INTERIM REPORT
Q1 2011

RHÖN-KLINIKUM
AKTIENGESELLSCHAFT

CONTENTS

LETTER TO SHAREHOLDERS

Dear Shareholders,

RHÖN-KLINIKUM AG has made a good start into financial year 2011 with a successful first quarter. We succeeded in meeting our targets as planned, again raising our key performance ratios compared with the previous year. In the first three months of the year, we treated 579,632 patients, or 13.7% more compared with the first quarter of the previous year. Our revenues grew by 3.7% to € 647.2 million, and our net consolidated profit of € 38.0 million was up by € 3.7 million (10.8%) compared with the figure for the same period last year. Our growing acceptance among patients demonstrates in an impressive manner the trust people put in our care offering.

With the entry into force of the Statutory Health Insurance Financing Act (GKV-Finanzierungsgesetz, GKV-FinG), the framework conditions for the remuneration of hospital services remain challenging. We are responding to this situation with a targeted expansion of our outpatient and inpatient care offering as well as a wide array of measures. We will thus be well prepared to continue our growth course.

We are steadfastly continuing our path towards becoming an integrated healthcare provider. In the outpatient area we were able to further our entry into the area of specialist medical care (begun last year in Wuppertal) by acquiring a majority interest in an ophthalmology medical care centre (MVZ) in Düsseldorf as at 1 January 2011. We thus not only offer patients new care offerings but are also taking an active part in helping to shape change in medical care. With the new Healthcare Provision Act announced by the German legislator, we expect the scope of outpatient care to undergo logical further development in this connection.

We once again succeeded in demonstrating our leading role in modern and path breaking technology.

At the world's largest IT trade fair CeBIT in March, we presented our Stroke Angel and Cardio Angel care concepts developed within our hospital network for stroke and heart attack patients together with our telemedical alliance platform WebEPA. By strengthening telemedical co-operation between hospitals and community-based practitioners, we are setting new standards for generalised healthcare provision whilst offering solutions particularly needed in view of the impending shortage of doctors.

One of the core elements of our business model is investing in modern, patient-oriented structures and processes. Our construction projects at the University Hospitals in Marburg and Gießen demonstrate this in an impressive manner. With the completion of the 3rd construction phase in Marburg, all somatic specialist departments of the University Hospital have been brought together in Lahnbergen. In March we completed our largest construction project to date with the inauguration of the new building in Gießen. Only 30 months after the cornerstone-laying ceremony, the central new building of the University Hospital was finished which in future will bring the somatic clinics and specialist departments under one roof.

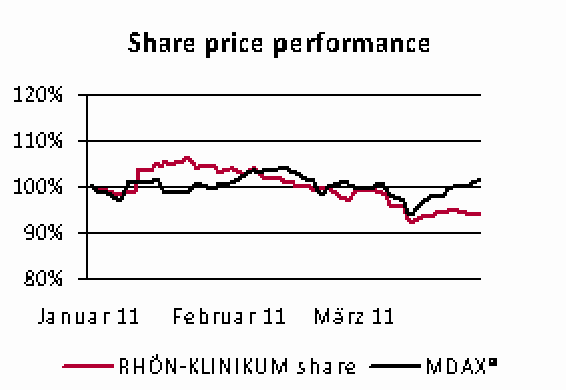
After the first quarter performed in line with expectations, we reaffirm our forecast: for full-year 2011 – barring any further acquisitions – we expect revenues of roughly € 2.65 billion, an EBITDA of € 340.0 million and a net consolidated profit of € 160.0 million. We see the possibility of the latter two figures fluctuating within a range of plus or minus 5 per cent given the opportunities and risks presented by the year 2011.

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

THE RHÖN-KLINIKUM SHARE

The impressive recovery staged by the economy over the past year was subdued in the first quarter of 2011 by the events in North Africa and Japan as well as by concerns regarding the euro zone. The US stock markets latterly succeeded in holding their ground despite doubts surrounding the recovery of the US economy. The German stock market, thanks to the persistently positive performance of the German economy and especially the strong order intake of the industrial sector, was able to compensate for global uncertainties on the markets.

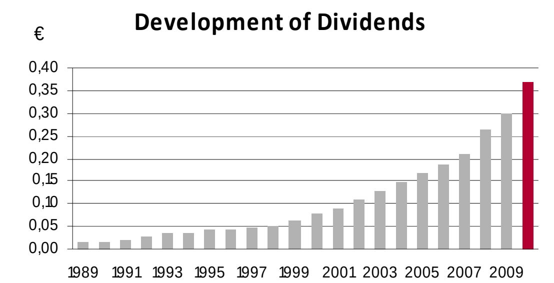
As at 31 March 2011 the DAX®, Germany's lead index, was slightly above its closing in 2010 (7,041 points), translating into a rise of 1.8%. MDAX® stocks posted a similar performance in the first quarter and saw a moderate gain of likewise 1.8%, with many cyclical stocks in particular putting in a positive price performance. But healthcare stocks, too, on average were able to participate disproportionately in this positive market trend. The DJ EURO STOXX Healthcare Index climbed by 4.8% to 417 points versus the level of the previous quarter.



RHÖN-KLINIKUM AG succeeded in meeting its profit expectations for the past financial year. Nevertheless, the share gave up 7.1% over the quarter, ending the quarter with a closing price of 15.30 euros. At the end of the quarter our market capitalisation, including all issued 138.23 million non-par shares, stood at 2.11 billion euros (31 December 2010: 2.28 billion euros). In the MDAX® we thus ranked 16th by market capitalisation (31 December 2010: 13th).

RHÖN-KLINIKUM share		
ISIN		DE0007042301
Ticker symbol		RHK
Registered share capital		345,580,000 €
Number of shares		138,232,000
	31 March 2011	**31 Dec. 2010**
Market capitalisation (€ m)	2,114.94	2,276.68
Share prices, in €	**1 Jan.-31 Mar 2011**	**1 Jan.-31. Dec. 2010**
Closing price	15.30	16.47
High	17.37	19.44
Low	15.05	15.26

Our dividend policy is geared towards both long-term value enhancement and sustained earnings strength of the Company. For reporting year 2010 as well, our dividend policy allows us to once again propose a higher dividend to be distributed to our shareholders. The Board of Management and the Supervisory Board will therefore propose to the Annual General Meeting to distribute a dividend of € 0.37 per non-par share.



All data adjusted in euros (138,232,000 ordinary shares)
2010: Dividend will be proposed to the shareholders at the AGM on 8 June 2011

Our next Annual General Meeting will take place on 8 June 2011 at 10.00 a.m. (admission from 9.00 a.m.) at the Jahrhunderthalle in Frankfurt. On 4 August 2011 we will publish the Half-Year Financial Report as at 30 June 2011.

A financial calendar containing all important financial dates for 2011 is provided on page 34 as well as on our website at www.rhoen-klinikum-ag.com under the "Investors" section.

CONSOLIDATED INTERIM REPORT OF THE MANAGEMENT

REPORT ON THE FIRST QUARTER OF FINANCIAL YEAR 2011

- Company makes a successful start into financial year 2011 with marked growth in service volumes (+13.7%), revenues (+3.7%) and earnings (+10.8%)
- Statutory deductions in revenues were completely offset by restructuring successes
- With earnings for the quarter at € 38.0 million, we are right on course with the full-year forecast for net consolidated profit in 2011 of € 160 million within a fluctuation range of plus/minus 5%

GENERAL INFORMATION

The Interim Consolidated Financial Statements of RHÖN-KLINIKUM AG for the year ended 31 March 2011 have been prepared applying Section 315a of the German Commercial Code (Handelsgesetz-buch, HGB) in accordance with International Financial Reporting Standards (IFRS) and the corresponding interpretations of the International Accounting Standards Board (IASB) which are the subject of mandatory adoption in accordance with the European Parliament and Council Directive number 1606/2002 concerning the application of international accounting standards in the European Union in financial year 2011.

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

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

If data are provided below on individual companies, these are values before consolidation.

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

REVIEW OF BUSINESS PERFORMANCE IN THE FIRST THREE MONTHS AND OUTLOOK FOR THE FURTHER COURSE OF FINANCIAL YEAR 2011

Comparison of the first three months

January - March	2011	2010	Deviation	
	€m	€m	€m	%
Revenues	647.2	624.2	23.0	3.7
EBITDA	78.8	73.1	5.7	7.8
EBIT	50.6	46.8	3.8	8.1
EBT	45.9	42.1	3.8	9.0
Operating cash flow	66.1	60.9	5.2	8.5
Net consolidated profit	38.0	34.3	3.7	10.8

In a nearly unchanged scope of consolidation, we met our targets in the first quarter of 2011 compared with the first three months of 2011 entirely from organic growth with

- a rise in patient numbers by 69,839 cases or 13.7% to a total of 579,632 cases (previous year: 509,793 cases),
- a rise in revenues by € 23.0 million or 3.7% to € 647.2 million (previous year: € 624.2 million),
- an increase in EBITDA by € 5.7 million or 7.8% to € 78.8 million (previous year: € 73.1 million),
- an increase in EBIT by € 3.8 million or 8.1% to € 50.6 million (previous year: € 46.8 million), and
- a € 3.7 million (10.8%) rise in net consolidated profit to € 38.0 million (previous year: € 34.3 million).

The rise in revenues by € 23.0 million or 3.7% to € 647.2 million was disproportionately moderate compared with the trend in service volumes (+13.7%) because in the inpatient area statutory reductions or deductions had to be sustained for surplus service volumes and because day-clinical and outpatient structures with comparatively lower case revenues contributed disproportionately to growth in case numbers.

Compared with the same period last year, a rise in EBITDA of € 5.7 million compares with net higher expenditure on depreciation of € 1.9 million, leaving a rise of € 3.8 million.

On a quarterly comparison, earnings were relieved to the tune of € 0.2 million (previous year: € 0.4 million) as a result of changes in the market values of our financial instruments.

The EBITDA and EBIT margins, at 12.2% (previous year: 11.7%) and 7.8% (previous year: 7.5%) respectively, are slightly above the previous year's level. Return on revenue declined compared with the same period last year by 0.4 percentage points to 5.9%.
The pro rata net consolidated profit attributable to the shareholders rose in the first three months of 2011 from € 33.2 million by € 3.4 million (or 10.2%) to € 36.6 million, and translates into an EpS according to IAS 33 of € 0.27 (previous year: € 0.24).

Investment and financing

In the first three months of the current financial year, the Group invested € 13.6 million for the acquisition of doctor's practices and a total of € 45.6 million for new hospital buildings as well as for replacement investments (previous year: € 52.3 million) – of which € 52.5 million from own funds (previous year: € 46.8 million). For these investments an operating cash flow of € 66.1 million (previous year: € 60.9 million) was available.

Since the reporting date our net financial debt has risen as a result of investments from € 551.5 million to € 559.9 million, and our equity capital increased over the same period from € 49.6 million to € 1,544.8 million.

The equity capital ratio saw a slight rise compared with the last reporting date, from 48.9% to 50.1%. Our non-current assets are financed fully, at 113.7% (31 December 2010: 112.0%), at matching maturities by equity capital and non-current debt. Moreover, current assets are covered by € 303.3 million of non-current equity and debt items.

Forecast for 2011

Based on the trend in service volumes and earnings for the first three months, we expect financial year 2011 – even without further acquisitions and under the currently known statutory framework conditions – to post revenues of € 2.65 billion, an EBITDA of € 340.0 million and a net consolidated profit of € 160 million, with the last two key figures possibly fluctuating within a range of plus or minus 5%.

Economic and legal situation

The prevailing view that emerges from the latest data on the trend in the German economy is that financial year 2011 will see growth of roughly 2.6% - 2.9%. This pleasing performance of the economy is being helped by the rise in self-sustaining, private domestic consumption. The situation on the labour market is continuing to ease. The public sector is expecting sharp rises in tax revenues that can be used either for reducing debt or for public investments.

As in previous years, changes in demographics are expected to translate into higher demand for hospital services in 2011 also, with the increase expected to be in the range of roughly 1.5% to 2.0%. In 2011, too, statutory rules on remuneration provide for differentiated discounts for agreed and non-agreed surplus service volumes. Based on expected price increases of roughly 2.5% for personnel and material costs and a price increase rate of 0.9% (nominal) contained in the state base rates in 2011, further price degressions will result that will have to be offset by restructuring successes and higher service volumes.

As a result, the selective trend on the service provider side will continue in 2011 as well. In our view, only those hospitals that are able to continually expand their service portfolio while at the same time exploiting cost advantages will be able to maintain stable results. In our industry, standstill means regression, and thus ultimately elimination from the market.

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

Regardless of the statutorily intended plurality of hospital owners, we have increasingly been observing of late consolidation efforts within the public and church segments taking the legal form of co-operatives or group companies. At the same time there have been persistent rumours according to which various private hospital chains are looking for new owners. We believe that the transaction market is slowly gathering pace once again and that acquisition-driven growth will once again become increasingly significant.

We lay claim to our ability of operating hospitals very efficiently and successfully, and of being able to bring about the quick and qualified integration of newly acquired facilities.

Overall, we therefore see ourselves in a highly favourable position, also for the coming year, in terms of our organic and acquisition-driven growth prospects.

CORPORATE GOVERNANCE

Corporate constitution

With effect from 31 December 2010, Ms. Andrea Aulkemeyer and Mr. Gerald Meder left the Board of Management. With effect from 1 January 2011, Mr. Martin Menger was appointed as a further member of the Board of Management. The allocation of responsibilities within the Board of Management was adjusted accordingly.

The composition of the Supervisory Board as well as its distribution of duties and responsibilities have not changed since the last reporting date.
In the first quarter of 2011, we were notified by Templeton Investment Counsel, LLC, Fort Lauderdale/USA, pursuant to section 21 et seq. of the Securities Trading Act

(Wertpapierhandelsgesetz, WpHG) in January that it had fallen below a threshold with a voting share of 2.95%, and in March that it had exceeded a threshold with a voting share of 3.05%. No other notifications regarding transactions by executives pursuant to section 15a of the WpHG were made.

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

Risks and opportunities

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

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

CONSOLIDATED TREND

Sites and capacities

	Hospitals	Beds
As at 31 Dec. 2010	**53**	**15,900**
Change in capacities		72
As at 31 March 2011	**53**	**15,972**

As at 31 March 2011 we have a total of 53 consolidated hospitals with 15,972 beds/places at a total of 43 sites in 10 federal states. Since 31 December 2010, we recorded only a moderate net change in the number of approved beds (72) at our acute inpatient capacities in line with the requirement budgets in the individual federal states.

In the first three months of 2011 we expanded our outpatient capacities by two MVZs and 16.5 specialist doctor's practices:

	Date	MVZs	Specialist physician practices
As at 31 Dec. 2010		**33**	**125.5**
Opened			
Commissioned in Düsseldorf	1 Jan. 2011	1	11.0
Commissioned in Pforzheim III	1 Jan. 2011	1	2.0
Expansion of existing MVZs		-	3.5
As at 31 March 2011		**35**	**142.0**

As at 1 January 2011, we acquired a majority interest in an ophthalmological centre in Düsseldorf with a total of ten ophthalmologist's practices and one anaesthetics practice.

Together with the commissioning of an additional MVZ in Pforzheim with two doctor's practices as well as expansions at already existing MVZs, we currently operate as at 31 March 2011 35 MVZs with a total of 142.0 specialist doctor's practices.

Patients

January through March	**2011**	**2010**	**Change absolute**	**%**
Inpatient and day-case treatments,				
acute hospitals	169,090	164,835	4,255	2.6
rehabilitation hospitals and other facilities	2,766	2,331	435	18.7
	171,856	167,166	4,690	2.8
Outpatient attendances at our				
acute hospitals	268,410	256,998	11,412	4.4
MVZs	139,366	85,629	53,737	62.8
	407,776	342,627	65,149	19.0
Total	**579,632**	**509,793**	**69,839**	**13.7**

In the first three months a total of 579,632 patients (up by +69,839 patients or +13.7%) were treated in the Group's hospitals and MVZs in a nearly unchanged scope of consolidation.

Per-case revenues

January through March	2011	2010
Case revenue		
inpatient (€)	3,543	3,551
outpatient (€)	94	89

Whereas per-case revenue rose by 5.6% in the outpatient area compared with the first three months of the previous year, per-case revenues declined slightly by 0.2% in the inpatient area.

Employees

Employees	March 2011	31 Dec. 2010	Deviation	
			absolute	%
Hospitals	33,723	33,838	-115	-0.3
MVZs	680	535	145	27.1
Service companies	3,771	3,685	86	2.3
Total	**38,174**	**38,058**	**116**	**0.3**

On 31 March 2011, the Group employed 38,174 persons (31 December 2010: 38,058). This growth by 116 employees is primarily attributable to the establishment of outpatient and day-clinical structures.

BUSINESS PERFORMANCE

Revenues and earnings

Taking into account various regulatory and economic obstacles, the overall performance achieved by both our hospitals and the Group as a whole during the first three months of financial year 2011 was in line with expectations for the key ratios used for tax purposes:

January - March	2011	2010	Change	
	€m	€m	€m	%
Revenues	647.2	624.2	23.0	3.7
EBITDA	78.8	73.1	5.7	7.8
EBIT	50.6	46.8	3.8	8.1
EBT	45.9	42.1	3.8	9.0
Operating cash flow	66.1	60.9	5.2	8.5
Net consolidated profit	38.0	34.3	3.7	10.8

When assessing hospital ratios and margins for 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 easily reduce the representativeness of interim time-based comparisons.

The rise in revenues by € 23.0 million or 3.7 percentage points, which is disproportionate to service volumes, is attributable completely – with sharp price degressions for surplus service volumes in the inpatient area and a disproportionate rise in service volumes in the low-price segment of the outpatient area – to increases in service volumes Group-wide.

January - March	2011	2010
	%	%
EBITDA margin	12.2	11.7
EBIT margin	7.8	7.5
EBT margin	7.1	6.7
Return on revenue	5.9	5.5
Return on equity	10.0	9.6

The trend in margins clearly reveals the restructuring successes achieved. These also outweighed the burdens from discounts on agreed and non-agreed surplus service volumes.

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

January - March	2011	2010	Change	
	€m	€m	€m	%
Materials and consumables used	167.6	161.2	6.4	4.0
Employee benefits expense	381.9	374.8	7.1	1.9
Depreciation	28.2	26.4	1.8	6.8
Other expenditure	62.6	56.6	6.0	10.6
Total	**640.3**	**619.0**	**21.3**	**3.4**

Compared with the same period last year, the "Other income" item witnessed a rise of € 2.2 million or 5.3% to reach € 43.7 million. The increase is attributable among other things to higher revenues from sales to third parties by Group-owned pharmacies and blood banks (€ +0.8 million) as well as from higher government grants and allowances (€ +1.0 million) which are matched by corresponding expenditures.

January - March	2011	2010
	%	%
Cost of materials ratio	25.9	25.8
Personnel cost ratio	59.0	60.0
Other cost ratio	9.7	9.1
Depreciation and amortisation ratio	4.4	4.2
Financial result ratio	0.7	0.8
Tax rate	1.3	1.2

Compared with the same period last year, the cost of materials rose by € 6.4 million or 4.0%, and was thus disproportionate to the trend in revenues. This is attributable among other things to purchased services for locum doctors which are recognised formally as material expenditures.

Personnel expenses saw a disproportionately moderate rise of by € 7.1 million or 1.9% compared with the first quarter of 2010. The decline in the personnel expense ratio is owing, among other things, to Group-wide restructuring successes and a disproportionately moderate increase in personnel at sites reporting an expansion in service volumes.

In the "Other expenditure" item, we recorded a disproportionate increase by € 6.0 million or 10.6% which for the most part (€ 5.1 million) is attributable to subsidised maintenance measures.

The disproportionate rise in depreciation by € 1.8 million or 6.8% reflects the expenditure-increasing impact especially of depreciation for the partial replacement building in Erlenbach (commissioned in December 2010) and the new building in Salzgitter recognised for a full calendar year for the first time. The completed extension measure at the Marburg site (commissioned in March 2011) as well as scheduled investments during financial year 2010 further contributed to the rise in depreciation.

The financial result of € 4.7 million, despite the roughly 37.0% higher net financial debt, was nearly unchanged in absolute figures compared with the same period last year. With reference to the higher revenues achieved in the first quarter, the burden from the financial result declined slightly by 0.1 percentage points to 0.7 percentage points. The development in the financial result reflects the impact from financing the additional net debt to banks of € 149.2 million – calculated as the average value of the first quarters in financial years 2010 and 2011 – under the (temporarily unutilised) syndicated credit line.

No changes in the market values of our financial instruments to be recognised through profit or loss were recorded in the first three months of 2011; the first quarter of 2010 had been burdened by an expenditure increasing effect of € 0.2 million.

The income tax expense rose by € 0.1 million to € 7.9 million (previous year: € 7.8 million) compared with the first quarter of 2010. The income tax burden declined from 18.5% in the first quarter of 2010 to 17.2% in the first quarter of 2011 among other things due to tax effects at RHÖN-KLINIKUM AG.

In the first three months of financial year 2011 we raised net consolidated profit by € 3.7 million or 10.8% to € 38.0 million (previous year: € 34.3 million). Adjusted for earnings effects from changes in the market values of our financial derivatives over the reporting quarters, this translates into a rise in operative net consolidated profit of € 3.5 million.

Minority interests in profit rose compared with the same period last year by € 0.3 million to € 1.4 million.

The interest of RHÖN-KLINIKUM AG shareholders in profit for the first three months of 2011 rose by € 3.4 million or 10.2% to € 36.6 million compared with the same period last year. This corresponds to earnings per share of € 0.27 (previous year: € 0.24) in accordance with IAS 33.

In the first three months of 2011, the sum of after-tax earnings and the value changes recognised at equity amounted to € 44.5 million (previous year: € 29.3 million). Whereas in the previous year, negative changes in the market values of our financial instruments of € 5.0 million were recognised directly at equity, positive changes in market values to the tune of € 6.5 million (after tax) were likewise recognised directly at equity in the first three months of the current financial year.

Asset and capital structure

	31 March 2011		31 Dec. 2010	
	€m	%	€m	%
ASSETS				
Non-current assets	2,219.1	71.9	2,195.3	71.8
Current assets	866.0	28.1	862.9	28.2
	3,085.1	**100.0**	**3,058.2**	**100.0**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	1,544.8	50.1	1,495.2	48.9
Long-term loan capital	977.6	31.6	964.1	31.5
Short-term loan capital	562.7	18.3	598.9	19.6
	3,085.1	**100.0**	**3,058.2**	**100.0**

The increase in our assets since the last balance sheet date by € 26.9 million or 0.9% stems from the planned realisation of our investment programmes.

Our investments financed from own funds of € 52.5 million compare with € 28.2 million in depreciation and € 0.5 million in reductions in carrying amounts.

We financed our investments completely from operating cash flow from the first three months of the current financial year amounting to € 66.1 million.

The equity capital ratio saw a slight rise compared with the last reporting date, from 48.9% to 50.1%.

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

Shareholders' equity	**2011**			**2010**
	Shareholders €m	**Minorities €m**	**Total €m**	**Total €m**
As at 1 January	**1,458.9**	**36.3**	**1,495.2**	**1,422.9**
Equity capital transactions with owners	0.0	5.1	5.1	-23.4
Total result of the period	43.1	1.4	44.5	29.3
As at 31 March	**1,502.0**	**42.8**	**1,544.8**	**1,428.8**

As at 31 March 2011, equity stands at € 1,544.8 million (31 December 2010: € 1,495.2 million). The increase in equity capital compared with the balance sheet date of 31 December 2010 by € 49.6 million stems from net consolidated profit (€ 38.0 million), from the expenditure requirement for the effective portion of financial derivatives designated as interest-rate hedging instruments (€ 6.5 million), and from equity transactions in connection with the majority takeover of the ophthalmology centre in Düsseldorf (€ 5.1 million).

113.7% (31 December 2010: 112.0%) of non-current assets is covered by equity and non-current liabilities.

Net financial debt rose since the last reporting date from € 551.5 million by € 8.4 million to € 559.9 million as at 31 March 2011, and is calculated as follows:

	31 March 2011 €m	31 Dec. 2010 €m
Cash	395.2	415.7
Current financial liabilities	38.6	69.5
Non-current financial liabilities	934.0	922.7
Finance lease liabilities	0.5	0.5
Financial liabilities	973.1	992.7
Subtotal	577.9	577.0
Negative market value of derivatives (current)	0.0	0.0
Negative market value of derivatives (non-current)	-18.0	-25.5
Net financial debt	**559.9**	**551.5**

Our key financial ratios developed as follows:

	31 March 2011	31 Dec. 2010
Net financial liabilities in €m at reporting date (incl. finance lease liabilities)	559.9	551.5
EBITDA (€ m)	313.0 *	307.3 **
Net interest expenditure in €m (excluding mark-up / discount of financial instruments)	24.0 *	23.8 **
Net financial debt / EBITDA	1.8	1.8
EBITDA / net interest expenditure	13.0	12.9

*) Period from 1 April 2010 -31 March 2011
**) Period from 1 January 2010 - 31 December 2010

Our internal financing strength has increased significantly. Compared with the same period last year, operating cash flow, calculated from net consolidated profit plus depreciation/amortisation and other non-cash items, rose by € 5.2 million or 8.5% to reach € 66.1 million (previous year: € 60.9 million). The origin and appropriation of our liquidity are shown in the following overview:

January through March	2011 €m	2010 €m
Cash generated from operating activities	42.2	52.0
Cash used in investing activities	-67.8	-51.5
Cash generated from financing activities	22.8	44.5
Change in cash and cash equivalents	**-2.8**	**45.0**
Cash and cash equivalents at 1 January	393.2	420.6
Cash and cash equivalents as at 31 March	**390.4**	**465.6**

Changes in cash generated from operations compared with the previous year are largely the result of the payment of interest on the bond in the amount of € 15.5 million.

Investing activities

Aggregate investments of € 59.2 million (previous year: € 52.3 million) in the first three months of financial year 2011 are shown in the following table:

	Use of		
	Gov't grants Mio. €	Own funds Mio. €	Total Mio. €
Current capital expenditur	6.7	38.9	45.6
Takeovers	0.0	13.6	13.6
Total	**6.7**	**52.5**	**59.2**

Of these current investments made in the first three months, € 6.7 million was attributable to investments funded from grants under the Hospital Financing Act (KHG) (previous year: € 5.5 million) and deducted from total investments pursuant to the relevant provisions of IFRS.

From the takeover of doctor's practices we acquired assets totalling € 13.6 million.

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

	€m
Gießen-Marburg	15.5
Hildesheim	5.3
Gifhorn	3.2
München Pasing-Perlach	2.3
Wiesbaden	2.2
Pforzheim	2.2
Salzgitter	1.1
Kipfenberg	1.0
Bad Neustadt	1.4
Köthen	0.8
Leipzig	0.6
Other sites	3.3
Total	**38.9**

Under company purchase agreements entered into we still have outstanding investment obligations of € 90.7 million until 2014.

Outlook

No material events subject to a reporting obligation took place after 31 March 2011 up to the preparation of this Report.

We are currently engaged in several acquisition procedures for inpatient and outpatient facilities over which the parties have agreed to maintain secrecy. Based on the current stage reached in the procedures, a decision is expected to be reached only in the second half of the year.

For financial year 2011 we expect – under the currently known statutory framework conditions and without further acquisitions – revenues of € 2.65 billion, an EBITDA of € 340.0 million and a net consolidated profit of € 160.0 million, with the last two figures possibly fluctuating within a range of plus or minus 5%.

In the further course of financial year 2011 we will steadfastly seek efficiency gains from optimisation programmes at our individual hospital sites. We moreover expect to see rises in service volumes and revenues with profit contributions significantly exceeding inevitable cost increases.

Bad Neustadt a. d. Saale, 28 April 2011

RHÖN-KLINIKUM AG

THE BOARD OF MANAGEMENT

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

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

CONSOLIDATED ABRIDGED INTERIM FINANCIAL STATEMENT

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

January through March	2011		2010	
	€ '000	%	€ '000	%
Revenues	647,210	100.0	624,225	100.0
Other operating income	43,655	6.7	41,478	6.6
	690,865	**106.7**	**665,703**	**106.6**
Materials and consumables used	167,622	25.9	161,184	25.8
Employee benefits expense	381,867	59.0	374,759	60.0
Other expenses	62,566	9.7	56,626	9.1
	612,055	**94.6**	**592,569**	**94.9**
Interim result				
(EBITDA)	**78,810**	**12.2**	**73,134**	**11.7**
Depreciation/amortisation and impairment	28,211	4.4	26,384	4.2
Operating result (EBIT)	**50,599**	**7.8**	**46,750**	**7.5**
Finance expenses	6,720	1.0	6,338	1.0
Finance income	2,040	0.3	1,673	0.2
Financial result	**4,680**	**0.7**	**4,665**	**0.8**
Earnings before tax (EBT)	**45,919**	**7.1**	**42,085**	**6.7**
Income taxes	7,910	1.3	7,795	1.2
Net consolidated profit	**38,009**	**5.9**	**34,290**	**5.5**
of which				
Minority interests	**1,399**	**0.2**	**1,090**	**0.2**
Shareholders of RHÖN-KLINIKUM AG	**36,610**	**5.7**	**33,200**	**5.3**
Earnings per share in €	**0.27**		**0.24**	

January through March	2011	2010
	€ '000	€ '000
Net consolidated profit	**38,009**	**34,290**
of which		
Minority interests	1,399	1,090
Shareholders of RHÖN-KLINIKUM AG	36,610	33,200
Change in fair value of derivatives used for hedging purposes	7,708	-5,930
Income taxes	-1,220	938
Change in the amount recognised at equity capital (cash flow hedges)	**6,488**	**-4,992**
Sum of value changes recognised at equity	**6,488**	**-4,992**
of which		
Minority interests	0	0
Shareholders of RHÖN-KLINIKUM AG	6,488	-4,992
Sum of earnings after tax and changes recognised at equity	**44,497**	**29,298**
of which		
Minority interests	1,399	1,090
Shareholders of RHÖN-KLINIKUM AG	43,098	28,208

Consolidated Balance Sheet

	31 March 2011		31 December 2010	
	€ '000	%	€ '000	%
A S S E T S				
Non-current assets				
Goodwill and other intangible assets	357,869	11.6	346,863	11.3
Property, plant and equipment	1,840,651	59.6	1,827,488	59.8
Investment property	4,818	0.2	4,873	0.2
Income tax receivables	13,601	0.4	13,616	0.4
Deferred tax assets	0	0.0	777	0.0
Other assets	2,125	0.1	1,724	0.1
	2,219,064	**71.9**	**2,195,341**	**71.8**
Current assets				
Inventories	44,787	1.5	47,941	1.5
Accounts receivable, other receivables and other assets	398,060	12.9	371,618	12.2
Current income taxes receivable	27,975	0.9	27,601	0.9
Cash and cash equivalents	395,170	12.8	415,743	13.6
	865,992	**28.1**	**862,903**	**28.2**
	3,085,056	**100.0**	**3,058,244**	**100.0**

	31 March 2011		31 December 2010	
	€ '000	%	€ '000	%
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Subscribed capital	345,580	11.2	345,580	11.3
Capital reserve	395,994	12.8	395,994	12.9
Other reserves	760,479	24.7	717,381	23.5
Treasury shares	-76	0.0	-76	0.0
Equity attributable to shareholders of RHÖN-KLINIKUM AG	1,501,977	48.7	1,458,879	47.7
Minority interests held by non-Group third parties	42,823	1.4	36,316	1.2
	1,544,800	**50.1**	**1,495,195**	**48.9**
Non-current liabilities				
Financial liabilities	933,958	30.3	922,682	30.2
Deferred tax liabilities	1,343	0.0	0	0.0
Provisions for post-employment benefits	13,199	0.4	12,591	0.4
Other liabilities	29,073	0.9	28,829	0.9
	977,573	**31.6**	**964,102**	**31.5**
Current liabilities				
Financial liabilities	38,558	1.3	69,475	2.3
Accounts payable	116,179	3.8	151,509	5.0
Current income tax liabilities	6,359	0.2	8,790	0.3
Other provisions	22,710	0.7	22,373	0.7
Other liabilities	378,877	12.3	346,800	11.3
	562,683	**18.3**	**598,947**	**19.6**
	3,085,056	**100.0**	**3,058,244**	**100.0**

Consolidated Changes in Equity

	Subcribed capital	Capital reserve	Other reserves 1)	Treasury shares	Equity attributable to shareholders of RHÖN-KLINIKUM AG	Minority interests held by non-Group Shareholders in equity 1)	Shareholders' equity
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
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							
Purchase of interest after obtaining control	-	-	-9,560	-	-9,560	**-13,846**	-23,406
Dividend payments	-	-	-	-	0	-	0
Result for the period and changes recognised without effect in profit or loss of the period	-	-	28,208	-	28,208	1,090	29,298
As at 31 March 2010	**345,580**	**395,994**	**653,245**	**-76**	**1,394,743**	**34,088**	**1,428,831**
As at 31 Dec. 2010/1 Jan. 2011	**345,580**	**395,994**	**717,381**	**-76**	**1,458,879**	**36,316**	**1,495,195**
Equity capital transactions with owners							
Capital contributions/disbursements	-	-	-	-	0	5,108	5,108
Result for the period and changes recognised without effect in profit or loss of the period	-	-	43,098	-	43,098	1,399	44,497
As at 31 March 2011	**345,580**	**395,994**	**760,479**	**-76**	**1,501,977**	**42,823**	**1,544,800**

[1]Including other comprehensive income (OCI)

Consolidated Cash Flow Statement

January through March	2011 €m	2010 €m
Earnings before taxes	45.9	42.1
Financial result (net)	4.7	4.5
Impairment and gains/losses on disposal of assets	28.1	26.3
Non-cash valuations of financial derivatives	0.0	0.2
	78.7	**73.1**
Change in net current assets		
Change in inventories	3.2	2.5
Change in accounts receivable	-19.7	-33.0
Change in other receivables	-6.8	-8.9
Change in liabilities (excluding financial liabilities)	14.8	31.1
Change in provisions	0.9	0.8
Income taxes paid	-10.2	-9.0
Interest paid	-18.7	-4.6
Cash generated from operating activities	**42.2**	**52.0**
Investments in property, plant and equipment and in intangible assets	-56.3	-53.4
Acquisition of subsidiaries, net of cash acquired	-13.6	0.0
Sale proceeds from disposal of assets	0.1	0.2
Interest received	2.0	1.7
Cash used in investing activities	**-67.8**	**-51.5**
Payments on contracting of non-current financial liabilities	20.0	397.1
Repayment of financial liabilities	-2.3	-352.6
Dividends and contributions of minority owners	5.1	0.0
Cash generated from financing activities	**22.8**	**44.5**
Change in cash and cash equivalents	-2.8	45.0
Cash and cash equivalents at 1 January	393.2	420.6
Cash and cash equivalents as at 31 March	**390.4**	**465.6**

Abridged Notes

GENERAL INFORMATION

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

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

The Interim Consolidated Financial Statements will be published on 28 April 2011 on the homepage of RHÖN-KLINIKUM AG as well as with Deutsche Börse.

ACCOUNTING POLICIES

The Interim Consolidated Financial Statements of RHÖN-KLINIKUM AG as at 31 March 2011 have been prepared in accordance with the rules of IAS 34 in abridged form applying Section 315a German Commercial Code (Handelsgesetzbuch, HGB) and in accordance with the rules, effective at the reporting date and recognised by the European Union, of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, as well as the interpretations of the International Financial Reporting Standard Interpretations Committee (IFRS IC). Furthermore, the provisions of the German accounting standard DRS 16 (interim financial reporting) were observed in the preparation of this Interim Report.

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

a) New accounting rules from financial year 2011

New standards and interpretations of practical relevance from financial year 2011

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

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

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

- New version of IAS 24 “Related Party Disclosures”

On 4 November 2009 the IASB published a revised version of IAS 24 “Related Party Disclosures”. The revision of IAS 24 was in particular aimed at making the text of the Standard more comprehensive and clearer. With the revised version of IAS 24, provisions are clarified in areas in which the Standard hitherto had revealed inconsistencies or had been impaired in its practical application by imprecise 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’).

New standards and interpretations of no practical relevance from financial year 2011

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

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

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

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

b) New accounting rules from financial year 2013

New standards and interpretations of practical relevance from financial year 2013

The following newly published Standard which has not yet been adopted by the European Union is of practical relevance from financial year 2013:

- IFRS 9 “Financial Instruments”

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

In October 2010, the IASB expanded IFRS 9, “Financial Instruments”, to include rules on the recognition of financial liabilities and for derecognition of financial instruments. With the exception of the provisions for liabilities measured voluntarily at fair value (referred to as fair-value options), the rules were adopted without changes from IAS 39, Financial Instruments: Recognition and Measurement, into IFRS 9. IFRS 9 is to be applied 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.

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

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

SCOPE OF CONSOLIDATION

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

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

Associated companies are those companies over which the Group has a substantial influence but over which it does not have control because the voting interest is between 20% and 50%. Investments in associated companies and jointly controlled entities (joint ventures) are accounted for using the equity method and upon their first-time consolidation are recognised at cost. Companies whose individual or overall impact on the net assets and results of operations is not material are included in the consolidated financial statement at the lower of cost or fair value.

By notarised purchase agreement dated 13 September 2010, the medical care centre MVZ Augenärztliches Diagnostik- und Therapiezentrum Düsseldorf GmbH (formerly: RK Klinik Betriebs GmbH Nr. 29) acquired ten ophthalmologist's practices and anaesthetics practice. Since the conditions of validity were met in accordance with agreement as at 1 January 2011, the doctor's practices were transferred to the medical care centre MVZ Augenärztliches Diagnostik- und Therapiezentrum Düsseldorf GmbH on that date. Consolidation within the Group took place with effect on 1 January 2011. As part of the acquisition of the doctor's practices, costs of € 0.3 million were incurred which were reflected in expenditure. The purchase price allocation provides for the following effects on the Group's net assets in 2011:

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

In the first quarter of 2011, a further 3.5 hospital-associated doctor's practices were acquired by the existing MVZ companies. Since the conditions of validity were met in accordance with agreement as at 1 January 2011, the doctor's practices were transferred as at 1 January 2011. Consolidation within the Group took place with effect on 1 January 2011. No costs were incurred from the acquisition of the doctor's practices. The purchase price allocation provides for the following effects on the Group's net assets in 2011:

Purchase of doctor's practices	**Carrying amount before acquisition €m**	**Adjustment amount €m**	**Carrying amount after acquisition €m**
Acquired assets and liabilities			
Property, plant and equipment	0.5		0.5
Net assets acquired			**0.5**
+ goodwill			0.9
Cost			**1.4**
- purchase price payments outstanding			0.0
- acquired cash and cash equivalents			0.0
Cash outflow on transaction			**1.4**

OPERATING SEGMENTS

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

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

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

SELECTED EXPLANATIONS REGARDING CONSOLIDATED INTERIM INCOME STATEMENT

Revenues

January through March	2011 €m	2010 €m
Business areas		
acute hospitals	625.8	608.7
Medical care centres	9.8	5.0
Rehabilitation hospitals	11.6	10.5
	647.2	**624.2**
Federal states		
Bavaria	125.3	125.8
Saxony	90.0	82.9
Thuringia	76.9	76.1
Baden-Wuerttemberg	31.8	30.8
Brandenburg	29.0	28.1
Hesse	141.0	136.1
Mecklenburg-West Pomerania	1.6	1.6
Lower Saxony	104.2	99.7
North Rhine-Westphalia	16.5	13.1
Saxony-Anhalt	30.9	30.0
	647.2	**624.2**

According to IAS 18, revenues constitute revenues generated from the provision of services and in the first quarter of 2011 rose compared with the same period last year by € 23.0 million or 3.7% to reach € 647.2 million. The rise in revenues, which is disproportionately moderate to that of service volumes (+ 13.7%), is attributable completely – with sharp price degressions for surplus service volumes in the inpatient area and a disproportionate rise in service volume in the low-price segment of the outpatient area – to increases in service volumes Group-wide.

Other operating income

January through March	2011 €m	2010 €m
Income from services rendered	35.1	33.5
Income from grants and other allowances	4.0	3.0
Income from adjustment of receivables	0.6	1.0
Indemnities received	0.4	0.6
Other	3.6	3.4
	43.7	**41.5**

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).

The rise in “Other income” compared with the same period last year by € 2.2 million or 5.3% is attributable among other things to higher revenues from sales to third parties by Group-owned pharmacies and blood banks (€ +0.8 million) as well as from higher government grants and allowances (€ +1.0 million) which are matched by corresponding expenditures.

Other expenses

January through March	2011 €m	2010 €m
Maintenance	24.5	19.4
Charges, subscriptions and consulting fees	13.8	13.0
Administrative and IT costs	5.2	5.1
Impairment on receivables	1.6	1.7
Insurance	3.2	2.8
Rents and leaseholds	3.7	3.7
Travelling, entertaining and representation expenses	1.8	1.7
Other personnel and continuing training costs	3.2	2.7
Secondary taxes	0.2	0.2
Other	5.4	6.3
	62.6	**56.6**

Financial result

The financial result includes the share of losses of companies accounted for at-equity in the amount of € 12,000 (previous year: € 6,000).

Income taxes

January through March	2011 €m	2010 €m
Current income tax	7.0	6.6
Deferred taxes	0.9	1.2
	7.9	**7.8**

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

SELECTED EXPLANATIONS REGARDING CONSOLIDATED INTERIM BALANCE SHEET

Goodwill and other intangible assets

	Goodwill €m	Other intangible assets €m	Total €m
Cost			
1 January 2011	**323.1**	**54.8**	**377.9**
Additions due to changes in scope of	12.6	0.0	12.6
Additions	0.0	0.4	0.4
Disposals	0.0	0.2	0.2
Transfers	0.0	0.1	0.1
31 March 2011	**335.7**	**55.1**	**390.8**
Cumulative depreciation and impairment			
1 January 2011	**0.0**	**31.0**	**31.0**
Depreciation	0.0	2.0	2.0
Disposals	0.0	0.1	0.1
31 March 2011	**0.0**	**32.9**	**32.9**
Balance sheet value at 31 March 2011	**335.7**	**22.2**	**357.9**

	Goodwill €m	Other intangible assets €m	Total €m
Cost			
1 January 2010	**323.2**	**43.1**	**366.3**
Additions	0.0	2.0	2.0
Disposals	0.0	0.0	0.0
Transfers	0.0	0.3	0.3
31 March 2010	**323.2**	**45.4**	**368.6**
Cumulative depreciation and impairment			
1 January 2010	**0.0**	**24.6**	**24.6**
Depreciation	0.0	1.6	1.6
31 March 2010	**0.0**	**26.2**	**26.2**
Balance sheet value at 31 March 2010	**323.2**	**19.2**	**342.4**

Property, plant and equipment

	Land and buildings €m	Technical plant and equipment €m	Operating and business equipment €m	Plant under construction €m	Total €m
Cost					
1 January 2011	**1,504.6**	**69.9**	**491.5**	**490.8**	**2,556.8**
Additions due to changes in scope of consolidation	0.1	0.0	0.9	0.0	1.0
Additions	3.5	0.2	6.4	28.4	38.5
Disposals	0.0	0.1	1.3	0.0	1.4
Transfers	73.3	2.4	8.4	-84.2	-0.1
31 March 2011	**1,581.5**	**72.4**	**505.9**	**435.0**	**2,594.8**
Cumulative depreciation and impairment					
1 January 2011	**403.5**	**42.6**	**283.2**	**0.0**	**729.3**
Depreciation	10.5	1.1	14.6	0.0	26.2
Disposals	0.0	0.1	1.3	0.0	1.4
Transfers	0.0	0.0	0.0	0.0	0.0
31 March 2011	**414.0**	**43.6**	**296.5**	**0.0**	**754.1**
Balance sheet value at 31 March 2011	**1,167.5**	**28.8**	**209.4**	**435.0**	**1,840.7**

	Land and buildings €m	Technical plant and equipment €m	Operating and business equipment €m	Plant under construction €m	Total €m
Cost					
1 January 2010	**1,428.7**	**66.4**	**458.4**	**298.7**	**2,252.2**
Additions	2.4	0.1	6.1	36.2	44.8
Disposals	0.0	0.0	0.7	0.0	0.7
Transfers	10.6	1.0	1.8	-13.7	-0.3
31 March 2010	**1,441.7**	**67.5**	**465.6**	**321.2**	**2,296.0**
Cumulative depreciation and impairment					
1 January 2010	**363.3**	**39.1**	**249.9**	**0.0**	**652.3**
Depreciation	10.3	1.1	13.3	0.0	24.7
Disposals	0.0	0.0	0.5	0.0	0.5
31 March 2010	**373.6**	**40.2**	**262.7**	**0.0**	**676.5**
Balance sheet value at 31 March 2010	**1,068.1**	**27.3**	**202.9**	**321.2**	**1,619.5**

Shareholders' equity

Compared with the balance sheet date of 31 December 2010, the increase in equity capital by € 49.6 million to € 1,544.8 million stems from net consolidated profit (€ 38.0 million), from the write-up requirement for the effective portion of financial derivatives designated as interest-rate hedging instruments (€ 6.5 million), and from equity transactions in connection with the takeover of the ophthalmology centre in Düsseldorf (€ 5.1 million).

As at 31 March 2011 a total of € 14.9 million (31 December 2010: € 21.4 million) was allocated from hedging relationships to “Other reserves” which resulted in a reduction in equity.

Financial debt and financial derivatives

The draw-down of the syndicated line of credit existing since 2006 was increased from € 205.0 million as at 31 December 2010 to € 225.0 million as at 31 March 2011. The revolving line of credit existing since 2010 had not been utilised as at 31 March 2011.

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

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

In the first quarter of 2011, no new interest-rate hedges were concluded. The hedge relationships designated as at 31 December 2010 between variable interest-rate loans and interest-rate derivatives have likewise existed since 31 March 2011. As at 31 March 2011 a total of € 14.9 million from hedge relationships was recognised in “Other reserves”. In the first quarter of 2011, changes in the valuation of further non-hedged derivatives in the amount of € 0.03 million were recognised with earnings increasing effect in the financial result.

OTHER DISCLOSURES

Interests held in the Company

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

Notifying entity	Published on	Voting share on date of threshold being exceeded/fallen short of*: Held directly %	Attri-buted %	Voting rights held %	Date of exceeding/falling short of the threshold	Threshold exceeded/fallen short of by
Alecta pensionsförsäkring ömesesidigt, Stockholm/Sweden	17 July 2009	9.94		**9.94**	15 July 2009	< 10%
Eugen Münch, Germany**	15 February 2007	9.74		**9.74**	26 September 2005	< 10%
Ingeborg Münch, Germany**	15 February 2007	6.42		**6.42**	17 April 2002	> 5%
Franklin Mutual Advisers, LLC, Short Hills/USA	9 February 2007		5.07	**5.07**	12 July 2006	> 5%
Franklin Mutual Series Fund, Short Hills/USA	2 February 2007	5,06			29 August 2006	> 5%
Sun Life Financial Inc., Toronto/Canada	2 July 2010		3.07	**3.07**	29 June 2010	> 3%
Sun Life Global Investors Inc., Toronto/Canada	2 July 2010		3.07		29 June 2010	> 3%
Sun Life Assurance Company of Canada - U.S. Operations Holding, Inc., Wellesleya Hills/USA	2 July 2010		3.07		29 June 2010	> 3%
Sun Life Financial (U.S.) Holdings, Inc, Wellesley Hills/USA	2 July 2010		3.07		29 June 2010	> 3%
Sun Life Financial (U.S.) Investments LLC, Wellesley Hills/USA	2 July 2010		3.07		29 June 2010	> 3%
Sun Life of Canada (U.S.) Financial Services Holdings, Inc., Boston/USA	2 July 2010		3.07		29 June 2010	> 3%
Massachusetts Financial Services Company (MFS), Boston/USA	2 July 2010	3.07			29 June 2010	> 3%
Templeton Investment Counsel, LLC, Wilmington, Delaware, USA	4 April 2011		3.05	**3.05**	29 March 2011	> 3%
BlackRock, Inc., New York/USA	16 December 2010		3.03	**3.03**	9 December 2010	> 3%
BlackRock Holdco 2, Inc., New York/USA	16 December 2010		3.03		9 December 2010	> 3%
BlackRock Financial Management, Inc., New York/USA	16 December 2010		3.03		9 December 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 31 March 2011, 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 as well as its distribution of duties and responsibilities have not changed since 31 December 2010.

With effect from 31 December 2010, Ms. Andrea Aulkemeyer and Mr. Gerald Meder left the Board of Management of RHÖN-KLINIKUM AG. With effect from 1 January 2011, Mr. Martin Menger was appointed as a further member to the Board of Management of RHÖN-KLINIKUM AG.

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

With effect from 1 January 2011, Mr. Wolf-Peter Hentschel left the Advisory Board.

Related parties

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

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

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

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

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

The contractual remuneration for the members of the Supervisory Board, the Board of Management and the Advisory Board, with the exception of the new member appointed to the Board of Management and the members that left the Board of Management with effect from 31 December 2010, has remained unchanged since the last reporting date. The total remuneration of the new member of the Board of Management, based on the assumption of net consolidated profit of € 160 million being generated by the end of financial year 2011, amounts to roughly € 546,000 p. a.

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

No notifications of transactions pursuant to Section 15a of the WpHG by members of the Board of Management or the Supervisory Board (directors' dealings) were recorded during the first quarter of 2011.

Employees

At the reporting date of 31 March 2011 the Group employed a total of 38,174 persons (31 December 2010: 38,058 persons). This increase by 116 versus the reporting date of 31 December 2010 is the result of 145 persons added as a result of staffing increases at our MVZ companies, 86 persons added as a result of staffing increases at our service companies, less 115 persons as a result of staffing reductions at our long-standing hospitals.

Other financial obligations

The investment obligations resulting from company purchase agreements declined as a result of the investments made by the reporting date to € 90.7 million (31 December 2010: € 99.1 million).

Contingent liabilities

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

Earnings per share

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

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

	No. of shares on 31 March 2011	No. of shares on 31 March 2010
Non-par shares	138,232,000	138,232,000
Treasury non-par shares	-24,000	-24,000
Shares in issue	**138,208,000**	**138,208,000**

Earnings per share are calculated as follows:

Non-par shares	**31 March 2011**	**31 March 2010**
Share in net consolidated profit (€ '000)	36,610	33,200
Weighted average number of shares in issue in '000 units	138,208	138,208
Earnings per share in €	0.27	0.24

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 € 4.7 million (31 March 2010: € 4.5 million). In the cash flow statement, a figure of € 18.3 million (31 March 2010: € 8.6 million) for non-cash additions to assets as well as gains from financial derivatives in the amount of € 0.0 million (31 March 2010: losses of € 0.2 million) were eliminated.

Bad Neustadt a. d. Saale, 28 April 2011

RHÖN-KLINIKUM AG

THE BOARD OF MANAGEMENT

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

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

KEY RATIOS

KEY RATIOS JANUARY THROUGH MARCH 2011 / JANUARY THROUGH MARCH 2010

Data in € m	Jan. – Mar. 2011	Jan. – Mar. 2010	Change in %
Revenues	647.2	624.2	3.7
Materials and consumables used	167.6	161.2	4.0
Employee benefits expense	381.9	374.8	1.9
Depreciation/amortisation and impairment	28.2	26.4	6.8
Net consolidated profit according to IFRS	38.0	34.3	10.8
Earnings share of RHÖN-KLINIKUM AG shareholders	36.6	33.2	10.2
Earnings share of minority interests	1.4	1.1	27.3
Return on revenue (%)	5.9	5.5	7.3
EBT	45.9	42.1	9.0
EBIT	50.6	46.8	8.1
EBIT - ratio (%)	7.8	7.5	4.0
EBITDA	78.8	73.1	7.8
EBITDA ratio (%)	12.2	11.7	4.3
Operating cash flow	66.1	60.9	8.5
Property, plant and equipment as well as investment property	1,845.5	1,624.5	13.6
Non-current income tax claims	13.6	17.4	-21.8
Equity according to IFRS	1,544.8	1,428.8	8.1
Return on equity, %	10.0	9.6	4.2
Balance sheet total according to IFRS	3,085.1	2,920.5	5.6
Investments			
in property, plant and equipment as well as in intangible assets and in investment property	52.5	46.8	12.2
in other assets	0.0	0.0	0.0
Earnings per ordinary share (€)	0.27	0.24	12.5
Number of employees (headcount)	38,174	36,915	3.4
Case numbers (patients treated)	579,632	509,793	13.7
Beds and places	15,972	15,723	1.6

FINANCIAL CALENDAR

Dates for shareholders and analysts

2011

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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This Quarterly Report is also
available in German.