 17 June 2008, the shareholders of RHÖN-KLINIKUM AG resolved the distribution of a dividend of € 0.28 per non-par share with dividend entitlement. The resolved dividend of € 29.0 million was distributed on 18 June 2008.

Financial debt and financial derivatives

On 11 June 2008, we took out two variable-interest loans in the amount of € 150 million as part of a long-term financing agreement. The term of the loans runs until 11 June 2013 (€ 25 million) and 11 June 2015 (€ 125 million), respectively. The interest rate is based on 3-month Euribor plus a spread. The purpose of the loans is to finance our new hospital construction projects and moreover available for further acquisitions.

For this purpose, interest swaps were concluded in the same amount for the purpose of interest hedging. These interest swaps were designated as a cash flow hedge of the loans taken out.

In addition, € 115 million in existing interest caps were designated as at 1 April 2008 as a cash flow hedge of the existing credit lines. As at 30 June 2008 a total of € 4.7 million was allocated from hedge accounting to the re-valuation reserve. For the period from 1 April 2008 to 30 June 2008, we recognised ineffective amounts of € 0.6 million with earnings increasing effect in the income statement.

Moreover, we took out a fixed-interest loan for € 10.0 million to finance construction measures.

Other disclosures

Interests held in the Company

The following indirect and direct interests which are subject to notification pursuant to Section 21 (1) Section 22 of the German Securities Trading Act (WpHG) were reported to the Company:

			Voting share on date of exceeding/falling below the threshold		
Notifying entity	Date of exceeding/ falling below the threshold	Threshold exceeded/ fallen below by	**Held directly %**	**Imputed %**	**Disposition on voting rights %**
Alecta pensionsförsäking ömesesidigt, Stockholm/Sweden	13 Jan. 2006	> 10%	10.12		**10.12**
Eugen Münch, Germany	26 Sep. 2005	< 10%	9.78		**9.78**
Ingeborg Münch, Germany	17 Apr. 2002	> 5%	6.42		**6.42**
Allianz SE, Munich/Germany	26 Sep. 2005	> 5%		6.18	**6.18**
Allianz Deutschland AG, Munich	17 Nov. 2005	> 5%		6.14	
Jota-Vermögensverwaltungsgesellschaft mbH, Munich/Germany	26 Sep. 2005	> 5%		6.14	
Allianz Lebensversicherungs-Aktiengesellschaft, Stuttgart/Germany	26 Sep. 2005	> 5%	6.14		
Ameriprise Financial, Inc., Minneapolis/USA	04 Feb. 2008	> 5%		5.08	**5.08**
Threadneedle Asset Management Holdings Limited, London/United Kingdom	05 Feb. 2008	> 5%		5.16	
Threadneedle Asset Management Limited, London/United Kingdom	05 Feb. 2008	> 5%		5.16	
Franklin Mutual Advisers, LLC, Short Hills/USA	12 July 2006	> 5%		5.07	**5.07**
Franklin Mutual Series Fund, Short Hills/USA	29 Aug. 2006	> 5%	5.06		
Bank of America Corporation, Charlotte/USA	21 Feb. 2006	< 5%		4.46	**4.46**
Columbia Management Group, Boston/USA	21 Feb. 2006	< 5%		4.46	
Columbia Wanger Asset Management L.P., Chicago/USA	21 Feb. 2006	< 5%		4.46	
Artio Global Holdings LLC, New York/USA	27 June 2008	> 3%		4.12	**4.12**
Julius Bär Holding AG, Zurich/Switzerland	13 Mar. 2007	> 3%		3.05	**3.05**
Julius Baer Americas Inc., New York/USA	13 Mar. 2007	> 3%		3.05	
Julius Baer Investment Management LLC, New York/USA	13 Mar. 2007	> 3%		3.05	
Nordea 1 Sicav, Findel/Luxembourg	07 Feb. 2008	< 3%	2.41		**2.41**

Corporate bodies

The composition of the Supervisory Board and the Board of Management has not changed since the last reporting date.

The Terms of Reference for the Board of Management and the Supervisory Board were updated as scheduled in the first half of 2008.

Also in the first half of 2008, the Medical Innovation and Quality Committee was formed by the Supervisory Board. This Committee provides professional advice on medical developments and development trends and prepares statements of opinion for the plenary meeting of the Supervisory Board, the Investment, Strategy and Finance Committee and the Board of Management.

Related parties

RHÖN-KLINIKUM Group companies, in given instances, enter into transactions with related parties. Such service or lease relations are arranged at arm's length terms.

A member of the Supervisory Board of RHÖN-KLINIKUM AG or related party of such member provided laboratory and other medical services in the first half of 2008.

These transactions have not had any significant impact on the financial position nor on the business result. Pro rata temporis, the volume corresponds to the scope presented in the Consolidated Financial Statements for the financial year ending 31 December 2007.

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

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 2007.

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

The contractual remuneration for the members of the Supervisory Board and the Advisory Board have remained unchanged since the last reporting date. No loans were granted to members of the Supervisory Board, the Board of Management or the Advisory Board.

Three transactions of members of the Board of Management and Supervisory Board (directors' dealings) subject to notification pursuant to Section 15a of the Securities Trading Act (WpHG) were recorded by RHÖN-KLINIKUM AG during the reporting period. These concerned the acquisition of 600 ordinary shares on 22 January 2008 at a price of € 16.50 in a total volume of € 9,900 by our member of the Board of Management, Mr. Dietmar Pawlik, the acquisition of 7,000 ordinary shares on 23 January 2008 at the price of € 17.46 in a total volume of € 122,225 by our deputy chairman of the Board of Management, Mr. Gerald Meder, as well as the acquisition of 5,500 ordinary shares on 19 March 2008 at the price of € 17.85 in a total volume of € 98,175 by our chairman of the Board of Management, Mr. Wolfgang Pföhler.

Segment information

Our hospitals are operated in the legal form of 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 Group.

IAS 14 (revised 1997) requires a segmentation by business and geographical units that are characterised by different risks and rewards and that meet certain size criteria.

RHÖN-KLINIKUM Group operates on the German market, exclusively, which is highly homogenised due to uniform regulations under federal law. As a result, our acute hospitals' business risks and opportunities are the same in the various federal states. Since the Group's rehabilitation business as well as the other operations serving the acute hospitals (medical care centres, service companies) do not show the minimum size as defined by IAS 14 (revised 1997), there are no reportable segments.

Employees

At the reporting date of 30 June 2008 the Group employed a total of 32,385 persons (31 December 2007: 32,222 persons). In this increase by 163 versus the reporting date of 31 December 2007, 55 persons were added as a result of personnel changes at our MVZ companies and 185 persons as a result of personnel changes at our service companies. At our hospitals, the number of employees declined by 77 versus the reporting date of 31 December 2007.

Other financial obligations

The aggregate amount of financial obligations under concluded and fully valid company purchase agreements and investment obligations totals € 492.8 million as at 30 June 2008 (31 December 2007: € 546.9 million).

Purchase price and investment obligations also exist under a company purchase agreement in the amount of € 23 million that has been concluded but has not yet taken effect.

Contingent liabilities

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

Earnings per share

Earnings per share 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 development of the shares in issue can be seen in the overview provided in the following table:

	No. of shares 30 June 2008	No. of shares 1 January 2008
Ordinary shares	103,680,000	103,680,000
Treasury shares	-24,610	-24,610
Shares in issue	**103,655,390**	**103,655,390**

Earnings per share is calculated as follows:

Ordinary shares	30 June 2008	30 June 2007
Share in net consolidated profit (€ `000)	59,275	50,221
Weighted average number of shares in issue (in `000 units)	103,655	103,655
Earnings per share in €	0.57	0.48

Cash flow statement

The consolidated cash flow statement is prepared in accordance with IAS 7, with a distinction being made between cash flows from operating activities, investing activities as well as financing activities. Financing funds include cash and cash equivalents less bank overdrafts amounting to € 11.7 million.

Bad Neustadt a. d. Saale, 7 August 2008

RHÖN-KLINIKUM AG

THE BOARD OF MANAGEMENT

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

Assurance of legal representatives

We assure to the best of our knowledge that based on the accounting principles to be applied to interim financial reporting the present Consolidated Interim Financial Statements give a true and fair view of the asset, financial and earnings position of the Group and that the Consolidated Interim Report of the Management presents the business performance including the situation of the Group in such a way as to give a true and fair view of the same as well as a description of the material risks and rewards involved in the Group's probable development in the remaining financial year.

Bad Neustadt a. d. Saale, 7 August 2008

RHÖN-KLINIKUM AG

THE BOARD OF MANAGEMENT

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

Certificate based on auditor's review

Issued to RHÖN-KLINIKUM Aktiengesellschaft, Bad Neustadt/Saale

We have subjected the Abridged Consolidated Interim Financial Statements – consisting of the abridged balance sheet, abridged income statement, abridged cash flow statement, abridged statement of changes in shareholders' equity as well as selected explanatory disclosures in the notes – and the Consolidated Interim Report of the Management prepared by RHÖN-KLINIKUM Aktiengesellschaft, Bad Neustadt/Saale for the period from 1 January 2008 to 30 June 2008, which form integral parts of the Half-Year Financial Report according to Section 37w of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG), to a review. The adoption of the Abridged Consolidated Interim Financial Statements in accordance with the IFRS standards for interim financial reporting as adopted by the EU and of the Consolidated Interim Report of the Management according to the provisions of WpHG applicable for consolidated interim reports of the management is the responsibility of the Board of Management of the Company. Our task is to submit a certificate, based on our review, regarding the Abridged Consolidated Interim Financial Statements and the Consolidated Interim Report of the Management.

We conducted our review of the Abridged Consolidated Interim Financial Statements and the Consolidated Interim Report of the Management in accordance with generally accepted German principles for reviews of financial statements as adopted by the Institut der Wirtschaftsprüfer (IDW) and, in addition, taking account of the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). According to this, the review is to be planned and carried out in such a way that on a critical assessment we can exclude with a certain degree of certainty the non-compliance in material issues of the Abridged Consolidated Interim Financial Statements with the IFRS standards for interim financial reporting as adopted by the EU, and the non-compliance in material aspects of the Consolidated Interim Report of the Management with the provisions of WpHG applicable for consolidated interim reports of the management. Such review is primarily limited to the questioning of the Company's employees and analytical assessments and therefore does not offer the degree of certainty attained by a statutory audit. Since by reason of our assignment we have not performed any statutory audit, we are not able to issue any auditor's opinion.

Based on our review, we have not become aware of any circumstances or facts that would give us reasonable cause to believe that the Abridged Consolidated Interim Financial Statements in material aspects were not prepared in compliance with the IFRS standards for interim financial reporting as adopted by the EU, or that the Consolidated Interim Report of the Management in material aspects was not prepared in compliance with the provisions of WpHG applicable for consolidated interim reports of the management.

Frankfurt am Main, 7 August 2008

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Harald Schmidt	ppa. Hafid Rifi
Wirtschaftsprüfer	Wirtschaftsprüfer

Financial Calendar -
Dates for shareholders and financial analysts

2008

6 November 2008	Analyst Conference

2009

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

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This Half-Year-Financial-Report is also available in German