

General Partner's Written Report to the Annual General Meeting of Fresenius SE & Co. KGaA regarding item 6 of the Agenda pursuant to sec. 186 para. 4 sentence 2 in conjunction with sec. 203 para. 2 sentence 2 German Stock Corporation Act:

Pursuant to sec. 186 para. 4 sent. 2 in conjunction with sec. 203 para. 2 sent. 2 of the German Stock Corporation Act, the General Partner reports below on the reasons for its being authorized to exclude the subscription rights of shareholders in specific cases of Authorized Capital I utilization. This report is available on the Company's website www.fresenius.de under Investor Relations/Annual General Meeting as of the convocation of the General Meeting. It is also available for inspection in the meeting room during the General Meeting.

If the General Partner avails itself of the right to increase the share capital, the new shares are, in principle, to be offered for subscription by the shareholders using the Authorized Capital I. However, the General Partner is, according to the proposed authorization, entitled to exclude the subscription rights of shareholders in the cases stated below.

Exclusion of subscription rights to settle fractional amounts

In order to settle fractional amounts, to achieve a round issue amount and subscription ratio, the General Partner is entitled in respect of fractional amounts, with the approval of the Supervisory Board, to exclude the subscription rights of shareholders. The exclusion of subscription rights is necessary to be able to present a practicable subscription ratio in the event of capital increases being lower than the subscribed capital. The unassigned fractions excluded from the shareholders' subscription rights shall either be offered for sale on the stock market or otherwise be realized in the company's best interest. The occurrence of a potential dilution effect is improbable, because an exclusion of subscription rights, if any, would only apply to fractional amounts.

Exclusion of subscription rights in case of cash capital increase

With the approval of the Supervisory Board, the exclusion of subscription rights is furthermore permitted in the event of a capital increase against cash contribution if the issue price of the new shares is not significantly lower than the stock exchange price and the proportional amount of shares issued subject to an exclusion of shareholders' subscription rights does not exceed 10% of the share capital at the time the authorizing resolution is adopted, as well as at the time the authorization is exercised. A sale of own shares, if any, and the issue of shares, if any, based on another (future) Authorized Capital shall be taken into account with regard to the aforementioned 10% limit, to the extent they are sold or issued during the period of the authorization subject to an exclusion of subscription rights according to section 186 para. 3 sent. 4 German Stock Corporation Act. Shares that have been issued or are yet to be issued in order to satisfy profit-participation certificates and/or bonds with option or conversion rights or duties shall also be taken into account with regard to the aforementioned 10% limit, if the profit-participation certificates and/or bonds are issued during the period of this authorization subject to an exclusion of subscription rights in analogy to sec. 186 para. 3 sent. 4 of the German Stock Corporation Act.

Those requirements correspond to the legislative purpose of sec. 186 para. 3 sent. 3 of the German Stock Corporation Act, according to which a dilution of the value of the shares owned by current shareholders shall be excluded to the largest extent. In comparison with issuing subscription rights, a placement including an exclusion of subscription rights provides the opportunity to achieve a greater cash inflow. It furthermore allows a more mar-

ket-oriented price fixing and, thereby, a generation of disposal proceeds that is as high as possible, as the placement can be made directly after fixing the issue price. In the event of an share offering addressed to all shareholders, it would indeed be possible to publish the subscription price three days before the expiry of the subscription period at the latest pursuant to sec. 186 para. 2 sent. 2 of the German Stock Corporation Act. However, even if this leeway were exploited, there would be an price change risk over a period of several days, which would result in a deduction of safety margins when the price of sale is fixed. Due to the length of the subscription period, the company additionally would not be able to respond quickly to favourable market conditions. It is intended, by way of the possibility to effect a capital increase subject to an exclusion of subscription rights, to put the General Partner of Fresenius SE & Co. KGaA in a position to exploit favourable market conditions flexibly in order to strengthen the equity base under optimal conditions for the benefit of the future business. The decisive stock exchange price will be the current stock exchange price at the time the final price of sale is fixed by the General Partner. As a result of the volatility of markets, it is not possible to exclude short-term price fluctuations. Thus, it is intended to refrain from determining in advance whether this shall be based on a current average share price covering only a small number of days or on a current share price at a reference date. This shall be decided in each particular case.

Exclusion of subscription rights in case of an increase of capital in kind

In the event of a capital increase against contributions in kind, the General Partner is authorized, with the approval of the Supervisory Board, to exclude shareholders from exercising their statutory subscription right if the Authorized Capital I is used for the purpose of acquiring a company, part of a company or interests in a company.

The Authorized Capital I could not be used as acquisition currency for the intended purpose without an exclusion of subscription rights. The authorization to grant ordinary shares of the Company against contribution in kind shall provide the company with the necessary leeway to exploit opportunities to acquire other companies, parts of companies or interests in companies quickly and flexibly. In particular with a view to remaining competitive on an international level and in order to act in the shareholders' interests, the company must always be in position to respond quickly and flexibly within the international market environment. This is taken into account by way of the Authorized Capital I, as a capital increase by resolution of the General Meeting would not be possible in time in case of emerging acquisition opportunities and/or would not guarantee the flexibility required within the framework of take-overs. The financial interests of shareholders are protected through the General Partner's obligation to issue the new shares at an issue price that is in adequate proportion to the value of the contribution in kind in accordance with sec. 255 para. 2 sent. 2 of the German Stock Corporation Act when making use of its authorization. When determining the value of the shares granted as consideration the stock exchange price of the shares will be relevant. A systematic link to a stock exchange price is not envisaged, in order to prevent previously reached negotiation results being challenged on the grounds of fluctuations of the stock exchange price.

Restriction of the total volume of capital increases without subscription rights

The General Partner is only allowed to make use of the aforementioned authorizations concerning the exclusion of subscription rights to the extent that the proportional amount of all shares issued subject to an exclusion of subscription rights does not exceed 20% of the share capital, neither at the time the authorizing resolution is adopted nor at the time it is exercised. Consequently, the total volume of shares issued without subscription rights under

the Authorized Capital I is restricted. In this way, the shareholders are additionally protected against dilution effects affecting their existing shareholdings.

There are currently no plans with regard to a utilization of the Authorized Capital I. In any event, the General Partner will carefully examine whether the use of the authorization to issue new shares and, if necessary, to exclude subscription rights is in the best interests of the company and its shareholders. The General Partner will inform the General Meeting each time it makes use of such authorization.

Bad Homburg v.d.H., March 2011

Fresenius SE & Co. KGaA

**General Partner
Fresenius Management SE
Management Board**