RHÖN-KLINIKUM AG

Interim Report
Q1 – Q3

2010

Contents

Dear Shareholders,

RHÖN-KLINIKUM AG has continued its growth course with a successful third quarter. In the first nine months of financial year 2010, the Company treated 1,534,288 patients (+13.3 %), generated revenues of € 1,903.4 million (+10.5 %) and achieved net consolidated profit of € 107.2 million (+10.4 %), thus meeting its stated targets. Once again, then, we significantly raised our key performance ratios compared with the same period last year – and that despite the challenging framework conditions. This shows that the measures adopted and the strategic direction taken for 2010 are right and in keeping with our goals.

There is no doubt that the general framework conditions will remain challenging in future, as well. The health reform has now reached the decisive phase of parliamentary consultation. Already on 12 November 2010, the German Federal Parliament is to vote on the Act relating to Sustainable and Socially Balanced Financing of Statutory Health Insurance (GKV-FinG) so that it can be passed before the end of the year even if the Federal Council raises objections.

The rate of change in aggregate income of all health insurance fund members will not completely offset the actual cost increases in 2011 either, but since such rate of change was set 1.15 per cent higher than expected, a higher amount will also in all likelihood be available to hospitals in Germany (which include RHÖN-KLINIKUM AG) to compensate for cost increases.

Nonetheless, we must be prepared ahead of time to offset burdening factors. Given the seriousness and reliability of our Company, I believe it was the right move to introduce measures already before the 4th quarter of 2010 to offset foreseeable burdens in 2011. This means that we are well prepared going into the coming year.

As the sector's driver of innovation, our aim is to continuously promote medical care for our patients and, among other things, to raise its quality even further by bringing it in line with the latest developments in technology. We are convinced that it is only by further developing our care offerings on an ongoing basis that it will be possible in future to offer patients high-quality, local healthcare available to everyone.

This is our commitment, and we are sparing no efforts to achieve this end.

With the acquisition of Salze Klinik, for example, we have been able to integrate an outstanding national medical concept into our hospital network. As an innovative healthcare provider we thus embrace the opportunities presented to us by an ageing society. Here, too, our goal is to be able to offer medical care tailored to the needs of (in this case) elderly and multimorbid patients.

Our commitment in outpatient ophthalmology is a further example of how we harmonise the best interests of patients, new medical procedures and economic efficiency. Many operations which only a few years ago could only be performed at the hospital are now increasingly being performed on an outpatient basis thanks to advances in medical technology. Having recognised this trend early on, we have been carefully planning our market entry over the past months.

However, innovation potential is also increasingly being exploited in co-operation with outpatient care segments. Here we will not relent in our efforts so that the path towards better integration in healthcare taken by the structural reform announced by the Coalition Government will continue to be pursued.

Not all hospitals will be able to sustain the burdens brought by the reform. Together with the impact of high public debt, more and more hospitals will decide in favour of privatisation. How quickly this development proceeds is ultimately something that will be decided by political factors. We are prepared and – thanks to our expertise and many years of experience – are looking confidently to a very promising future with great opportunities ahead.

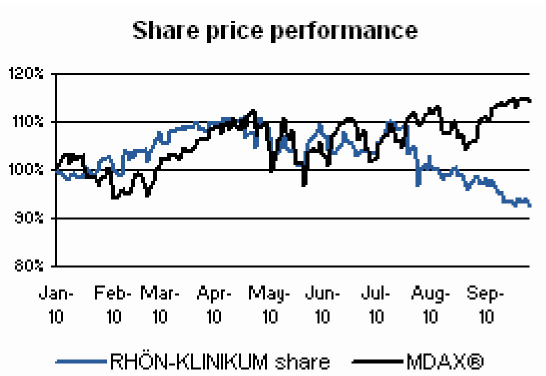
Yours sincerely,

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

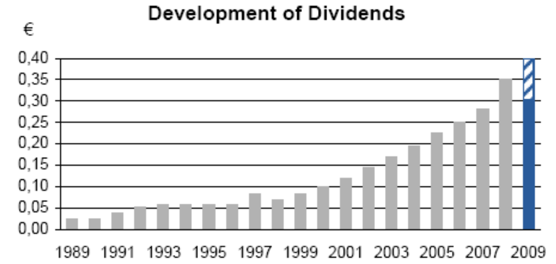
THE RHÖN-KLINIKUM SHARE

In the third quarter, the equity markets were basking the continuing economic recovery. However, early indictors were on the decline in the world's biggest economy, the USA. That said, capacity utilisation and industrial production are staging a clear recovery. In Germany, economic recovery continued undiminished, seen among other things in the upward revision of growth for the aggregate economy for 2010 and 2011 coupled with a further rise in the Ifo business climate index.

As at 30 September 2010, the DAX®, Germany's lead index, was slightly above its second quarter closing level (6,229 points), translating in a rise of 4.4%. The second-tier stocks of the MDAX® index posted an even bigger gain in the third quarter of 9.5%, with many cyclical stocks in particular putting in a positive price performance. By contrast, healthcare stocks on average were unable to participate in this positive trend. The DJ EURO STOXX Healthcare Index thus remained flat at the previous year's level (403 points), translating into a marginal decline of -0.2%.



Although RHÖN-KLINIKUM AG succeeded in meeting its profit expectations, the share gave up 11.5% over the quarter (ending the quarter with a closing price of € 16.9) amid persisting uncertainties and debate regarding the key points of the German healthcare reform. At the end of the quarter our market capitalisation, including all issued 138.23 million non-par shares, stood at € 2.24 billion (30 June 2010: € 2.53 billion). In the MDAX® we thus ranked 10th by market capitalisation (30 June 2010: 6th).



On 30 September and 1 October 2010, our fifth Capital Markets Day for analysts was held at Klinikum Hildesheim. As in past years, this year's event also met with great interest. On 10 February 2011, we will publish our preliminary results for financial year 2010.

RHÖN-KLINIKUM share		
ISIN		DE0007042301
Ticker symbol		RHK
Registered share capital		345,580,000 €
Number of shares		138,232,000
	30 Sept. 2010	**31 Dec. 2009**
Market capitalisation (€ m)	2,237.98	2,366.53
Share prices, in €	**1 Jan.-30 Sept. 2010**	**1 Jan-31 Dec. 2009**
Closing price	16.19	17.12
High	19.44	17.62
Low	16.17	14.00

The results press conference for publication of the annual financial report will take place on 28 April 2011. On the same day we will publish our interim report for the three months ending on 31 March 2011.

A financial calendar containing all important financial dates for 2011 is provided page 39 as well as on our website at www.rhoen-klinikum-ag.com under the "Investors" section.

REPORT ON THE THIRD QUARTER AND THE FIRST NINE MONTHS OF FINANCIAL YEAR 2010

- Stable growth in service volumes (+13.3%), in revenues (+10.5%) and earnings (+10.4%) in financial year 2010 to date
- Financial challenges in terms of revenues and costs completely met
- With quarterly earnings standing at € 36.2 million, and earnings of € 107.2 million after the first nine months, we have our earnings forecast for financial year 2010 (€ 145 million within a range of plus or minus 5%) firmly in view

GENERAL REMARKS

The Interim Consolidated Financial Statements of RHÖN-KLINIKUM AG for the year ended 30 September 2010 have been prepared applying section 315a of the German Commercial Code 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 No 1606/2002 concerning the application of international accounting standards in the European Union in financial year 2010.

The accounting and valuation methods applied, to the extent already applied in financial year 2009 and consistently applied in financial year 2010, are set out in detail in the Consolidated Financial Statement of RHÖN-KLINIKUM AG as at 31 December 2009. The accounting and valuation methods applied for the first time in financial year 2010 are explained at length in the Abridged Notes to this Quarterly Report.

The regulations of the collective Standard “Improvements to IFRSs” (April 2009) in particular are applied for the first time in 2010. 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

Compared with the first nine months of 2009, we recorded

- a rise in patient numbers by 179,636 cases or 13.3% to a total of 1,534,288 cases (previous year: 1,354,652 cases),
- a rise in revenues by € 180.3 million or 10.5% to € 1,903.4 million (previous year: € 1,723.1 million),
- an increase in EBITDA by € 18.9 million or 9.0% to € 228.5 million (previous year: € 209.6 million),
- an increase in EBIT by € 13.1 million or 9.7% to € 147.9 million (previous year: € 134.8 million), and
- a € 10.1 million (10.4%) rise in net consolidated profit to € 107.2 million (previous year: € 97.1 million)

in the first nine months of financial year 2010, thus meeting our targets.

Of the € 180.3 million rise in revenues, € 75.2 million was attributable to the first-time consolidation of the MEDIGREIF Group as at 31 December 2009; € 1.3 million to the first-time consolidation of the "Salze Klinik" as at 30 July 2010 (now called Klinik Hildesheimer Land GmbH); and € 103.8 million to organic growth achieved by all other outpatient and inpatient sites.

Compared with the same period last year, a rise in EBITDA of € 18.9 million compares with net higher expenditure on depreciation, amortisation, interest and tax of € 8.8 million.

Net consolidated profit was up by € 10.1 million, with the MEDIGREIF Group contributing € 6.6 million and Klinik Hildesheimer Land € 0.1 million. Changes in the valuation of our financial instruments burdened earnings by € 0.3 million (previous year: € 1.2 million) and reduced expenditure compared with the previous year by € 0.9 million. The other inpatient and outpatient facilities contributed € 2.5 million to the rise in net consolidated profit.

The EBITDA and EBIT margins, at 12.0% (previous year: 12.2%) and 7.8% (previous year: 7.9%) respectively, are slightly below the previous year's level. Return on revenue declined compared with the same period last year by 0.1 percentage points to 5.6%.

The pro rata net consolidated profit attributable to the shareholders, which in the first nine months of 2010 rose from € 92.3 million by €10.7 million (or 11.6%) to € 103.0 million, translates into an EpS according to IAS 33 of € 0.75 (previous year: € 0.83). Based on a comparable number of shares, EpS for the previous year would be € 0.67.

Comparison of the third quarter

In the third quarter of 2010 versus the third quarter of 2009, we achieved

- a rise in patient numbers by 58,885 cases or 13.0% to a total of 510,443 cases (previous year: 451,558 cases),
- a rise in revenues by € 57.8 million or 9.9% to € 640.4 million (previous year: € 582.6 million),
- an increase in EBITDA by € 7.9 million or 11.4% to € 77.0 million (previous year: € 69.1 million),
- an increase in EBIT by € 6.0 million or 13.8% to € 49.6 million (previous year: € 43.6 million), and
- a € 4.8 million (15.3%) rise in net consolidated profit to € 36.2 million (previous year: € 31.4 million).

Of this third-quarter rise in revenues, € 29.7 million was contributed by hospitals consolidated for the first time and € 28.1 million by the other inpatient and outpatient facilities.

The € 4.8 million rise in net consolidated profit for the third quarter of 2010 reflects the € 2.5 million contributed by the hospitals consolidated for the first time and € 2.3 million generated by the other outpatient and inpatient facilities. Compared with the same period last year, EBITDA was raised by € 7.9 million; this compares with net higher expenditure on depreciation, amortisation, interest and tax of € 3.1 million.

Unlike in the comparison of the first three quarters with the previous year, the EBITDA and EBIT margins in the third quarter, at 12.0% (previous year: 11.8%) and 7.7% (previous year: 7.4%), respectively, were slightly above the previous year's level. This stems from the fact that in 2010 we had concluded our remuneration agreements with more facilities than in the previous year, with the result that risk discounts for any reductions in revenues did not apply.

In the third quarter, the market values of our financial instruments remained stable. During the same period last year, this had burdened our earnings by € 0.6 million.

The pro rata net consolidated profit attributable to the shareholders in the third quarter of 2010 of € 34.9 million (previous year: € 30.4 million) translates into an EpS according to IAS 33 of

€ 0.25 (previous year: € 0.23). Based on a comparable number of shares, EpS for the previous year would be € 0.22.

Investment and financing

In the first nine months of the current financial year, the Group invested a total of € 251.3 million (previous year: € 207.0 million) – of which € 224.2 million from own funds (previous year: € 183.8 million) – for hospital takeovers, our new hospital buildings and for replacement investments. For these investments an operating cash flow of € 188.7 million (previous year: € 173.9 million) was available.

In the first nine months of 2010 we distributed a total of € 43.6 million to shareholders and minority owners (previous year: € 38.7 million).

Since the reporting date our net financial debt has risen as a result of investments from € 406.1 million to € 509.3 million, and our equity capital increased over the same period from € 27.2 million to € 1,450.1 million.

The equity ratio has seen a slight decline compared with the reporting date, from 49.8% to 48.9%. Our non-current assets are financed fully, at 114.3% (31 December 2009: 110.9%), at matching maturities by equity capital and non-current debt. Moreover, current assets are covered by € 300.3 million of non-current equity and debt items.

Forecast for 2010

Based on the trend in service volumes and earnings for the first nine months, we expect financial year 2010 – even without further acquisitions and under the currently known statutory framework conditions – to post revenues of € 2.55 billion and net consolidated profit of € 145.0 million within a fluctuation range of plus or minus 5 % in each case.

LEGAL AND ECONOMIC SITUATION

The prevailing view that emerges from the latest data on the trend in the German economy is that financial year 2010 will see growth of roughly 3.5%. Private domestic consumption in particular picked up noticeably from the second quarter, thus relieving the situation on the jobs market. For 2011, growth by as much as 2.0 percentage points is being forecast.

As in previous years, changes in demographics will translate into a rise in demand for hospital services in 2010 also, which is expected to be in the range of 1.5% to 2.0%. The statutory regulations on remuneration provide for a discount of 65.0% for additional service volumes not covered by agreements, which means that a price decline of roughly 1.0% has to be absorbed for this reason alone. It is also emerging that the rate of change in aggregate income of all health insurance fund members for 2010 of 1.54% will not suffice to cover price increases in material costs and adjustments in the personnel area to reflect collective wage agreements.

In our view, only hospitals which i) are capable of achieving increases in service volumes that are disproportionate to the demographic trend, and ii) also have cost structures in place enabling them to generate additional profit contributions from additional revenues, will be able to keep their results stable in 2010. There are probably only a very limited number of hospitals in Germany – besides ourselves – that meet such criteria.

For years, our Group hospitals have been growing faster than the average of all hospitals in Germany. At the same time, the number of hospitals and inpatient capacities throughout Germany have been steadily declining. As a result, our market share is continually rising, even without hospital takeovers. As regards acquisition-driven growth, we are prepared to take further hospitals into the Group.

Policymakers are currently debating the terms and conditions of remuneration for hospitals in 2011. Cuts in the rate of change in aggregate income of all health insurance fund members and in remuneration for surplus volumes appear likely. Hospitals in Germany are expected to shoulder a cut of some € 500 million in 2011. Although details of this austerity programme have not yet been released, it already now appears likely that the entire sector will be affected by the so-called “wage gap” in 2011 as well.

In future, only a few hospital operators, like us, will be in a position to draw positive benefits from such challenging framework conditions, thus further widening the gap between hospital operators (as a result of cost pressures being offset at our facilities and of the failure to do so on the part of many of our competitors).

For 2011 we also expect to see the first government entities (local, state and federal) to consolidate their budgets as required by the constitution. The provisions enshrined in the German constitution under the concept of the “debt brake” in 2009 put limits on expenditure from 2011. In future, this will significantly restrict the scope of municipal owners to finance investments and deficits at their hospitals.

We expect this development to present us with good opportunities for hospital takeovers.

We can make the fully justified claim of running our hospitals very efficiently and thus successfully, and therefore see ourselves poised for considerable success in the coming years.

CORPORATE GOVERNANCE

Corporate constitution

In the first quarter of 2010, the composition of our Board of Management and Supervisory Board has remained unchanged compared with the 2009 Annual Report and the changes explained in the 2010 Half-Year Financial Report. The allocation of responsibilities within the Board of Management as well as within the Supervisory Board is regularly adapted to changing requirements.

Beyond the mandatory disclosures pursuant to the German Securities Trading Act as reported in the 2010 Half-Year Financial Report, Ameriprise Financial, Inc., Minneapolis/USA (parent) notified to us in September 2010 that it had exceeded the relevant threshold with a share in voting rights of 2.89%.

Following publication of the Half-Year Financial Report, the member of the Supervisory Board Mr. Detlef Klimpe notified that on 5 August 2010 he purchased 1,100.00 shares at a price of € 17.74 (corresponding to a business volume of € 19,514.00) via the stock exchange in Frankfurt.

At its meeting in October, the Board of Management adopted revisions to the Group-wide risk guideline as well as the compliance rules.

All other elements of our corporate constitution have remained unchanged in financial year 2010 to date. In this regard we refer to the explanations provided in the Management's Report of the 2009 Financial Statement and the Management's Report in the 2010 Half-Year Financial 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.

Since the reporting date of 31 December 2009 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 Dec. 2009	**53**	**15,729**
Klinik Hildesheimer Land GmbH	1	165
Change in capacities		6
As at 30 Sept. 2010	**54**	**15,900**

As at 31 December 2009, we consolidated the MEDIGREIF Group (including its facilities) on the balance sheet for the first time. The MEDIGREIF Group is comprised of five hospitals and two medical care centres in the federal states of Mecklenburg-West Pomerania and Saxony-Anhalt. The case numbers, revenues, expenditures and earnings of the newly consolidated group will feed through to the corresponding performance ratios of RHÖN-KLINIKUM AG in financial year 2010 for the first time. The subsidiaries are performing in line with targets.

As at 20 May 2010, we acquired Klinik Hildesheimer Land GmbH, a facility operating in the areas of acute geriatrics and geriatric, cardiological and orthopaedic rehabilitation with 165 beds. The company is included in the consolidated financial statement from 30 July 2010. The integration processes are moving ahead on schedule.

As at 30 September 2010 our consolidated financial statement included 54 hospitals with 15,900 beds/places at a total of 43 sites in 10 federal states. Only a minor change of 6 beds in the area of acute inpatient approved beds, in line with the requirement budgets in the individual federal states, was recorded in financial year 2009.

In the first nine months of 2010 we expanded our outpatient capacities by five MVZs with a total of 22 doctor's practices:

	Date	MVZs	Specialist physician practices
As at 31 Dec. 2009		**26**	**98**
Opened			
Pforzheim II	1 Jan. 2010	1	2
Kipfenberg	1 Jan. 2010	1	2
Uelzen	1 Jan. 2010	1	3
Wuppertal	1 July 2010	1	5
Bad Berka	1 July 2010	1	2
Expansion of existing MVZs		-	8
As at 30 Sept. 2010		**31**	**120**

With effect from 1 October 2010, we commissioned two MVZs, with two specialist doctor's practices each, in Bad Nauheim and Dannenberg.

As at 1 January 2011, we will consolidate a majority interest in our first ophthalmological centre with a total of 10 ophthalmologist's practices in Düsseldorf. There are also plans to add further practices in Wuppertal, Solingen and Krefeld. Together with the founders of these ophthalmological centres, we are looking to establish further centres, also outside North Rhine-Westphalia. We are thus taking account of the fact that the portfolio of ophthalmological services, as a result of advances in medicine, to a very large extent is shifting from the inpatient into the outpatient area.

In 2010 we further developed our strategy of expanding our outpatient capacities. We have increasingly come to prefer outpatient structures around our inpatient sites so as to ensure better care for patients at the regional level. We are also focusing increasing efforts on what is called "specialised doctor MVZs" (such as ophthalmological centres) designed to cover services previously provided in hospitals.

Patients

January through September	2010	2009	Change absolute	%
Inpatient and day-case treatments,				
acute hospitals	490,588	450,641	39,947	8.9
rehabilitation hospitals and other facilities	7,485	7,306	179	2.5
	498,073	457,947	40,126	8.8
Outpatient attendances at our				
acute hospitals	771,408	744,084	27,324	3.7
MVZs	264,807	152,621	112,186	73.5
	1,036,215	896,705	139,510	15.6
Total	**1,534,288**	**1,354,652**	**179,636**	**13.3**

In the first nine months a total of 1,534,288 patients (up by +179,636 patients or +13.3%) were treated in the Group's hospitals and MVZs. Of this increase, outpatient treatments account for 77.7%. After deducting the effects of the first-time consolidations (MEDIGREIF Group, Klinik Hildesheimer Land), this translates into organic growth in patients of 93,148 patients or 6.9%. In the acute inpatient area, this growth is attributable in about equal proportion to higher case numbers and a greater severity of cases. Overall, we recorded a rise in valuation ratios by 9.5%, of which 4.8 percentage points are attributable to the hospitals consolidated for the first time (MEDIGREIF Group and Klinik Hildesheimer Land) and 4.7 percentage points to the Group's other inpatient facilities.

Per-case revenues

January through September	2010	2009
Case revenue		
inpatient (€)	3,613	3,585
outpatient (€)	91	91

Compared with the first nine months of the previous year, per-case revenue rose by 0.8% in the inpatient area. In the outpatient area, case revenue remained unchanged.

In the inpatient area this trend is largely attributable to the higher quality of the services provided. In the outpatient area, higher case revenues from the integration of acquired specialist doctor's practices are more or less cancelled out by lower case revenues in practices that provide more services than the standard service volumes allocated to them under their budgets.

Employees

Employee	30 Sept. 2010	31 Dec. 2009	Change absolute	%
Hospitals	33,507	32,944	563	1.7
MVZs	487	359	128	35.7
Service companies	3,694	3,579	115	3.2
Total	**37,688**	**36,882**	**806**	**2.2**

On 30 September 2010, the Group employed 37,688 persons (31 December 2009: 36,882).

The rise results from the 172 employees added from the takeover of Klinik Hildesheimer Land and, additionally, from staffing increases at our long-standing facilities (1.7%) attributable to organic growth (4.7%, as measured in valuation ratios).

BUSINESS DEVELOPMENT

Taking into account various regulatory and economic obstacles, the performance achieved by our hospitals overall during the first nine months of financial year 2010 was in line with expectations.

On a Group-wide basis, we achieved significant increases in service volumes. From these additional revenue contributions we succeeded in fully covering increases in personnel and material costs only because we were able to additionally realise efficiency gains at many sites thanks to reorganisation measures. Despite this, the expansion in revenues was disproportionately moderate, with the result that certain expenditure ratios increased and our earnings margins slightly decreased.

At most hospital sites, revenues are largely secure up to 30 September 2010. We have concluded roughly 75% of our remuneration negotiations for financial year 2010. In these remuneration negotiations we succeeded in having most of the surplus service volumes provided by our hospitals included in the budgets of the hospitals concerned. From the negotiations still pending, we expect to see slight increases in earnings in the fourth quarter.

In terms of personnel costs, there are still risks attributable to the fact that numerous in-house wage negotiations (including those for large hospitals) have yet to be brought to a conclusion. We expect to be able to bring these negotiations to a successful conclusion.

The Group's economic performance is shown as follows based on the key figures used for management purposes:

January - September	2010 €m	2009 €m	Change €m	%
Revenues	1,903.4	1,723.1	180.3	10.5
EBITDA	228.5	209.6	18.9	9.0
EBIT	147.9	134.8	13.1	9.7
EBT	130.5	115.5	15.0	13.0
Net consolidated profit	107.2	97.1	10.1	10.4

When assessing hospital ratios and margins in period-based and inter-operation comparisons, due regard has to be given to the fact that hospitals are allocated an annual budget for their annual service volumes. Since the annual service volume is known only after the end of the financial year and the annual budget only after conclusion of the remuneration agreement, revenues generated during the year are quantified on the basis of realistic estimates. These can be easily put into the perspective of representative annual time-based comparisons.

The rise in revenues by € 180.3 million (or 10.5 percentage points) is attributable almost completely (to the tune of 9.5 percentage points) to increases in service volumes at our long-standing and newly acquired hospitals, while price adjustments contributed only 1.0 percentage point to the expansion in revenues.

Based on the remuneration for surplus service volumes established for 2010, operating margins (EBITDA and EBIT) recorded slightly disproportionately moderate gains. A likewise disproportionately moderate trend in net financial expenditure and in the depreciation item resulted in a rise in net consolidated profit (which was largely proportionate to that of revenues) by 10.4% to € 107.2 million.

January - September	2010 %	2009 %
EBITDA margin	12.0	12.2
EBIT margin	7.8	7.9
EBT margin	6.9	6.8
Return on revenue	5.6	5.7
Return on equity	10.0	11.4

The trend of our margins was helped by restructuring successes. These compare with discounts for surplus revenues not covered by agreements.

The decline in return on equity resulted from the increase in equity capital from the capital increase performed in the third quarter of 2009.

EBIT January - September	2010 €m	2009 €m	Change €m	%
Acquisitions in 2010	0.1	N.A.	0.1	N.A.
Acquisitions in 2009	7.9	N.A.	7.9	N.A.
Acquisitions in 2008	-2.7	-4.2	1.5	35.7
Acquisitions in 2007	1.2	0.7	0.5	71.4
Acquisitions in 2006	7.3	5.6	1.7	30.4
Acquisitions in 2005	23.5	20.5	3.0	14.6
Acquisitions in 2004	4.1	1.5	2.6	173.3
MVZ companies	-1.0	0.6	-1.6	-266.7
Service companies	0.0	0.5	-0.5	-100.0
Rest of Group	133.7	135.5	-1.8	-1.3
EBIT of operating companies	174.1	160.7	13.4	8.3
Group management	-26.2	-25.9	-0.3	-1.2
Total	**147.9**	**134.8**	**13.1**	**9.7**

The trend in EBIT at the hospitals acquired in specific years is positive, underscoring our long-term restructuring expertise.

EBIT was up by € 13.1 million (or 9.7%), with the facilities consolidated for the first time in 2010 (MEDIGREIF Group, Klinik Hildesheimer Land) contributing € 8.0 million and Universitätsklinikum Gießen und Marburg GmbH € 2.5 million. The declining trend at the MVZ companies is attributable to the establishment of structures for a regional presence. The other Group hospitals are able to stabilise their earnings situation at approximately the previous year's level through surplus revenues and restructuring.

Without taking into account further acquisitions, we expect an overall positive performance of our key ratios in the further course of financial year 2010.

Revenues and earnings

Compared with the same period last year, revenues grew by € 180.3 million or 10.5%. Adjusting for changes in the scope of consolidation (€ 76.5 million), this translates into organic growth of € 103.8 million or 6.0%. We achieved a disproportionately moderate growth in revenues on the back of an increase in service volumes of 6.9% (as measured in case numbers). This increase stemmed from disproportionate growth at our outpatient facilities which, by comparison, record lower revenues.

Compared with the same period last year, other operating income witnessed a rise of € 5.4 million or 4.5%. Our long-standing facilities recorded earnings gains of € 2.9 million (2.4%), which essentially result from higher revenues from the sale of pharmacy articles to third parties (+ € 1.7 million) as well as from grants received under the Second Economic Stimulus Package for building modernisation measures (+€ 0.5 million).

January - September	2010 %	2009 %
Cost of materials ratio	25.5	25.4
Personnel cost ratio	59.8	59.8
Other cost ratio	9.3	9.6
Depreciation and amortisation ratio	4.2	4.3
Financial result ratio	0.9	1.1
Tax rate	1.3	1.1

Compared with the same period last year, the cost of materials rose by € 47.4 million or 10.8%. Without the increase in expenditure on materials at the hospitals consolidated for the first time, the rise would have been € 28.2 million or 6.4%. Specifically, the rise was driven by higher expenditures for implants, pharmaceuticals and nursing consumables because of the increase in service volumes in the corresponding areas of cardiosurgery, cardiology and orthopaedics. Although it was possible to secure price concessions in many areas, the expenditure ratio rose slightly since the trend in service volumes for the most part concerned higher-quality services that also require higher material costs.

Personnel expenses rose compared with the first quarters of 2009 by € 107.4 million or 10.4%. At the long-standing facilities, the increase was € 63.9 million or 6.2%. The unchanged personnel expense ratio reflects Group-wide restructuring successes and a disproportionately moderate increase in personnel at sites reporting an expansion in service volumes, on the one hand; and a trend in wages which is disproportionate to the rate of change in aggregate income of all health insurance fund members, on the other.

In the other expenditure item, we recorded an increase by € 11.9 million or 7.2%, of which € 4.4 million (2.7%) is attributable to the long-standing facilities and € 7.5 million (4.5%) to the facilities consolidated for the first time. The disproportionately moderate increases in expenditures recorded at the long-standing facilities is accounted for to some extent (and among other things) by subsidised maintenance measures (+€ 3.0 million) as well as the costs of ongoing and further-qualification training (+€ 1.2 million).

Of the € 5.8 million (or 7.8%) rise in depreciation, € 0.8 million is attributable to the first-time recognition of depreciation at the MEDIGREIF Group and Klink Hildesheimer Land. The remaining € 5.0 million is accounted for among other things by the commissioning of our building extensions in Cuxhaven as at 1 October 2009 and in Bad Berka as at 1 November 2009, as well as by current investments as of the second half of 2009. The decline in the depreciation ratio from 4.3% to 4.2% results from the comparatively small amount of property, plant and equipment of the MEDIGREIF Group financed by equity.

The financial result improved by € 1.9 million or 9.8% compared with the same period last year. This development is essentially explained by the decline in average net financial debt in the first nine months of financial year 2010 (as compared with the same period last year) from roughly € 580.0 million by roughly € 118.0 million (20.0%) to roughly € 462.0 million for 2010. An opposite (expenditure increasing) effect was brought about by the rescheduling into non-current debt during the first half of the year through issuance of a bond with a volume of € 400.0 million at an interest rate of 3.875%, resulting in a total expenditure increase of around € 2.6 million after netting with interest income.

Changes in the market values of financial instruments, which are recognised through profit or loss, had a burdening impact on the financial result – in each case before tax – of € 0.3 million in the first nine months of 2010 (previous year: burden of € 1.2 million).

Based on an unchanged rate of taxation compared with the previous year, the tax ratio rose by 0.2 percentage points to 1.3 percentage points compared with the previous year. This rise stems from the fact that during the same period last year a total of € 2.8 million (net) in deferred tax assets under loss carry-forwards stated for the first time for facilities acquired in previous years were recognised with tax reducing effect. A further expenditure-increasing impact stems from the non-tax-deductibility of a large part of our financial expenditures, with the result that no deferred tax assets can be recognised for these.

In the first nine months of financial year 2010 we raised net consolidated profit by € 10.1 million or 10.4% to € 107.2 million (previous year: € 97.1 million). Adjusted for the earnings effects from changes in the market values of financial derivatives as well as the contributions to earnings recognised in 2010 from the hospitals recognised for the first time (MEDIGREIF Group and Klinik Hildesheimer Land), this results in an operative net consolidated profit of € 100.8 million, exceeding the previous year's level of € 98.3 million by € 2.5 million or 2.5%.

Minority interests in profit declined compared with the same period last year by € 0.6 million to € 4.2 million. This was in particular attributable to RHÖN-KLINIKUM AG's purchase of a 20% shareholding interest in Amper Kliniken AG, reducing the latter's minority interest from 25.1% to 5.1% with effect from 1 January 2010.

The interest of RHÖN-KLINIKUM AG shareholders in profit for the nine three months of 2010 rose by € 10.7 million or 11.6% to € 103.0 million compared with the same period last year. This corresponds to earnings per share of € 0.75 (previous year: € 0.83) in accordance with IAS 33. On an arithmetic, unweighted basis, and taking account of the higher number of ordinary shares after the capital increase in 2009, the EpS figure is € 0.67 for the previous year.

In the first nine months of 2009, the sum of after-tax earnings and the value changes recognised at equity amounted to € 94.8 million (previous year: € 92.4 million). Whereas in the previous year, negative changes in the market values of our financial instruments of € 4.8 million were recognised directly at equity, negative changes in market values (after tax) to the tune of € 12.3 million also had to be recognised directly at equity in the first nine months of the current financial year.

Asset and capital structure

Chiefly as a result of the scheduled realisation of our investment programmes, our assets increased by € 138.6 million or 7.1% since the last reporting date. We financed our equity-financed investments amounting to € 224.2 million largely from operating cash flow of € 188.7 million generated in the first nine months of the current financial year.

	30 Sept. 2010		31 Dec. 2009	
	€m	%	€m	%
ASSETS				
Non-current assets	2,104.1	71.0	1,965.5	68.8
Current assets	861.5	29.0	893.0	31.2
	2,965.6	**100.0**	**2,858.5**	**100.0**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	1,450.1	48.9	1,422.9	49.8
Long-term loan capital	954.3	32.2	757.2	26.5
Short-term loan capital	561.2	18.9	678.4	23.7
	2,965.6	**100.0**	**2,858.5**	**100.0**

The decline in current assets essentially results from the utilisation of payments received for the 20.0 percentage point interest in Amper Kliniken AG.

The equity capital ratio recorded a decline compared with the last reporting date, from 49.8% to 48.9%.

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

Shareholders' equity	**2010**			**2009**
	Share-holders	**Minorities**	**Total**	**Total**
	€m	**€m**	**€m**	**€m**
As at 1 January	**1,376.1**	**46.8**	**1,422.9**	**889.3**
Equity capital transactions with owners	-51.7	-16.0	-67.7	405.9
Total result of the period	90.7	4.2	94.9	92.4
As at 30 September	**1,415.1**	**35.0**	**1,450.1**	**1,387.6**

As at 30 September 2010, equity stands at € 1,450.1 million (31 December 2009: € 1,422.9 million). Compared with the balance sheet date of 31 December 2009, the increase in equity capital by € 27.2 million stems from net consolidated profit of € 107.2 million less i) the distribution of dividends to shareholders of RHÖN-KLINIKUM AG (€ 41.5 million), ii) the distribution of dividends to minority shareholders (€ 2.1 million), iii) the recognition directly in equity of negative changes in the market values of derivative financial instruments designated as interest hedging instruments (€ 12.3 million), and iv) the recognition directly in equity of the purchase price payment for the increase in the shareholding in Amper Kliniken AG by 20 percentage points to 94.9% (€ 24.1 million). 114.3% (31 December 2009: 110.9%) of non-current assets is covered by equity and non-current liabilities. Net financial debt rose since the last reporting date from € 406.1 million by € 103.2 million to € 509.3 million as at 30 September 2010, and is calculated as follows:

	30 Sept. 2010	31 Dec. 2009
	€m	€m
Cash	403.8	444.9
Current financial liabilities	38.4	166.7
Non-current financial liabilities	903.6	697.9
Finance lease liabilities	5.1	5.8
Financial liabilities	947.1	870.4
Subtotal	543.3	425.5
Negative market value of derivatives (curre	-0.2	-0.2
Negative market value of derivatives (non-c	-33.8	-19.2
Net financial debt	**509.3**	**406.1**

Our key financial ratios developed as follows:

	Sept. 2010	**Dec. 2009**
Net financial liabilities in €m at reporting date (incl. finance lease liabilities)	509.3	406.1
EBITDA (€ m)	302.9 *	284.0 **
Net interest expenditure in €m (excluding mark-up / discount of financial instruments)	21.1 *	22.1 **
Net financial debt / EBITDA	1.7	1.4
EBITDA / net interest expenditure	14.4	12.9

*) Period from 1 October 2009 - 30 September 2010
**) Period from 1 January 2009 - 31 December 2009

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 € 14.8 million or 8.5% to reach € 188.7 million (€ 173.9 million).

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

January through September	**2010 €m**	**2009 €m**
Cash generated from operating activities	150.4	172.2
Cash used in investing activities	-203.0	-190.9
Cash generated from financing activities	15.5	448.6
Change in cash and cash equivalents	**-37.1**	**429.9**
Cash and cash equivalents at 1 January	420.6	76.9
Cash and cash equivalents as at 30 September	**383.5**	**506.8**

Changes in cash generated from operations compared with the previous year are largely the result of reporting date effects.

Investing activities

Aggregate investments of € 251.3 million (previous year: € 207.0 million) in the first nine months of financial year 2010 are shown in the following table:

	Use of gov't grants	Own funds	Total
	€m	€m	€m
Current capital expendit	27.1	219.0	246.1
Hospital takeovers	0.0	5.2	5.2
Total	**27.1**	**224.2**	**251.3**

Of these current investments made in the first nine months, € 27.1 million was attributable to investments funded from grants under the Hospital Financing Act (KHG) (previous year: € 23.2 million) and deducted from total investments pursuant to the relevant provisions of IFRS.

In the case of "Salze Klinik" (renamed Klinik Hildesheimer Land GmbH), we acquired assets of € 5.2 million.

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

	€m
Gießen-Marburg	102.1
Hildesheim	20.2
Leipzig	13.8
Salzgitter	12.3
Gifhorn	12.0
Bad Neustadt a. d. Saale	9.8
Miltenberg-Erlenbach	9.6
Köthen	9.2
München Pasing-Perlach	8.2
Pforzheim	3.3
Bad Berka	2.8
Dachau	2.2
Other sites	13.5
Total	**219.0**

In the further course of 2010 we have planned to invest a further amount of roughly € 206.0 million.

Under company purchase agreements entered into we still have outstanding investment obligations of € 132.2 million until 2014.

Outlook

No material events subject to a reporting obligation took place after 30 September 2010 up to the preparation of this Report.

Although we are currently involved in several acquisition procedures for inpatient and outpatient facilities, the findings from the due diligence reviews conducted for hospital projects indicate that that these projects might not meet our stringent requirements.

For financial year 2010 we expect – under the currently known statutory framework conditions and without further acquisitions – revenues of € 2.55 billion and a net consolidated profit of € 145.0 million that may fluctuate within a range of plus or minus 5%.

In the fourth quarter of 2010 as well as for the years 2011 and 2012, we are looking to achieve efficiency gains from optimisation programmes at our individual hospital sites. We expect to see rises in service volumes and revenues that will significantly exceed inevitable cost increases.

Bad Neustadt a. d. Saale, 4 November 2010

RHÖN-KLINIKUM AG

THE BOARD OF MANAGEMENT

Andrea Aulkemeyer Volker Feldkamp Dr. rer. pol. Erik Hamann Wolfgang Kunz

Gerald Meder Wolfgang Pföhler Dr. rer. oec. Irmgard Stippler Dr. med. Christoph Straub

CONSOLIDATED ABRIDGED INTERIM FINANCIAL STATEMENT

Contents

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

January through September	2010		2009	
	€ '000	%	€ '000	%
Revenues	1,903,362	100.0	1,723,124	100.0
Other operating income	126,047	6.6	120,620	7.0
	2,029,409	**106.6**	**1,843,744**	**107.0**
Materials and consumables used	485,421	25.5	437,988	25.4
Employee benefits expense	1,138,084	59.8	1,030,650	59.8
Other expenses	177,434	9.3	165,475	9.6
	1,800,939	**94.6**	**1,634,113**	**94.8**
Interim result (EBITDA)	**228,470**	**12.0**	**209,631**	**12.2**
Depreciation/amortisation and impairment	80,560	4.2	74,831	4.3
Operating result (EBIT)	**147,910**	**7.8**	**134,800**	**7.9**
Finance expenses	22,670	1.2	21,923	1.3
Finance income	5,267	0.3	2,633	0.2
Financial result	**17,403**	**0.9**	**19,290**	**1.1**
Earnings before tax (EBT)	**130,507**	**6.9**	**115,510**	**6.8**
Income taxes	23,357	1.3	18,394	1.1
Net consolidated profit	**107,150**	**5.6**	**97,116**	**5.7**
of which				
Minority interests	**4,163**	**0.2**	**4,810**	**0.3**
Shareholders of RHÖN-KLINIKUM AG	**102,987**	**5.4**	**92,306**	**5.4**
Earnings per share in €	**0.75**		**0.83**	

January through September	2010 € '000	2009 € '000
Net consolidated profit	**107,150**	**97,116**
of which		
Minority interests	4,163	4,810
Shareholders of RHÖN-KLINIKUM AG	102,987	92,306
Change in fair value of derivatives used for hedging purposes	-14,652	-5,654
Income taxes	2,319	895
Change in the amount recognised at equity capital (cash flow hedges)	**-12,333**	**-4,759**
Sum of value changes recognised at equity	**-12,333**	**-4,759**
of which		
Minority interests	0	0
Shareholders of RHÖN-KLINIKUM AG	-12,333	-4,759
Sum of earnings after tax and changes recognised at equity	**94,817**	**92,357**
of which		
Minority interests	4,163	4,810
Shareholders of RHÖN-KLINIKUM AG	90,654	87,547

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

July through September	**2010**		**2009**	
	€ '000	**%**	**€ '000**	**%**
Revenues	640,446	100.0	582,611	100.0
Other operating income	42,647	6.6	42,078	7.2
	683,093	**106.6**	**624,689**	**107.2**
Materials and consumables used	163,239	25.5	148,573	25.5
Employees benefits expense	381,746	59.6	350,465	60.2
Other expenses	61,068	9.5	56,517	9.7
	606,053	**94.6**	**555,555**	**95.4**
Interim result (EBITDA)	**77,040**	**12.0**	**69,134**	**11.8**
Depreciation/amortisation and impairment	27,452	4.3	25,502	4.4
Operating result (EBIT)	**49,588**	**7.7**	**43,632**	**7.4**
Finance expenses	7,954	1.2	7,189	1.2
Finance income	1,891	0.3	1,415	0.2
Financial result	**6,063**	**0.9**	**5,774**	**1.0**
Earnings before tax (EBT)	**43,525**	**6.8**	**37,858**	**6.4**
Income taxes	7,349	1.1	6,492	1.1
Net consolidated profit	**36,176**	**5.7**	**31,366**	**5.3**
of which				
Minority interests	**1,227**	**0.2**	**996**	**0.2**
Shareholders of RHÖN-KLINIKUM AG	**34,949**	**5.5**	**30,370**	**5.1**
Earnings per share in €	**0.25**		**0.23**	

July through September	**2010**	**2009**
	Tsd. €	**Tsd. €**
Net consolidated profit	**36,176**	**31,366**
of which		
Minority interests	1,227	996
Shareholders of RHÖN-KLINIKUM AG	34,949	30,370
Change in fair value of derivatives used for hedging purposes	-2,115	-3,846
Income taxes	335	609
Change in the amount recognised at equity capital (cash flow hedges)	**-1,780**	**-3,237**
Sum of value changes recognised at equity	**-1,780**	**-3,237**
of which		
Minority interests	0	92
Shareholders of RHÖN-KLINIKUM AG	-1,780	-3,329
Sum of earnings after tax and changes recognised at equity	**34,396**	**28,129**
of which		
Minority interests	1,227	1,088
Shareholders of RHÖN-KLINIKUM AG	33,169	27,041

Consolidated Balance Sheet

	30 Sept. 2010		31 Dec. 2009	
	€ '000	%	€ '000	%
A S S E T S				
Non-current assets				
Goodwill and other intangible assets	343,118	11.6	341,719	12.0
PP&E	1,739,143	58.6	1,599,861	56.0
Investment property	4,904	0.2	5,069	0.2
Income taxes receivables	15,292	0.5	17,149	0.6
Other assets	1,610	0.1	1,788	0.0
	2,104,067	**71.0**	**1,965,586**	**68.8**
Current assets				
inventories	44,685	1.5	45,928	1.6
Accounts receivable, other receivables and other assets	388,041	13.1	377,546	13.2
Current income taxes receivable	25,016	0.8	24,567	0.8
Cash and cash equivalents	403,809	13.6	444,921	15.6
	861,551	**29.0**	**892,962**	**31.2**
	2,965,618	**100.0**	**2,858,548**	**100.0**

	30 Sept. 2010		31 Dec. 2009	
	€ '000	**%**	**€ '000**	**%**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Subscribed capital	345,580	11.6	345,580	12.1
Capital reserve	395,994	13.4	395,994	13.9
Other reserves	673,591	22.7	634,597	22.2
Treasury shares	-76	0.0	-76	0.0
Equity attributable to shareholders of RHÖN-KLINIKUM AG	1,415,089	47.7	1,376,095	48.2
Minority interests held by non-Group third parties	35,034	1.2	46,844	1.6
	1,450,123	**48.9**	**1,422,939**	**49.8**
Non-current liabilities				
Financial liabilities	903,627	30.5	697,904	24.4
Deferred tax liabilities	2,278	0.1	1,321	0.1
Provisions for post-employment benefits	12,300	0.4	10,987	0.4
Other liabilities	36,055	1.2	46,952	1.6
	954,260	**32.2**	**757,164**	**26.5**
Current liabilities				
Financial liabilities	38,419	1.3	166,734	5.8
Accounts payable	120,603	4.1	120,683	4.2
Current income tax liabilities	6,382	0.2	10,285	0.4
Other provisions	22,711	0.8	23,237	0.8
Other liabilities	373,120	12.5	357,506	12.5
	561,235	**18.9**	**678,445**	**23.7**
	2,965,618	**100.0**	**2,858,548**	**100.0**

Consolidated Changes in Equity

	Subscribed capital	Capital reserve	Other reserves 1)	Treasury shares	Equity attributable to shareholders of RHÖN-KLINIKUM AG	Minority interests held by non-Shareholders in equity 1)	Equity
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Balance at 31 Dec. 2008/ 1 Jan. 2009	**259,200**	**37,582**	**549,315**	**-77**	**846,020**	**43,243**	**889,263**
Equity capital transactions with owners							
Capital contributions/disbursements	86,380	358,220	-	-	444,600	12	444,612
Dividend payments	-	-	-36,281	-	-36,281	-2,396	-38,677
Result for the period and changes recognised without effect in profit or loss of the period	-	-	87,547	-	87,547	4,810	92,357
Other changes							
Issue of treasury shares	-	-	-	1	1	-	1
As at 30 Sept. 2009	**345,580**	**395,802**	**600,581**	**-76**	**1,341,887**	**45,669**	**1,387,556**
Balance at 31 Dec. 2009/ 1 Jan. 2010	**345,580**	**395,994**	**634,597**	**-76**	**1,376,095**	**46,844**	**1,422,939**
Equity capital transactions with owners							
Capital contributions/disbursements	-	-	-	-	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**

[1]Including other comprehensive income (OCI)

Consolidated Cash Flow Statement

January through September	2010 €m	2009 €m
Earnings before taxes	130.5	115.5
Financial result (net)	17.1	18.7
Impairment and gains/losses on disposal of assets	81.3	74.6
Non-cash valuations of financial derivatives	0.3	0.6
Other non-cash transactions	0.0	4.0
	229.2	**213.4**
Change in net current assets		
Change in inventories	1.3	1.0
Change in accounts receivable	-31.6	-13.1
Change in other receivables	-1.3	-5.1
Change in liabilities (excluding financial liabilities)	-9.7	17.1
Change in provisions	0.8	1.1
Income taxes paid	-23.5	-23.9
Interest paid	-14.8	-18.3
Cash generated from operating activities	**150.4**	**172.2**
Investments in property, plant and equipment and in intangible assets	-205.6	-192.1
Acquisition of subsidiaries, net of cash acquired	-5.0	-4.2
Sale proceeds from disposal of assets	2.3	2.8
Interest received	5.3	2.6
Cash used in investing activities	**-203.0**	**-190.9**
Payments on contracting of non-current financial liabilities	396.2	80.0
Repayment of financial liabilities	-337.1	-37.3
Contributions from RHÖN-KLINIKUM AG shareholders	0.0	444.6
Dividend payments to shareholders of RHÖN-KLINIKUM AG	-41.5	-36.3
Dividends paid to minority owners	-2.1	-2.4
Cash generated from financing activities	**15.5**	**448.6**
Change in cash and cash equivalents	-37.1	429.9
Cash and cash equivalents at 1 January	420.6	76.9
Cash and cash equivalents as at 30 September	**383.5**	**506.8**

ABRIDGED CONSOLIDATED NOTES

General information

RHÖN-KLINIKUM AG and its subsidiaries build, acquire and operate hospitals of all categories, primarily in the acute care sector. At some sites rehabilitation measures are also offered to round off the offerings in the area of acute inpatient care. The importance of the organisationally combined area of outpatient, day-clinical and basic care facilities is growing. 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 4 November 2010 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 2010 have been prepared in accordance with the rules of IAS 34 in abridged form applying Section 315a German Commercial Code (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 Interpretations Committee (IFRIC). 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 2009. The Interim Financial Statements of RHÖN-KLINIKUM AG as at 30 September 2010 for the first three quarters of 2010 must therefore be read and assessed in conjunction with the Consolidated Financial Statements of RHÖN-KLINIKUM AG for the year ending 31 December 2009.

The following revisions of Standards that came into force in 2010 as well as newly published interpretations already adopted by the European Union are observed and, in the event of their practical relevance, applied by RHÖN-KLINIKUM AG as of financial year 2010 and will be observed and applied in subsequent years as well:

- Collective Standard “Improvements to IFRSs” (April 2009)
- Revisions of IFRS 1 “Additional Exemptions for First-time Adopters”
- Revisions of IFRS 2 “Group Cash-settled Share-based Payment Transactions”
- New version of IFRS 1 “First-time Adoption of IFRSs”
- IFRIC 17 “Distributions of Non-cash Assets to Owners”
- IFRIC 18 “Transfers of Assets from Customers”.

In April 2009 the IASB published the second 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 2010.

With the exception of the collective Standard “Improvements to IFRSs” (April 2009), the other revisions of Standards and newly published interpretations are of no practical relevance for RHÖN-KLINIKUM AG.

The following revised Standard which was already adopted by the European Union is of practical relevance from financial year 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 formulations. For example, 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’). RHÖN-KLINIKUM AG is currently reviewing the precise impact on the necessary disclosures in the Notes. The amended Standard is to be applied from 2011.

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 2011 and 2013, respectively:

- IFRS 9 “Financial Instruments”
- Collective standard “Improvements to IFRSs” (May 2010).

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. According to the guidance of the IASB, IFRS 9 is the subject of mandatory adoption for 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.

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.

The following revised Standards 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”.

For further information on new Standards and interpretations and on revisions of existing Standards, we refer to our statements in the 2009 Annual Report on pages 123 to 127.

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. One company is consolidated at equity and the other companies are included in the consolidated financial statements at the lower of cost or fair value.

Fully consolidated subsidiaries are all companies in which RHÖN-KLINIKUM AG exercises control over finance and business policy; this is normally accompanied by a share of more than 50.0% in 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%. 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.

Jointly controlled entities (joint ventures) are accounted for using the equity method and, upon their first-time consolidation, recognised at cost.

By purchase agreement dated 20 May 2010, RK Klinik Betriebs GmbH Nr. 11 acquired Salze Klinik I, Bad Salzdetfurth (renamed Klinik Hildesheimer Land GmbH) from the Lielje Group, Löhne, in an asset deal subject to conditions precedent. Salze Klinik I operates the acute geriatrics, geriatric rehabilitation, as well as cardiological and orthopaedic rehabilitation departments with a total of 165 beds, and employs roughly 150 persons on a full-time basis.

After the conditions for the transaction were met, the purchase agreement was executed on 30 July 2010. From this point in time, all risks and rewards were transferred to us. The purchase agreement covers the current business operations; the property, plant and equipment; and the hospital’s inventory assets.

We have integrated the facility into our Group and in this connection are planning investments of roughly € 2.5 million within the next five years. The purchase price of roughly € 5.0 million will be settled from cash of RK Klinik Betriebs GmbH Nr. 11.

Initial consolidation parameters	Acquisition date	Acquired interest ratio %	Purchase price cash € m	Earnings share since inclusion in consolidated statements: Revenue € m	Earnings share since inclusion in consolidated statements: Earnings € m
Klinik Hildesheimer Land GmbH (formerly: Salze Klinik I)	30 July 2010	100.0	5.0	1.3	0.1
Total acquisitions consolidated in 2010 for the first time			**5.0**	**1.3**	**0.1**

Based on the preliminary purchase price allocation, the inclusion of Klinik Hildesheimer Land GmbH impacted on the Group's net assets as follows:

Klinik Hildesheimer Land GmbH	Carrying amount before acquisition €m	Adjustment amount €m	Fair value post acquisition €m
Acquired assets and liabilities			
Intangible assets	0.0	0.0	0.0
PP&E	5.4	-0.2	5.2
inventories	0.1	0.0	0.1
Other liabilities	-0.3	0.0	-0.3
Net assets acquired			**5.0**
+ goodwill			0.0
Cost			**5.0**
- purchase price payments outstanding			0.0
- acquired cash and cash equivalents			0.0
Cash outflow on transaction			**5.0**

The adjustment amount for property, plant and equipment results from hidden liabilities on land and property.

As part of the purchase of shares, incidental costs of € 0.1 million were incurred which were reflected in expenditure. If the acquisition of Klinik Hildesheimer Land GmbH had already taken place with effect from 1 January 2010, consolidated revenues as at 30 September 2010 would have amounted to € 1,908.0 million and net consolidated profit as at 30 September 2010 to € 106.8 million.

Operating segments

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 Board of Management 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 subsidiaries and which is reported to based on the figures for these subsidiaries. Accordingly, RHÖN-KLINIKUM AG with its acute hospitals and other facilities continues to have only one reportable segment, since the units of 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	2010 €m	2009 €m
Business areas		
acute hospitals	1,855.1	1,682.2
Medical care centres	15.9	9.7
Rehabilitation hospitals	32.4	31.2
	1,903.4	**1,723.1**
Federal states		
Bavaria	377.5	355.0
Saxony	257.5	236.3
Thuringia	239.7	221.6
Baden-Wuerttemberg	93.4	87.1
Brandenburg	84.3	82.2
Hesse	415.9	393.9
Mecklenburg-West Pomerania	4.6	0.0
Lower Saxony	300.7	288.1
North Rhine-Westphalia	38.5	37.2
Saxony-Anhalt	91.3	21.7
	1,903.4	**1,723.1**

Compared with the same period last year, revenues grew by € 180.3 million or 10.5%. Adjusting for changes in the scope of consolidation (MEDIGREIF Group, Klinik Hildesheimer Land GmbH) to the tune of € 76.5 million, this translates into organic growth of € 103.8 million or 6.0%

Other operating income

January through September	2010 €m	2009 €m
Income from services rendered	100.7	97.2
Income from grants and other allowances	9.9	9.2
Income from adjustment of receivables	2.3	3.7
Indemnities received	1.8	1.0
Other	11.3	9.5
	126.0	**120.6**

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). Of the increase in other income, € 2.4 million is attributable to the MEDIGREIF Group consolidated for the first time on 31 December 2009, and € 0.1 million to Klinik Hildesheimer Land GmbH consolidated for the first time on 30 July 2010.

Other expenses

January through September	2010 €m	2009 €m
Maintenance	63.4	56.0
Charges, subscriptions and consulting fees	41.8	38.9
Administrative and IT costs	15.0	13.9
Impairment on receivables	4.4	6.5
Insurance	8.3	7.8
Rents and leaseholds	10.6	7.3
Travelling, entertaining and representation expenses	5.1	4.3
Other personnel and continuing training costs	8.5	7.6
Losses on disposal of non-current assets	0.9	0.2
Secondary taxes	0.8	0.6
Other	18.6	22.4
	177.4	**165.5**

Of the rise in other expenditures, € 7.4 million is attributable to the MEDIGREIF Group consolidated for the first time on 31 December 2009, and € 0.1 million to Klinik Hildesheimer Land GmbH consolidated for the first time on 30 July 2010.

Income taxes

January through September	2010 €m	2009 €m
Current income tax	20.1	19.8
Deferred taxes	3.3	-1.4
	23.4	**18.4**

Expenditure for deferred taxes rose by € 4.7 million compared with the same period last year. In this connection it should be noted that the deferred tax item of the previous year includes one-off effects from the recognition of deferred tax on loss carry-forwards for previous years in the net amount of € 2.8 million. 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 Jan. 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 Sept. 2010	**323.2**	**49.5**	**372.7**
Cumulative depreciation and impairment			
1 Jan. 2010	**0.0**	**24.6**	**24.6**
Depreciation	0.0	5.1	5.1
Disposals	0.0	0.1	0.1
30 Sept. 2010	**0.0**	**29.6**	**29.6**
Balance sheet value at 30 Sept. 10	**323.2**	**19.9**	**343.1**

	Goodwill €m	Other intangible assets €m	Total €m
Cost			
1 Jan. 2009	**235.2**	**34.1**	**269.3**
Additions	0.0	4.0	4.0
Disposals	6.0	0.0	6.0
Transfers	0.0	0.2	0.2
30 Sept. 2009	**229.2**	**38.3**	**267.5**
Cumulative depreciation and impairment			
1 Jan. 2009	**0.0**	**19.0**	**19.0**
Depreciation	0.0	4.1	4.1
30 Sept. 2009	**0.0**	**23.1**	**23.1**
Balance sheet value at 30 Sept. 2009	**229.2**	**15.2**	**244.4**

Property, plant and equipment

	Land and buildings €m	Technical plant and equipment €m	Operating and business equipment €m	Plant under constructio n €m	Total €m
Cost					
1 Jan. 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 Sept. 2010	**1,463.7**	**69.0**	**485.4**	**445.1**	**2,463.2**
Cumulative depreciation and impairment					
1 Jan. 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 Sept. 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**

	Land and buildings €m	Technical plant and equipment €m	Operating and business equipment €m	Plant under constructio n €m	Total €m
Cost					
1 Jan. 2009	**1,330.9**	**60.5**	**400.6**	**167.3**	**1,959.3**
Additions	12.3	0.5	31.8	135.2	179.8
Disposals	0.3	0.1	9.1	0.1	9.6
Transfers	17.6	1.6	7.9	-27.3	-0.2
30 Sept. 2009	**1,360.5**	**62.5**	**431.2**	**275.1**	**2,129.3**
Cumulative depreciation and impairment					
1 Jan. 2009	**324.1**	**34.9**	**213.3**	**0.0**	**572.3**
Depreciation	28.8	3.2	38.7	0.0	70.7
Disposals	0.1	0.1	8.9	0.0	9.1
30 Sept. 2009	**352.8**	**38.0**	**243.1**	**0.0**	**633.9**
Balance sheet value at 30 Sept. 2009	**1,007.7**	**24.5**	**188.1**	**275.1**	**1,495.4**

Shareholders′ equity

Compared with the balance sheet date of 31 December 2009, the increase in equity capital by € 27.2 million stems from net consolidated profit of € 107.2 million less i) the distribution of dividends to shareholders of RHÖN-KLINIKUM AG (€ 41.5 million), ii) the distribution of dividends to minority shareholders (€ 2.1 million), iii) the recognition directly in equity of negative changes in the market values of derivative financial instruments designated as interest hedging instruments (€ 12.3 million), and iv) the recognition directly in equity of the purchase price payment for the increase in the shareholding in Amper Kliniken AG by 20 percentage points to 94.9% (€ 24.1 million).

Since the purchase price allocation for the acquisition of 74.9 percentage points had already been completely exhausted in 2005, the purchase price payments attributable to the follow-on purchase of the additional 20.0 percentage points amounting to € 24.1 million had to be recognised as a reduction in equity.

Additional equity capital transactions with owners relate to minority interests of doctors in two MVZ companies.

As at 30 September 2010 a total of € 28.4 million (31 December 2009: € 16.1 million) was allocated from hedging relationships to “Other reserves” which resulted in a reduction in equity.

Financial debt and financial derivatives

On 4 March 2010, RHÖN-KLINIKUM AG successfully placed on the market a bond (ISIN XS0491047154) with a volume of € 400,000,000 and a maturity of six years. The issue proceeds will be used to refinance existing financial liabilities (including the 5-year bond for € 110.0 million maturing on 7 July 2010) as well as for general company purposes.

Furthermore, in April 2010 a revolving line of credit for € 150.0 million intended as a liquidity reserve was agreed. As at 30 September 2010, this line of credit had not been utilised.

The draw-down of the syndicated line of credit existing since 2006 was paid down from € 350.0 million as at 31 December 2009 to € 150.0 million as at 30 September 2010.

On 18 February 2010 the rating agency Moody’s upgraded the institutional ranking of RHÖN-KLINIKUM AG to the category Baa2 (stable outlook).

On 31 March 2010, a further interest hedging transaction was entered into to replace a limited-term cap. This swap hedges a term loan in a volume of € 9.9 million against the risk of changes in interest rates until the term of the hedged item ends in 2022. The interest hedging transaction is stated together with the loan (as hedged item) as a hedging relationship. The further hedge relationships designated as at 31 December 2009 between variable interest-rate loans and interest-rate derivatives have also existed since 30 September 2010.

As at 30 September 2010 a total of € 28.4 million was allocated from hedge relationships to the re-valuation reserve. In the first nine months of the reporting year, changes in the valuation of further non-hedged derivatives in the amount of € 0.3 million were recognised with earnings decreasing 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. 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	**Directly held %**	**Im-puted %**	**Voting rights held %**	**Date of exceeding/falling short of the threshold**	**Threshold exceeded/fallen short of by**
Alecta pensionsförsäkring ömesesidigt, Stockholm/Sweden	9.94		**9.94**	15 July 2009	< 10%
Eugen Münch, Germany**	9.74		**9.74**	26 Sept. 2005	< 10%
Ingeborg Münch, Germany**	6.42		**6.42**	17 April 2002	> 5%
Franklin Mutual Advisers, LLC, Short Hills/USA		5.07	**5.07**	12 July 2006	> 5%
Franklin Mutual Series Fund, Short Hills/USA	5.06			29 Aug. 2006	> 5%
Sun Life Financial Inc., Toronto/Canada		3.07	**3.07**	29 June 2010	> 3%
Sun Life Global Investors Inc., Toronto/Canada		3.07		29 June 2010	> 3%
Sun Life Assurance Company of Canada - U.S. Operations Holding, Inc., Wellesleya Hills/USA		3.07		29 June 2010	> 3%
Sun Life Financial (U.S.) Holdings, Inc, Wellesley Hills/USA		3.07		29 June 2010	> 3%
Sun Life Financial (U.S.) Investments LLC, Wellesley Hills/USA		3.07		29 June 2010	> 3%
Sun Life of Canada (U.S.) Financial Services Holdings, Inc., Boston/USA		3.07		29 June 2010	> 3%
Massachusetts Financial Services Company (MFS), Boston/USA	3.07			29 June 2010	> 3%
Ameriprise Financial, Inc., Minneapolis/USA		2.89	**2.89**	14 Sept. 2010	< 3%
Threadneedle Asset Management Holdings SÁRL, London/United Kingdom		2.95		21 July 2010	< 3%
Threadneedle Asset Management Holdings Limited, London/United Kingdom		2.95		21 July 2010	< 3%
Threadneedle Asset Management Limited, London/United Kingdom		2.94		21 July 2010	< 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 2010, the Company holds 24,000 treasury shares. This corresponds to 0.017% of the voting rights.

Corporate Bodies and Advisory Board

The composition of the Supervisory Board and the Board of Management has changed since 31 December 2009.

Mr. Eugen Münch was unanimously re-elected as chairman of the Supervisory Board.

Also by unanimous vote, Mr. Joachim Lüddecke was re-elected as deputy chairman of the Supervisory Board from 10 February 2010.

The Annual General Meeting of RHÖN-KLINIKUM AG on 9 June 2010 elected Dr. Rüdiger Merz, managing director of Clemens Haindl Verwaltungs GmbH, Munich, to the Supervisory Board. He succeeds to the Supervisory Board mandate of Dr. Heinz Korte who retired from the Supervisory Board of RHÖN-KLINIKUM AG for age reasons.

On 20 May 2010, the election meeting of the Company's delegates and its subsidiaries elected the following six new employee representatives to the Supervisory Board:

- Peter Berghöfer, Münchhausen, Head of Finance of Universtätsklinikum Gießen und Marburg GmbH, Gießen
- Bettina Böttcher, Marburg, Works Council Chairman, Universitätsklinikum Gießen and Marburg GmbH, Gießen
- Stefan Härtel, Müllrose, nurse, Klinikum Frankfurt (Oder) GmbH, Frankfurt (Oder)
- PD Dr. Jan Schmitt, Marburg, managing head physician, Universitätsklinikum Gießen und Marburg GmbH, Gießen
- Georg Schulze-Ziehaus, Frankfurt am Main, Regional Director of ver.di for the region of Hesse and Frankfurt am Main
- Dr. Rudolf Schwab, Munich, MD, Kliniken München Pasing und Perlach GmbH, Munich.

The following persons left the Supervisory Board:

- Dr. Bernhard Aisch, Hildesheim, medical controller, Klinikum Hildesheim GmbH, Hildesheim
- Gisela Ballauf, Harsum, children's nurse, Klinikum Hildesheim GmbH, Hildesheim
- Helmut Bühner, Bad Bocklet, nurse, Herz- und Gefäß-Klinik GmbH, Bad Neustadt a.d. Saale
- Ursula Harres, Wiesbaden, medical-technical assistant, Stiftung Deutsche Klinik für Diagnostik GmbH, Wiesbaden
- Joachim Schaar, Wasungen, Administrative Director, Klinikum Meiningen GmbH, Meiningen
- Michael Wendl, Munich, Secretary of ver.di, Regional Directorate of Bavaria, Munich

Ralf Stähler left the Board of Management of RHÖN-KLINIKUM AG with effect from 30 April 2010. From 1 September 2010, Mr. Volker Feldkamp became a member of the Board of Management. Mr. Feldkamp will perform operative duties on the Board of Management.

The allocation of responsibilities within the Board of Management as well as within the Supervisory Board is regularly adapted to changing requirements.

As at 1 January 2010 and 14 June 2010, further members were appointed to the Advisory Board of RHÖN-KLINIKUM AG:

- Professor Dr. Georg Milbradt, Dresden

- Dorothee Bär, Berlin
- Dr. Heinz Korte, Munich
- Michael Wendl, Munich

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 2009. 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 2009. 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 remained unchanged.

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

For the third quarter of 2010, RHÖN-KLINIKUM AG received two notifications on transactions pursuant to section 15a of the Securities Trading Act (WpHG) from members of the Board of Management and the Supervisory Board (directors' dealings). These concerned the purchase by the member of the Board of Management, Dr. Christoph Straub, of 2,000 ordinary shares on 1 July 2010 at a price of € 17.99 for a total volume of € 35,980.00; and the purchase by the member of the Supervisory Board, Mr. Detlef Klimpe, of 1,100 ordinary shares on 5 August 2010 at a price of € 17.74 for a total volume of € 19,514.00.

Employees

At the reporting date of 30 September 2010 the Group employed a total of 37,688 persons (31 December 2009: 36,882 persons). In this increase by 806 versus the reporting date of 31 December 2009, 391 persons were added as a result of staffing increases at our hospitals, 128 persons as a result of staffing increases at our MVZ companies, and 115 persons as a result of staffing increases at our service companies. The remaining increase by 172 employees was added as a result of the takeover of Klinik Hildesheimer Land GmbH.

Other financial obligations

The investment obligations resulting from company purchase agreements declined as a result of the investments made by the reporting date to € 132.2 million (31 December 2009: € 277.7 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. 2010	**No. of shares on 30 Sept. 2009**
Non-par shares	138,232,000	103,680,000
New shares from capital increase	0	34,552,000
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. 2010**	**30 Sept. 2009**
Share in net consolidated profit (€ '000)	102,987	92,306
Weighted average number of shares in issue. in '000 units	138,208	110,617
Earnings per share in €	0.75	0.83

On an arithmetic, unweighted basis, and taking account of the higher number of ordinary shares after the capital increase in 2009, the EpS figure is € 0.67 for the previous year.

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 € 20.3 million (30 September 2009: € 32.1 million). In the cash flow statement, a figure of € 28.6 million (30 September 2009: € 1.6 million) was eliminated for non-cash additions to assets; € 0.3 million for losses from derivative financial instruments (30 September 2009: € 0.6 million); and € 0.0 million for other non-cash items (30 September 2009: € 4.0 million).

Bad Neustadt a. d. Saale, 4 November 2010

RHÖN-KLINIKUM AG

THE BOARD OF MANAGEMENT

Andrea Aulkemeyer	Volker Feldkamp	Dr. rer. pol. Erik Hamann	Wolfgang Kunz
Gerald Meder	Wolfgang Pföhler	Dr. rer. oec. Irmgard Stippler	Dr. med. Christoph Straub

Key ratios January to September 2010 / January to September 2009

Data in € m	Jan. – Sept. 2010	Jan. – Sept. 2009	Change in %
Revenues	1,903.4	1,723.1	10.5
Materials and consumables used	485.4	438.0	10.8
Employee benefits expense	1,138.1	1,030.7	10.4
Depreciation/amortisation and impairment	80.6	74.8	7.8
Net consolidated profit according to IFRS	107.2	97.1	10.4
Earnings share of RHÖN-KLINIKUM AG shareholders	103.0	92.3	11.6
Earnings share of minority interests	4.2	4.8	-12.5
Return on revenue (%)	5.6	5.7	-1.8
EBT	130.5	115.5	13.0
EBIT	147.9	134.8	9.7
EBIT - ratio (%)	7.8	7.9	-1.3
EBITDA	228.5	209.6	9.0
EBITDA ratio (%)	12.0	12.2	-1.6
Operating cash flow	188.7	173.9	8.5
Property, plant and equipment as well as investment property	1,744.0	1,499.3	16.3
Non-current income tax claims	15.3	16.9	-9.5
Equity according to IFRS	1,450.1	1,387.6	4.5
Return on equity, %	10.0	11.4	-12.3
Balance sheet total according to IFRS	2,965.6	2,714.4	9.3
Investments			
in property, plant and equipment as well as in intangible assets and in investment property	224.1	183.8	21.9
in other assets	0.1	0.0	0.0
Earnings per ordinary share (€)	0.75	0.83	-9.6
Number of employees (headcount)	37,688	34,828	8.2
Case numbers (patients treated)	1,534,288	1,354,652	13.3
Beds and places	15,900	14,874	6.9

Key ratios July to September 2010 / July to September 2009

Data in € m	July-Sept. 2010	July-Sept. 2009	Change in %
Revenues	640.4	582.6	9.9
Materials and consumables used	163.2	148.6	9.8
Employee benefits expense	381.7	350.5	8.9
Depreciation/amortisation and impairment	27.5	25.5	7.8
Net consolidated profit according to IFRS	36.2	31.4	15.3
Earnings share of RHÖN-KLINIKUM AG shareholders	34.9	30.4	14.8
Earnings share of minority interests	1.2	1.0	20.0
Return on revenue (%)	5.7	5.3	7.5
EBT	43.5	37.9	14.8
EBIT	49.6	43.6	13.8
EBIT - ratio (%)	7.7	7.4	4.1
EBITDA	77.0	69.1	11.4
EBITDA ratio (%)	12.0	11.8	1.7
Operating cash flow	64.4	57.4	12.2
Property, plant and equipment as well as investment property	1,744.0	1,499.3	16.3
Non-current income tax claims	15.3	16.9	-9.5
Equity according to IFRS	1,450.1	1,387.6	4.5
Return on equity, %	10.1	10.9	-7.3
Balance sheet total according to IFRS	2,965.6	2,714.4	9.3
Investments			
in property, plant and equipment as well as in intangible assets and in investment property	79.4	69.6	14.1
in other assets	0.1	0.0	0.0
Earnings per ordinary share (€)	0.25	0.23	8.7
Number of employees (headcount)	37,688	34,828	8.2
Case numbers (patients treated)	510,443	451,558	13.0
Beds and places	15,900	14,874	6.9

Key ratios for the individual quarters of 2010

Data in € m	July-Sept. 2010	April - June 2010	Jan. – Mar. 2010
Revenues	640.4	638.7	624.2
Materials and consumables used	163.2	161.0	161.2
Employee benefits expense	381.7	381.6	374.8
Depreciation/amortisation and impairment	27.5	26.7	26.4
Net consolidated profit according to IFRS	36.2	36.7	34.3
Earnings share of RHÖN-KLINIKUM AG shareholders	34.9	34.8	33.2
Earnings share of minority interests	1.2	1.8	1.1
Return on revenue (%)	5.7	5.7	5.5
EBT	43.5	44.9	42.1
EBIT	49.6	51.6	46.8
EBIT - ratio (%)	7.7	8.1	7.5
EBITDA	77.0	78.3	73.1
EBITDA ratio (%)	12.0	12.3	11.7
Operating cash flow	64.4	63.4	60.9
Property, plant and equipment as well as investment property	1,744.0	1,694.8	1,624.5
Non-current income tax claims	15.3	17.5	17.4
Equity according to IFRS	1,450.1	1,416.3	1,428.8
Return on equity, %	10.1	10.3	9.6
Balance sheet total according to IFRS	2,965.6	2,925.0	2,920.5
Investments			
in property, plant and equipment as well as in intangible assets and in investment property	79.4	97.9	46.8
in other assets	0.1	0.0	0.0
Earnings per ordinary share (€)	0.25	0.25	0.24
Number of employees (headcount)	37,688	37,058	36,915
Case numbers (patients treated)	510,443	514,052	509,793
Beds and places	15,900	15,728	15,723

FINANCIAL CALENDAR - DATES FOR SHAREHOLDERS AND ANALYSTS

2010

4 November 2010	Publication of Interim Report for the quarter ending 30 September 2010

2011

10 February 2011	Preliminary results for financial year 2010
28 April 2011	Results Press Conference: Publication of 2010 annual financial report
28 April 2011	Publication of Interim Report for the quarter ending 31 March 2011
8 June 2011	Annual General Meeting (at the Jahrhunderthalle Frankfurt)
4 August 2011	Publication of Half-Year Financial Report as at 30 June 2011
27 October 2011	Publication of Interim Report for the quarter ending 30 September 2011

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