FRESENIUS

Quarterly Financial Report of Fresenius Group

applying United States Generally Accepted Accounting Principles

(U.S. GAAP)

1st Half and 2nd Quarter 2016

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FRESENIUS GROUP FIGURES AT A GLANCE

Fresenius is a global health care group providing products and services for dialysis, hospitals, and outpatient medical care. In addition, Fresenius focuses on hospital operations. We also manage projects and provide services for hospitals and other health care facilities. In 2015, Group sales were €27.6 billion. As of June 30, 2016, more than 220,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

SALES, EARNINGS, AND CASH FLOW

€ in millions	Q2/2016	Q2/2015	Change	H1/2016	H1/2015	Change
Sales	**7,092**	6,946	2%	**14,006**	13,429	4%
EBIT [1]	**1,051**	971	8%	**2,010**	1,822	10%
Net income [2]	**393**	350	12%	**755**	642	18%
Earnings per share in € [2]	**0.72**	0.64	12%	**1.38**	1.18	17%
Operating cash flow	**996**	720	38%	**1,330**	1,251	6%

BALANCE SHEET AND INVESTMENTS

€ in millions	June 30, 2016	December 31, 2015	Change
Total assets	**43,821**	42,959	2%
Non-current assets	**32,821**	32,480	1%
Equity [3]	**18,458**	18,003	3%
Net debt	**13,862**	13,725	1%
Investments [4]	**1,175**	805	46%

RATIOS

€ in millions	Q2/2016	Q2/2015	H1/2016	H1/2015
EBITDA margin [1]	**18.9%**	18.0%	**18.4%**	**17.6%**
EBIT margin [1]	**14.8%**	14.0%	**14.4%**	**13.6%**
Depreciation and amortization in % of sales	**4.1%**	4.0%	**4.0%**	**4.0%**
Operating cash flow in % of sales	**14.0%**	10.4%	**9.5%**	**9.3%**
Equity ratio (June 30/December 31)			**42.1%**	**41.9%**
Net debt/EBITDA (June 30/December 31) [5]			**2.62**	**2.68**

[1] 2015 before special items
[2] Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before special items
[3] Equity including noncontrolling interest
[4] Investments in property, plant and equipment, and intangible assets, acquisitions (first half)
[5] 2015 before special items, at LTM average exchange rates for both net debt and EBITDA, 2016 pro forma acquisitions.

For a detailed overview of special items please see the reconciliation table on page 8.

INFORMATION BY BUSINESS SEGMENT

FRESENIUS MEDICAL CARE – Dialysis products, Dialysis services

US$ in millions	Q2/2016	Q2/2015	Change	H1/2016	H1/2015	Change
Sales	**4,420**	4,199	5%	**8,626**	8,159	6%
EBIT	**641**	547	17%	**1,181**	1,051	12%
Net income [1]	**294**	241	22%	**522**	450	16%
Operating cash flow	**678**	385	76%	**857**	832	3%
Investments/Acquisitions	**564**	301	87%	**913**	571	60%
R & D expenses	**39**	34	12%	**76**	65	17%
Employees, per capita on balance sheet date (June 30 / December 31)				**113,089**	109,113	3%

FRESENIUS KABI – IV drugs, Clinical nutrition, Infusion therapy, Medical devices/Transfusion technology

€ in millions	Q2/2016	Q2/2015	Change	H1/2016	H1/2015	Change
Sales	**1,476**	1,538	-4%	**2,946**	2,932	0%
EBIT [2]	**307**	314	-2%	**616**	571	8%
Net income [3]	**180**	169	7%	**359**	309	16%
Operating cash flow	**211**	271	-22%	**335**	354	-5%
Investments/Acquisitions	**67**	85	-21%	**216**	177	22%
R & D expenses [2]	**82**	83	1%	**161**	161	0%
Employees, per capita on balance sheet date (June 30 / December 31)				**33,915**	33,125	2%

FRESENIUS HELIOS – Hospital operations

€ in millions	Q2/2016	Q2/2015	Change	H1/2016	H1/2015	Change
Sales	**1,477**	1,383	7%	**2,912**	2,774	5%
EBIT [2]	**173**	160	8%	**332**	307	8%
Net income [4]	**138**	119	16%	**262**	226	16%
Operating cash flow	**164**	117	40%	**230**	231	0%
Investments/Acquisitions	**86**	63	37%	**133**	112	19%
Employees, per capita on balance sheet date (June 30 / December 31)				**71,975**	69,728	3%

FRESENIUS VAMED – Projects and services for hospitals and other health care facilities

€ in millions	Q2/2016	Q2/2015	Change	H1/2016	H1/2015	Change
Sales	**254**	255	0%	**472**	463	2%
EBIT	**9**	9	0%	**16**	16	0%
Net income [5]	**6**	6	0%	**11**	10	10%
Operating cash flow	**19**	-7	--	**1**	-44	102%
Investments/Acquisitions	**2**	6	-67%	**4**	7	-43%
Order intake	**228**	92	148%	**465**	284	64%
Employees, per capita on balance sheet date (June 30 / December 31)				**7,999**	8,262	-3%

[1] Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA
[2] 2015 before special items
[3] Net income attributable to shareholders of Fresenius Kabi AG; 2015 before special items
[4] Net income attributable to shareholders of HELIOS Kliniken GmbH; 2015 before special items
[5] Net income attributable to shareholders of VAMED AG

For a detailed overview of special items please see the reconciliation table on page 8.

FRESENIUS SHARE

The unexpected outcome of the British EU referendum strongly affected financial markets at the end of the second quarter. During the first half, the Fresenius share was nearly unchanged and the DAX fell 10%.

FIRST HALF OF 2016

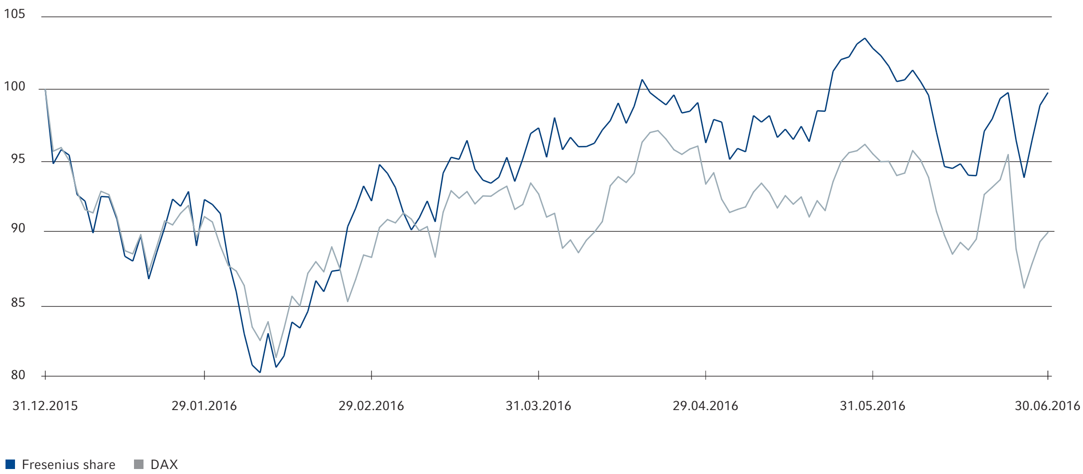
Following a volatile start to the year, more stable conditions returned to global financial markets early in the second quarter. The recovery was supported by unexpectedly positive US economic indicators, higher oil prices and new economic stimulus packages in the euro zone. Concerns over the United Kingdom's pending vote on EU membership then began to impact markets in June. The referendum's surprising result caused turbulence at the end of the second quarter on the world's financial and currency markets.

According to the latest ECB forecast, the euro zone's economy is expected to expand by 1.6% this year. The Federal Reserve expects the U.S. economy to grow 2.0%.

During the tense first half of 2016, the DAX slipped 10% to 9,680 points. On June 30, 2016, the Fresenius share closed at €65.82, nearly unchanged to its close on December 31, 2015.

RELATIVE SHARE PRICE PERFORMANCE VS. DAX

31.12.2015 = 100



KEY DATA OF THE FRESENIUS SHARE

	H1/2016	2015	Change
Number of shares (June 30/December 31)	**546,278,580**	545,727,950	
Quarter-end quotation in €	**65.82**	65.97	0%
High in €	**68.30**	69.75	-2%
Low in €	**53.05**	42.41	25%
Ø Trading volume (number of shares per trading day)	**1,300,826**	1,390,878	-6%
Market capitalization, € in millions (June 30 / December 31)	**35,956**	36,002	0%

MANAGEMENT REPORT

Once again, all four business segments contributed to strong organic growth. Even compared with an excellent prior-year quarter, Fresenius has again achieved double-digit earnings growth. We continue to look forward with great confidence, and are raising our 2016 earnings guidance.

FRESENIUS RAISES EARNINGS GUIDANCE AFTER STRONG SECOND QUARTER; DOUBLE-DIGIT EARNINGS GROWTH

	H1/2016	at actual rates	in constant currency
Sales	**€14.0 bn**	+4%	+6%
EBIT [1]	**€2,010 m**	+10%	+11%
Net income [2]	**€755 m**	+18%	+18%

HEALTH CARE INDUSTRY

The health care sector is one of the world's largest industries. It is relatively insensitive to economic fluctuations compared to other sectors and has posted above-average growth over the past years.

The main growth factors are rising medical needs deriving from aging populations, the growing number of chronically ill and multimorbid patients, stronger demand for innovative products and therapies, advances in medical technology and the growing health consciousness, which increases the demand for health care services and facilities.

In the emerging countries, drivers are the expanding availability and correspondingly greater demand for basic health care and increasing national incomes and hence higher spending on health care.

Health care structures are being reviewed and cost-cutting potential identified in order to contain the steadily rising health care expenditures. However, such measures cannot compensate for the cost pressure. Market-based elements are increasingly being introduced into the health care system to create incentives for cost- and quality-conscious behavior. Overall treatment costs shall be reduced through improved quality standards. In addition, ever-greater importance is being placed on disease prevention and innovative reimbursement models linked to treatment quality standards.

RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

SALES

Group sales increased by 4% (6% in constant currency) to €14,006 million (H1/2015: €13,429 million). Organic sales growth was 6%. Acquisitions contributed 1% and divestitures reduced sales by 1%. Negative currency translation effects (-2%) were mainly driven by the devaluation of the Latin American currencies against the Euro.

[1] 2015 before special items
[2] Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before special items

For a detailed overview of special items please see the reconciliation table on page 8.

EARNINGS

€ in millions	Q2/2016	Q2/2015	H1/2016	H1/2015
EBIT [1]	**1,051**	971	**2,010**	1,822
Net income [2]	**393**	350	**755**	642
Net income [3]	**393**	325	**755**	642
Earnings per share in € [2]	**0.72**	0.64	**1.38**	1.18
Earnings per share in € [3]	**0.72**	0.60	**1.38**	1.18

EARNINGS

Group EBITDA [1] increased by 9% (10% in constant currency) to €2,576 million (H1/2015: €2,364 million). Group EBIT [1] increased by 10% (11% in constant currency) to €2,010 million (H1/2015: €1,822 million). The EBIT margin [1] increased to 14.4% (Q1/2015: 13.6%).

Group net interest decreased to -€291 million (H1/2015: -€330 million), mainly due to more favorable financing terms and lower net debt.

With 28.6%, the Group tax rate (before special items) was on Q1/2016 level (28.4%) and hence in line with expectations.

Noncontrolling interest increased to €473 million (H1/2015: €409 million), of which 96% was attributable to the noncontrolling interest in Fresenius Medical Care.

Group net income [2] increased by 18% (18% in constant currency) to €755 million (H1/2015: €642 million). Earnings per share [2] increased by 17% (18% in constant currency) to €1.38 (H1/2015: €1.18).

SALES BY REGION

€ in millions	H1/2016	H1/2015	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/ divestitures	% of total sales [4]
North America	**6,613**	6,085	9%	0%	9%	8%	1%	47%
Europe	**5,324**	5,184	3%	-1%	4%	3%	1%	38%
Asia-Pacific	**1,359**	1,324	3%	-3%	6%	10%	-4%	10%
Latin America	**560**	664	-16%	-23%	7%	10%	-3%	4%
Africa	**150**	172	-13%	-11%	-2%	-2%	0%	1%
Total	**14,006**	13,429	4%	-2%	6%	6%	0%	100%

SALES BY BUSINESS SEGMENT

€ in millions	H1/2016	H1/2015	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/ divestitures	% of total sales [4]
Fresenius Medical Care	**7,730**	7,312	6%	-2%	8%	7%	1%	55%
Fresenius Kabi	**2,946**	2,932	0%	-4%	4%	6%	-2%	21%
Fresenius Helios	**2,912**	2,774	5%	0%	5%	4%	1%	21%
Fresenius Vamed	**472**	463	2%	0%	2%	3%	-1%	3%

[1] 2015 before special items
[2] Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before special items
[3] Net income attributable to shareholders of Fresenius SE & Co. KGaA
[4] Calculated on the basis of contribution to consolidated sales

For a detailed overview of special items please see the reconciliation table on page 8.

RECONCILIATION

The Group's U.S. GAAP financial results as of June 30, 2016 do not include special items, whereas the U.S. GAAP financial results as of June 30, 2015 include special items. Net income attributable to shareholders of Fresenius SE & Co. KGaA was adjusted for these special items. The table below shows the special items and the reconciliation from net income (before special items) to earnings according to U.S. GAAP.

INVESTMENTS

Spending on property, plant and equipment was €670 million (H1/2015: €611 million), primarily for the modernization and expansion of dialysis clinics, production facilities and hospitals. Total acquisition spending was €505 million (H1/2015: €194 million).

CASH FLOW

Operating cash flow increased by 6% to €1,330 million (H1/2015: €1,251 million) with a margin of 9.5% (H1/2015: 9.3%).

RECONCILIATION

€ in millions	**H1/2016 (before special items)**	Kabi efficiency program	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	**H1/2016 according to U.S. GAAP (incl. special items)**	H1/2015 (before special items)	Kabi efficiency program	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	H1/2015 according to U.S. GAAP (incl. special items)
Sales	**14,006**				**14,006**	13,429				13,429
EBIT	**2,010**				**2,010**	1,822	-40	-8	34	1,808
Interest result	**-291**				**-291**	-330				-330
Net income before taxes	**1,719**	0	0	0	**1,719**	1,492	-40	-8	34	1,478
Income taxes	**-491**				**-491**	-441	12	2	0	-427
Net income	**1,228**	0	0	0	**1,228**	1,051	-28	-6	34	1,051
Less noncontrolling interest	**-473**				**-473**	-409				-409
Net income attributable to shareholders of Fresenius SE & Co. KGaA	**755**	0	0	0	**755**	642	-28	-6	34	642

€ in millions	**Q2/2016 (before special items)**	Kabi efficiency program	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	**Q2/2016 according to U.S. GAAP (incl. special items)**	**Q2/2015 (before special items)**	Kabi efficiency program	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	**Q2/2015 according to U.S. GAAP (incl. special items)**
Sales	**7,092**				**7,092**	6,946				6,946
EBIT	**1,051**	0	0	0	**1,051**	971	-30	-6	0	935
Interest result	**-139**				**-139**	-165				-165
Net income before taxes	**912**	0	0	0	**912**	806	-30	-6	0	770
Income taxes	**-262**	0	0	0	**-262**	-234	9	2	0	-223
Net income	**650**	0	0	0	**650**	572	-21	-4	0	547
Less noncontrolling interest	**-257**				**-257**	-222				-222
Net income attributable to shareholders of Fresenius SE & Co. KGaA	**393**	0	0	0	**393**	350	-21	-4	0	325

The special items are reported in the Group/Other segment.

INVESTMENTS BY BUSINESS SEGMENT

€ in millions	H1/2016	H1/2015	thereof property, plant and equipment	thereof acquisitions	Change	% of total
Fresenius Medical Care	**819**	511	454	365	60%	70%
Fresenius Kabi	**216**	177	105	111	22%	18%
Fresenius Helios	**133**	112	105	28	19%	11%
Fresenius Vamed	**4**	7	4	0	-43%	1%
Corporate/Other	**3**	-2	2	1	--	0%
Total	**1,175**	805	670	505	46%	100%

Free cash flow before acquisitions and dividends increased slightly to €650 million (H1/2015: €646 million). Free cash flow after acquisitions and dividends was -€206 million (H1/2015: €107 million).

ASSET AND LIABILITY STRUCTURE

The Group's total assets increased by 2% (3% in constant currency) to €43,821 million (Dec. 31, 2015: €42,959 million). The increase is mainly driven by business expansion. Current assets grew by 5% (6% in constant currency) to €11,000 million (Dec. 31, 2015: €10,479 million). Non-current assets increased by 1% (2% in constant currency) to €32,821 million (Dec. 31, 2015: €32,480 million).

Total shareholders' equity grew by 3% (3% in constant currency) to €18,458 million (Dec. 31, 2015: €18,003 million). The equity ratio increased to 42.1% (Dec. 31, 2015: 41.9%).

Group debt increased by 1% (2% in constant currency) to €14,960 million (Dec. 31, 2015: €14,769 million). As of June 30, 2016, the net debt/EBITDA ratio was 2.62[1,2] (Dec. 31, 2015: 2.68[1]).

SECOND QUARTER OF 2016

Group sales increased by 2% (5% in constant currency) to €7,092 million (Q2/2015: €6,946 million). Organic sales growth was 5%. Acquisitions contributed 1%, while divestitures reduced sales by 1%.

Group EBIT[3] increased by 8% (11% in constant currency) to €1,051 million (Q2/2015: €971 million), the EBIT margin[3] was 14.8% (Q2/2015: 14.0%). In Q2/2016, the Group tax rate[3] was 28.7% (Q2/2015: 29.0%).

Group net income[3,4] before special items increased by 12% (15% in constant currency) to €393 million (Q2/2015: €350 million). Earnings per share[3,4] increased by 12% (14% in constant currency) to €0.72 (Q2/2015: €0.64).

CASH FLOW STATEMENT (SUMMARY)

€ in millions	H1/2016	H1/2015	Change
Net income	**1,228**	1,051	17%
Depreciation and amortization	**566**	542	4%
Change in accruals for pensions	**41**	37	11%
Cash flow	**1,835**	1,630	13%
Change in working capital	**-505**	-379	-33%
Operating cash flow	**1,330**	1,251	6%
Property, plant and equipment, investments net	**-680**	-605	-12%
Cash flow before acquisitions and dividends	**650**	646	1%
Cash used for acquisitions, net	**-264**	-16	--
Dividends paid	**-592**	-523	-13%
Free cash flow paid after acquisitions and dividends	**-206**	107	--
Cash provided by/used for financing activities	**262**	-405	165%
Effect of exchange rates on change in cash and cash equivalents	**-2**	40	-105%
Net change in cash and cash equivalents	**54**	-258	121%

[1] 2015 before special items; at LTM average exchange rates for both net debt and EBITDA
[2] Pro forma acquisitions
[3] 2015 before special items
[4] Net income attributable to shareholders of Fresenius SE & Co. KGaA

Operating cash flow increased to €996 million (Q2/2015: €720 million). The cash flow margin increased to 14.0% (Q2/2015: 10.4%). As expected, the operating cashflow of Fresenius Medical Care improved considerably in Q2/2016.

Investments in property, plant and equipment increased to €357 million (Q2/2015: €338 million). Acquisition spending was €301 million (Q2/2015: €90 million).

CHANGE TO THE MANAGEMENT BOARD

On 26 June 2016, Fresenius SE & Co. KGaA announced that the Supervisory Board of Fresenius Management SE has unanimously appointed Stephan Sturm (52) as Chief Executive Officer of Fresenius as of July 1, 2016. Stephan Sturm succeeds Ulf Mark Schneider (50), who decided to leave the company effective June 30, 2016 to pursue another opportunity.

ANNUAL GENERAL MEETING 2016

At the Annual General Meeting 2016, the shareholders of Fresenius SE & Co. KGaA approved all agenda items with a large majority. Fresenius SE & Co. KGaA shareholders approved the 23rd consecutive dividend increase proposed by the general partner and the Supervisory Board (agenda item 2). Shareholders received €0.55 per common share (2014: €0.44). With large majorities, the shareholders elected all nominees as shareholder representatives to the Supervisory Board (agenda item 6) and the Joint Committee (agenda item 7).

The voting results for all agenda items are listed in the table below.

				Yes votes		No votes	
		Number of shares for which valid votes were cast	in % of the capital stock	Number	in % of the valid votes cast	Number	in % of the valid votes cast
Item no. 1	Resolution on the Approval of the Annual Financial Statements of Fresenius SE & Co. KGaA for the Fiscal Year 2015	393,116,643	72.00%	393,031,755	99.98%	84,888	0.02%
Item no. 2	Resolution on the Allocation of the Distributable Profit	395,937,623	72.52%	359,038,242	90.68%	36,899,381	9.32%
Item no. 3	Resolution on the Approval of the Actions of the General Partner for the Fiscal Year 2015	245,530,433	44.97%	244,634,401	99.64%	896,032	0.36%
Item no. 4	Resolution on the Approval of the Actions of the Supervisory Board for the Fiscal Year 2015	243,897,528	44.67%	242,729,823	99.52%	1,167,705	0.48%
Item no. 5	Election of the Auditor and Group Auditor for the Fiscal Year 2016 and of the Auditor for the potential Review of the Half-Yearly Financial Report for the first Half-Year of the Fiscal Year 2016 and other Financial Information	249,874,817	45.77%	239,849,998	95.99%	10,024,819	4.01%
Item no. 6	Election to the Supervisory Board						
	a) Prof. Dr. med. D. Michael Albrecht	249,836,788	45.76%	222,730,391	89.15%	27,106,397	10.85%
	b) Michael Diekmann	248,333,681	45.49%	235,713,334	94.92%	12,620,347	5.08%
	c) Dr. Gerd Krick	248,329,141	45.48%	224,790,942	90.52%	23,538,199	9.48%
	d) Prof. Dr. med. Iris Löw-Friedrich	248,800,209	45.57%	237,472,838	95.45%	11,327,371	4.55%
	e) Klaus-Peter Müller	248,789,056	45.57%	232,048,939	93.27%	16,740,117	6.73%
	f) Hauke Stars	248,795,206	45.57%	237,379,367	95.41%	11,415,839	4.59%
Item no. 7	Election to the Joint Committee Michael Diekmann Dr. Gerd Krick	248,299,535	45.48%	226,456,901	91.20%	21,842,634	8.80%

BUSINESS SEGMENTS

FRESENIUS MEDICAL CARE

Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases. As of June 30, 2016, Fresenius Medical Care was treating 301,548 patients in 3,504 dialysis clinics. Along with its core business, the company seeks to expand the range of medical services in the field of care coordination.

US$ in millions	**Q2/2016**	Q2/2015	Change	**H1/2016**	H1/2015	Change
Sales	**4,420**	4,199	5%	**8,626**	8,159	6%
EBITDA	**835**	728	15%	**1,557**	1,408	11%
EBIT	**641**	547	17%	**1,181**	1,051	12%
Net income [1]	**294**	241	22%	**522**	450	16%
Employees (June 30/December 31)				**113,089**	110,242	3%

- **7% sales growth in constant currency in Q2**
- **22% net income growth in Q2**
- **2016 outlook confirmed**

FIRST HALF OF 2016

Sales increased by 6% (8% in constant currency) to US$8,626 million (H1/2015: US$8,159 million). Organic sales growth was 7%. Acquisitions contributed 1%. Currency translation effects reduced sales by 2%.

Health Care services sales (dialysis services and care coordination) increased by 7% (9% in constant currency) to US$6,985 million (H1/2015: US$6,527 million). Dialysis product sales increased by 1% (4% in constant currency) to US$1,640 million (H1/2015: US$1,631 million).

In North America, sales increased by 9% to US$6,212 million (H1/2015: US$5,717 million). Health Care services sales grew by 9% to US$5,770 million (H1/2015: US$5,293 million). Dialysis product sales increased by 4% to US$441 million (H1/2015: US$424 million).

Sales outside North America decreased by 1% (increased by 6% in constant currency) to US$2,406 million (H1/2015: US$2,427 million). Health Care services sales decreased by 2% (increased by 7% in constant currency) to US$1,215 million (H1/2015: US$1,234 million). Dialysis product sales remained nearly unchanged (increased by 5% in constant currency) at US$1,191 million (H1/2015: US$1,193 million).

EBIT increased by 12% (13% in constant currency) to US$1,181 million (H1/2015: US$1,051 million). The EBIT margin was 13.7% (H1/2015: 12.9%).

Net income [1] increased by 16% (16% in constant currency) to US$522 million (H1/2015: US$450 million).

Operating cash flow increased by 3% to US$857 million (H1/2015: US$832 million). The cash flow margin was 9.9% (H1/2015: 10.2%).

SECOND QUARTER OF 2016

Fresenius Medical Care increased sales by 5% (7% in constant currency) to US$4,420 (Q2/2015: US$4,199). Organic sales growth was 6%. Acquisitions contributed 1%, while divestitures had no impact on sales. Adverse currency translation effects reduced sales by -2%.

[1] Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

EBIT increased by 17% (17% in constant currency) to US$641 million (Q2/2015: US$547 million). The EBIT margin was 14.5% (Q2/2015: 13.0%)

Net income[1] grew by 22% (22% in constant currency) to US$294 million (Q2/2015: US$241 million).

Operating cash flow increased to US$678 million (Q2/2015: US$385 million) with a cash flow margin of 15.3% (Q2/2015: 9.2%). The sequential improvement is mainly driven by the anticipated catch-up effect after the adjustment in invoicing in Q1/2016.

Please see page 18 of the Management Report for the 2016 outlook of Fresenius Medical Care.

For further information, please see Fresenius Medical Care's Investor News at www.freseniusmedicalcare.com.

[1] Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

FRESENIUS KABI

Fresenius Kabi offers infusion therapies, intravenously administered generic drugs and clinical nutrition for seriously and chronically ill patients in the hospital and outpatient environments. The company is also a leading supplier of medical devices and transfusion technology products.

€ in millions	Q2/2016	Q2/2015	Change	H1/2016	H1/2015	Change
Sales	**1,476**	1,538	-4%	**2,946**	2,932	0%
EBITDA [1]	**369**	376	-2%	**740**	691	7%
EBIT [1]	**307**	314	-2%	**616**	571	8%
Net income [2]	**180**	169	7%	**359**	309	16%
Employees (June 30 / December 31)				**33,915**	33,195	2%

- **3% organic sales growth in Q2**
- **1% constant currency EBIT[1] growth in Q2**
- **2016 outlook raised: both, organic sales growth and EBIT[1] growth in constant currency of 3% to 5% expected**

FIRST HALF OF 2016

Sales increased slightly (by 4% in constant currency) to €2,946 million (H1/2015: €2,932 million). Organic sales growth was 6%. Divestitures reduced sales by 2%.

Sales in Europe remained nearly unchanged at €1,048 million (H1/2015: €1,052 million). Organic sales growth was 2%. Divestitures reduced sales by 1%. Sales in North America increased by 6% (organic growth: 6%) to €1,086 million (H1/2015: €1,026 million), driven by persisting drug shortages as well as new product launches in Q1/2016. Sales in Asia-Pacific decreased by 6% (organic growth: 7%) to €531 million (H1/2015: €564 million). Adverse currency translation effects reduced sales by 5%, divestitures by another 8%. Given adverse currency translation effects, sales in Latin America/Africa decreased by 3% (organic growth: 21%, in particular due to inflation driven price increases) to €281 million (H1/2015: €290 million).

EBIT[1] increased by 8% (10% in constant currency) to €616 million (H1/2015: €571 million). The EBIT margin[1] improved to 20.9% (H1/2015: 19.5%).

Net income[2] increased by 16% (37% in constant currency) to €359 million (H1/2015: €309 million).

Operating cash flow decreased by 5% to €335 million (H1/2015: €354 million), given adverse currency translation effects. The cash flow margin was 11.4% (H1/2015: 12.1%).

SECOND QUARTER OF 2016

In the second quarter 2016, sales decreased by 4% (increased by 1% in constant currency) to €1,476 million (Q2/2015: €1,538 million). Negative currency translation effects (-5%) were mainly driven by the devaluation of the Chinese yuan, the U.S. dollar and the Argentine peso against the Euro. Organic sales growth was 3%. Acquisitions had no impact on sales growth. Divestitures reduced sales by 2%.

[1] 2015 before special items
[2] Net income attributable to shareholders of Fresenius Kabi AG; 2015 before special items

For a detailed overview of special items please see the reconciliation table on page 8.

Sales in Europe were almost unchanged at €536 million (Q2/2015: €534 million). Organic sales growth was 2%. Sales in North America decreased by 8% (organic: 6%) to €510 million (Q2/2015: €553 million), mainly due to the high prior-year basis driven by significant new product launches. Sales in Asia-Pacific decreased by 6% (organic growth: 8%) to €277 million (Q2/2015: €296 million). Sales in Latin America/Africa decreased by 1% (organic growth 22%) to €153 million (Q2/2015: €155 million).

In Q2/2016, EBIT[1] decreased by 2% (increased by 1% in constant currency) to €307 million (Q2/2015: €314 million). The EBIT margin[1] increased to 20.8% (Q2/2015: 20.4%).

In Q2/2016, net income[2] increased by 7% (30% in constant currency) to €180 million (Q2/2015: €169 million).

While operating cash flow reached a very strong €211 million in Q2/2016, it could not match the exceptional prior-year quarter (Q2/2015: €271 million). The same applies to the margin of 14.3% (Q2/2015: 17.6%).

Please see page 18 of the Management Report for the 2016 outlook of Fresenius Kabi.

[1] 2015 before special items
[2] Net income attributable to shareholders of Fresenius Kabi AG; 2015 before special items

For a detailed overview of special items please see the reconciliation table on page 8.

FRESENIUS HELIOS

Fresenius Helios is Germany's largest hospital operator. HELIOS operates 112 hospitals, thereof 88 acute care clinics (including seven maximum care hospitals in Berlin-Buch, Duisburg, Erfurt, Krefeld, Schwerin, Wiesbaden and Wuppertal) and 24 post-acute care clinics. HELIOS treats more than 4.7 million patients per year, thereof approximately 1.3 million inpatients, and operates more than 34,000 beds.

€ in millions	Q2/2016	Q2/2015	Change	H1/2016	H1/2015	Change
Sales	1,477	1,383	7%	2,912	2,774	5%
EBITDA [1]	221	207	7%	427	399	7%
EBIT [1]	173	160	8%	332	307	8%
Net income [2]	138	119	16%	262	226	16%
Employees (June 30 / December 31)				71,975	69,728	3%

- **6% organic sales growth in Q2**
- **60 bps sequential EBIT margin increase**
- **2016 outlook confirmed**

FIRST HALF OF 2016

Sales increased by 5% to €2,912 million (H1/2015: €2,774 million). Organic sales growth was 4% (H1/2015: 3%). Acquisitions and divestitures had no material effect.

EBIT [1] grew by 8% to €332 million (H1/2015: €307 million). The EBIT margin [1] increased to 11.4% (H1/2015: 11.1%).

Net income [2] increased by 16% to €262 million (H1/2015: €226 million).

SECOND QUARTER OF 2016

In the second quarter of 2016, sales increased by 7% to €1,477 million (Q2/2015: €1,383 million). Organic sales growth was 6% (Q2/2015: 2%).

EBIT [1] increased by 8% to €173 million (Q2/2015: €160 million). Sequentially, the EBIT margin increased by 60 bps to 11.7%.

Net income [2] increased by 16% to €138 million (Q2/2015: €119 million).

Please see page 18 of the Management Report for the 2016 outlook of Fresenius Helios.

[1] 2015 before special items
[2] Net income attributable to shareholders of HELIOS Kliniken GmbH; 2015 before special items

For a detailed overview of special items please see the reconciliation table on page 8.

FRESENIUS VAMED

Fresenius Vamed manages projects and provides services for hospitals and other health care facilities worldwide. The portfolio ranges along the entire value chain: from project development, planning, and turnkey construction, via maintenance and technical management, to total operational management.

€ in millions	**Q2/2016**	Q2/2015	Change	**H1/2016**	H1/2015	Change
Sales	**254**	255	0%	**472**	463	2%
EBITDA	**12**	12	0%	**21**	21	0%
EBIT	**9**	9	0%	**16**	16	0%
Net income [1]	**6**	6	0%	**11**	10	10%
Employees (June 30/December 31)				**7,999**	8,262	-3%

- **Sales development reflects typical quarterly fluctuations in the project business**
- **Strong order intake of €228 million in Q2**
- **2016 outlook confirmed**

FIRST HALF OF 2016

Sales increased by 2% (2% in constant currency) to €472 million (H1/2015: €463 million). Organic sales growth was 3%. Sales in the project business decreased by 3% to €195 million (H1/2015: €202 million). Sales in the service business grew by 6% to €277 million (H1/2015: €261 million).

EBIT remained unchanged with €16 million (H1/2015: €16 million). The EBIT margin was 3.4% (H1/2015: 3.5%).

Net income [1] grew by 10% to €11 million (H1/2015: €10 million).

Order intake increased by 64% to €465 million (H1/2015: €284 million). As of June 30, 2016, order backlog grew to €1,917 million (December 31, 2015: €1,650 million).

SECOND QUARTER OF 2016

Sales in the second quarter of 2016 remained nearly unchanged at €254 million (Q2/2015: €255 million). Organic sales growth was 1%.

EBIT remained unchanged at €9 million (Q2/2015: €9 million). The EBIT margin of 3.5% was at prior-year level.

Net income [1] of €6 million was at prior-year's level.

Please see page 18 of the Management Report for the 2016 outlook of Fresenius Vamed.

[1] Net income attributable to shareholders of Vamed AG

EMPLOYEES

As of June 30, 2016, the number of employees increased by 2% to 227,856 (Dec. 31, 2015: 222,305).

EMPLOYEES BY BUSINESS SEGMENT

Number of employees	June 30, 2016	Dec. 31, 2015	Change
Fresenius Medical Care	**113,089**	110,242	3%
Fresenius Kabi	**33,915**	33,195	2%
Fresenius Helios	**71,975**	69,728	3%
Fresenius Vamed	**7,999**	8,262	-3%
Corporate/Other	**878**	878	0%
Total	**227,856**	222,305	2%

RESEARCH AND DEVELOPMENT

Product and process development as well as the improvement of therapies are at the core of our growth strategy. Fresenius focuses its R & D efforts on its core competencies in the following areas:

- Dialysis
- Generic IV drugs
- Infusion and nutrition therapies
- Medical devices

Apart from new products, we are concentrating on developing optimized or completely new therapies, treatment methods, and services.

RESEARCH AND DEVELOPMENT EXPENSES BY BUSINESS SEGMENT

€ in millions	H1/2016	H1/2015	Change
Fresenius Medical Care	**68**	59	15%
Fresenius Kabi	**161**	161	0%
Fresenius Helios	–	–	--
Fresenius Vamed	**0**	0	--
Corporate/Other	**0**	3	-100%
Total	**229**	223	3%

DIALYSIS

The complex interactions and side effects that lead to kidney failure are better explored today than ever before. Technological advances develop in parallel with medical insights to improve the possibilities for treating patients. Our R & D activities at Fresenius Medical Care aim to translate new insights into novel or improved developments and to bring them to market as quickly as possible, and thus make an important contribution towards rendering the treatment of patients increasingly comfortable, safe, and individualized.

INFUSION THERAPIES, CLINICAL NUTRITION, GENERIC IV DRUGS, AND MEDICAL DEVICES

Fresenius Kabi's research and development activities concentrate on products for the therapy and care of critically and chronically ill patients. Our focus is on areas with high medical needs, such as in the treatment of oncology patients. Our products help to support medical advancements in acute and post-acute care and improve the patients' quality of life. We develop new products in areas such as clinical nutrition. In addition, we develop generic drug formulations ready to launch at the time of market formation as well as new formulations for non-patented drugs. Our medical devices significantly contribute to a safe and effective application of infusion solutions and clinical nutrition. In transfusion technology our R & D focus is on medical devices and disposables to support the secure, user-friendly, and efficient production of blood products.

OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the 2015 annual report, there have been no material changes in Fresenius' overall opportunities and risk situation in the first half of 2016.

In the ordinary course of Fresenius Group's operations, the Fresenius Group is subject to litigation, arbitration and investigations relating to various aspects of its business. The Fresenius Group regularly analyzes current information about such claims for probable losses and provides accruals for such matters, including estimated expenses for legal services, as appropriate.

In addition, we report on legal proceedings, currency and interest risks on pages 41 to 46 in the Notes of this report.

SUBSEQUENT EVENTS

On July 29, 2016, Fitch upgraded the corporate credit rating of Fresenius from BB+ to BBB- with a stable outlook. The upgrade reflects Fitch's view that Fresenius' business profile has improved over the last years driven by increasing scale and diversification as well as strong profitability and cash generation. In addition, Fitch considers the underlying operations to be mature and defensive with low cyclicality and low volatility of earnings.

There were no further significant changes in the Fresenius Group's operating environment following the end of the first half of 2016. No other events of material importance on the assets and liabilities, financial position, and result of operations of the Group have occured after the close of the first half of 2016.

RATING

Fresenius is covered by the rating agencies Moody's, Standard & Poor's and Fitch.

The following table shows the company rating of Fresenius SE & Co. KGaA:

	Standard & Poor's	Moody's	Fitch[1]
Company rating	BBB-	Baa3	BBB-
Outlook	stable	stable	stable

[1] Rating change as of July 29, 2016; previously „BB+" and outlook „stable"

OUTLOOK 2016

FRESENIUS GROUP

Based on the Group's excellent financial results in the first half of 2016 and strong prospects for the remainder of the year, Fresenius raises its 2016 Group earnings guidance. Net income[1] is now expected to grow by 11% to 14% in constant currency. Previously, Fresenius expected net income[1] growth of 8% to 12% in constant currency. The company confirms its Group sales guidance. Sales are expected to increase by 6% to 8% in constant currency.

The net debt/EBITDA[2] ratio is expected to be approximately 2.5 at the end of 2016.

FRESENIUS MEDICAL CARE

Fresenius Medical Care confirms its outlook for 2016. The company expects sales to grow by 7% to 10% in constant currency and net income[3] is expected to increase by 15% to 20%[4] in 2016.

FRESENIUS KABI

Fresenius Kabi raises its outlook for 2016 and now expects organic sales growth of 3% to 5% and EBIT[5] growth in constant currency of 3% to 5%. Previously, Fresenius Kabi projected low single-digit organic sales growth and EBIT[5] in constant currency to be roughly flat compared with 2015.

FRESENIUS HELIOS

Fresenius Helios confirms its outlook for 2016 and projects organic sales growth of 3% to 5%. EBIT is expected to increase to €670 to €700 million.

FRESENIUS VAMED

Fresenius Vamed confirms its outlook for 2016 and expects organic sales growth in the range of 5% to 10% and EBIT growth of 5% to 10%.

INVESTMENTS

The Group plans to invest around 6% of sales in property, plant and equipment.

[1] Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before special items
[2] Calculated at FY average exchange rates for both net debt and EBITDA; excluding potential acquisitions
[3] Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA
[4] 2015 before GranuFlo®/NaturaLyte® settlement costs (-US$37 million after tax) and before acquisitions (US$9 million after tax); hence the basis for expected net income growth is US$1,057 million.
[5] 2015 before special items

GROUP FINANCIAL OUTLOOK 2016

	Previous guidance	New guidance
Sales, growth (in constant currency)	6% – 8%	confirmed
Net income [1], growth (in constant currency)	8% – 12%	11% – 14%

[1] Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before integration costs (€12 million before tax for hospitals acquired from Rhön-Klinikum AG), before costs for the efficiency program at Fresenius Kabi (€105 million before tax), and before gain from the divestment of two HELIOS hospitals (€34 million before tax)

OUTLOOK 2016 BY BUSINESS SEGMENT

		Previous guidance	New guidance
Fresenius Medical Care	Sales growth [1] (in constant currency)	7% – 10%	confirmed
	Net income [1, 2] growth	15% – 20%	confirmed
Fresenius Kabi	Sales growth (organic)	low single-digit %	3% – 5%
	EBIT [3] (in constant currency)	roughly flat	3% – 5%
Fresenius Helios	Sales growth (organic)	3% – 5%	confirmed
	EBIT	€670 – 700 m	confirmed
Fresenius Vamed	Sales growth (organic)	5% – 10%	confirmed
	EBIT, growth	5% – 10%	confirmed

[1] Savings from the global efficiency program are included, while acquisitions 2015 / 2016 are not taken into account. Before settlement costs for the agreement in principle for the GranuFlo® / NaturaLyte® case (-US$37 million after tax) and before acquisitions (US$9 million after tax); hence the basis for net income outlook 2016 are US$1,057 million.
[2] Net income attributable to the shareholders of Fresenius Medical Care AG & Co. KGaA, the outlook is based on current exchange rates
[3] 2015 before costs for the efficiency program at Fresenius Kabi (€105 million before tax)

EMPLOYEES

The number of employees in the Group will continue to rise in the future as a result of the expected expansion. We expect the number of employees to increase to approximately 230,000 in 2016 (December 31, 2015: 222,305). The number of employees is expected to increase in all business segments.

RESEARCH AND DEVELOPMENT

Our R & D activities will continue to play a key role in securing the Group's long-term growth through innovations and new therapies. We plan to increase the Group's R & D spending in 2016. About 4% to 5% of our product sales will be reinvested in research and development.

Market-oriented research and development with strict time-to-market management processes is crucial for the success of new products. We continually review our R & D results using clearly defined milestones. Innovative ideas, product development, and therapies with a high level of quality will continue to be the basis for future market-leading positions. Given the continued cost-containment efforts in the health care sector, cost efficiency combined with a strong quality focus is acquiring ever-greater importance in product development, and in the improvement of treatment concepts and therapies.

FRESENIUS SE & CO. KGAA
CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

€ in millions	Q2/2016	Q2/2015	H1/2016	H1/2015
Sales	7,092	6,946	14,006	13,429
Cost of sales	-4,890	-4,823	-9,663	-9,380
Gross profit	2,202	2,123	4,343	4,049
Selling, general and administrative expenses	-1,035	-1,071	-2,104	-2,018
Research and development expenses	-116	-117	-229	-223
Operating income (EBIT)	1,051	935	2,010	1,808
Net interest	-139	-165	-291	-330
Income before income taxes	912	770	1,719	1,478
Income taxes	-262	-223	-491	-427
Net income	650	547	1,228	1,051
Less noncontrolling interest	257	222	473	409
Net income attributable to shareholders of Fresenius SE & Co. KGaA	393	325	755	642
Earnings per share in €	0.72	0.60	1.38	1.18
Fully diluted earnings per share in €	0.71	0.59	1.37	1.17

The following notes are an integral part of the unaudited condensed interim financial statements.

FRESENIUS SE & CO. KGAA
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

€ in millions	Q2/2016	Q2/2015	H1/2016	H1/2015
Net income	650	547	1,228	1,051
Other comprehensive income (loss)				
Foreign currency translation	398	-569	-178	885
Cash flow hedges	–	55	7	25
Change of fair value of available for sale financial assets	–	–	–	–
Actuarial gains/losses on defined benefit pension plans	6	22	28	-18
Income taxes related to components of other comprehensive income (loss)	-8	-11	-6	-22
Other comprehensive income (loss), net	396	-503	-149	870
Total comprehensive income	1,046	44	1,079	1,921
Comprehensive income attributable to noncontrolling interest subject to put provisions	65	1	62	112
Comprehensive income (loss) attributable to noncontrolling interest not subject to put provisions	401	-54	329	791
Comprehensive income attributable to shareholders of Fresenius SE & Co. KGaA	580	97	688	1,018

The following notes are an integral part of the unaudited condensed interim financial statements.

FRESENIUS SE & CO. KGAA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

ASSETS

€ in millions	June 30, 2016	December 31, 2015
Cash and cash equivalents	1,098	1,044
Trade accounts receivable, less allowance for doubtful accounts	4,820	4,596
Accounts receivable from and loans to related parties	21	78
Inventories	2,986	2,860
Other current assets	2,075	1,901
I. Total current assets	**11,000**	10,479
Property, plant and equipment	7,645	7,428
Goodwill	21,639	21,523
Other intangible assets	1,490	1,510
Other non-current assets	1,496	1,479
Deferred taxes	551	540
II. Total non-current assets	**32,821**	32,480
Total assets	**43,821**	42,959

LIABILITIES AND SHAREHOLDERS' EQUITY

€ in millions	June 30, 2016	December 31, 2015
Trade accounts payable	1,084	1,291
Short-term accounts payable to related parties	32	9
Short-term accrued expenses and other short-term liabilities	4,890	4,691
Short-term debt	1,000	202
Short-term debt from related parties	–	4
Current portion of long-term debt and capital lease obligations	491	607
Current portion of Senior Notes	350	349
Short-term accruals for income taxes	210	195
A. Total short-term liabilities	**8,057**	7,348
Long-term debt and capital lease obligations, less current portion	5,084	5,502
Senior Notes, less current portion	7,189	7,267
Convertible bonds	846	838
Long-term accrued expenses and other long-term liabilities	976	955
Pension liabilities	1,102	1,078
Long-term accruals for income taxes	226	221
Deferred taxes	778	800
B. Total long-term liabilities	**16,201**	16,661
I. Total liabilities	**24,258**	24,009
II. Noncontrolling interest subject to put provisions	**1,105**	947
A. Noncontrolling interest not subject to put provisions	**7,147**	7,068
Subscribed capital	546	546
Capital reserve	3,083	3,095
Other reserves	7,469	7,014
Accumulated other comprehensive income	213	280
B. Total Fresenius SE & Co. KGaA shareholders' equity	**11,311**	10,935
III. Total shareholders' equity	**18,458**	18,003
Total liabilities and shareholders' equity	**43,821**	42,959

The following notes are an integral part of the unaudited condensed interim financial statements.

FRESENIUS SE & CO. KGAA
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

€ in millions	H1/2016	H1/2015
Operating activities		
Net income	**1,228**	1,051
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities		
Depreciation and amortization	**566**	542
Gain on sale of investments and divestitures	**-5**	-33
Change in deferred taxes	**-22**	-64
Gain on sale of fixed assets	**–**	-1
Changes in assets and liabilities, net of amounts from businesses acquired or disposed of		
Trade accounts receivable, net	**-218**	-264
Inventories	**-137**	-215
Other current and non-current assets	**-169**	-14
Accounts receivable from/payable to related parties	**17**	56
Trade accounts payable, accrued expenses and other short-term and long-term liabilities	**51**	226
Accruals for income taxes	**19**	-33
Net cash provided by operating activities	**1,330**	1,251
Investing activities		
Purchase of property, plant and equipment	**-693**	-615
Proceeds from sales of property, plant and equipment	**13**	10
Acquisitions and investments, net of cash acquired and net purchases of intangible assets	**-397**	-174
Proceeds from sale of investments and divestitures	**133**	158
Net cash used in investing activities	**-944**	-621
Financing activities		
Proceeds from short-term debt	**941**	301
Repayments of short-term debt	**-153**	-177
Proceeds from long-term debt and capital lease obligations	**372**	169
Repayments of long-term debt and capital lease obligations	**-882**	-794
Changes of accounts receivable securitization program	**-46**	13
Proceeds from the exercise of stock options	**28**	84
Dividends paid	**-592**	-523
Change in noncontrolling interest	**–**	-2
Exchange rate effect due to corporate financing	**2**	1
Net cash used in financing activities	**-330**	-928
Effect of exchange rate changes on cash and cash equivalents	**-2**	40
Net increase/decrease in cash and cash equivalents	**54**	-258
Cash and cash equivalents at the beginning of the reporting period	**1,044**	1,175
Cash and cash equivalents at the end of the reporting period	**1,098**	917

The following notes are an integral part of the unaudited condensed interim financial statements.

FRESENIUS SE & CO. KGAA
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Subscribed Capital			Reserves	
	Number of ordinary shares in thousand	Amount € in thousands	Amount € in millions	Capital reserve € in millions	Other reserves € in millions
As of December 31, 2014	541,533	541,533	542	3,018	5,894
Proceeds from the exercise of stock options	1,946	1,946	2	49	
Compensation expense related to stock options				8	
Dividends paid					-238
Purchase of noncontrolling interest not subject to put provisions					
Noncontrolling interest subject to put provisions				-10	
Comprehensive income (loss)					
Net income					642
Other comprehensive income (loss)					
Cash flow hedges					
Change of fair value of available for sale financial assets					
Foreign currency translation					
Actuarial losses on defined benefit pension plans					
Comprehensive income (loss)					642
As of June 30, 2015	543,479	543,479	544	3,065	6,298
As of December 31, 2015	545,728	545,728	546	3,095	7,014
Proceeds from the exercise of stock options	551	551	–	15	
Compensation expense related to stock options				10	
Vested subsidiary stock incentive plans				-1	
Dividends paid					-300
Purchase of noncontrolling interest not subject to put provisions					
Noncontrolling interest subject to put provisions				-36	
Comprehensive income (loss)					
Net income					755
Other comprehensive income (loss)					
Cash flow hedges					
Change of fair value of available for sale financial assets					
Foreign currency translation					
Actuarial gains on defined benefit pension plans					
Comprehensive income (loss)					755
As of June 30, 2016	**546,279**	**546,279**	**546**	**3,083**	**7,469**

FRESENIUS SE & CO. KGAA
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Accumulated other comprehensive income (loss) € in millions	Total Fresenius SE & Co. KGaA shareholders' equity € in millions	Noncontrolling interest not subject to put provisions € in millions	Total shareholders' equity € in millions
As of December 31, 2014	-119	9,335	6,148	15,483
Proceeds from the exercise of stock options		51	33	84
Compensation expense related to stock options		8	1	9
Dividends paid		-238	-207	-445
Purchase of noncontrolling interest not subject to put provisions		0	2	2
Noncontrolling interest subject to put provisions		-10	-23	-33
Comprehensive income (loss)				
Net income		642	353	995
Other comprehensive income (loss)				
Cash flow hedges	12	12	7	19
Change of fair value of available for sale financial assets	–	–	–	–
Foreign currency translation	369	369	438	807
Actuarial losses on defined benefit pension plans	-5	-5	-7	-12
Comprehensive income (loss)	376	1,018	791	1,809
As of June 30, 2015	257	10,164	6,745	16,909
As of December 31, 2015	280	10,935	7,068	18,003
Proceeds from the exercise of stock options		15	13	28
Compensation expense related to stock options		10	5	15
Vested subsidiary stock incentive plans		-1	-3	-4
Dividends paid		-300	-218	-518
Purchase of noncontrolling interest not subject to put provisions		0	32	32
Noncontrolling interest subject to put provisions		-36	-79	-115
Comprehensive income (loss)				
Net income		755	393	1,148
Other comprehensive income (loss)				
Cash flow hedges	-2	-2	6	4
Change of fair value of available for sale financial assets	–	–	–	–
Foreign currency translation	-76	-76	-79	-155
Actuarial gains on defined benefit pension plans	11	11	9	20
Comprehensive income (loss)	-67	688	329	1,017
As of June 30, 2016	**213**	**11,311**	**7,147**	**18,458**

The following notes are an integral part of the unaudited condensed interim financial statements.

FRESENIUS SE & CO. KGAA

CONSOLIDATED SEGMENT REPORTING FIRST HALF (UNAUDITED)

by business segment, € in millions	Fresenius Medical Care 2016	2015	Change	Fresenius Kabi 2016	2015[2]	Change	Fresenius Helios 2016	2015[3]	Change	Fresenius Vamed 2016	2015	Change	Corporate/Other 2016	2015[4]	Change	Fresenius Group 2016	2015	Change
Sales	**7,730**	7,312	6%	**2,946**	2,932	0%	**2,912**	2,774	5%	**472**	463	2%	**-54**	-52	-4%	**14,006**	13,429	4%
thereof contribution to consolidated sales	**7,718**	7,300	6%	**2,921**	2,909	0%	**2,912**	2,774	5%	**453**	443	2%	**2**	3	-33%	**14,006**	13,429	4%
thereof intercompany sales	**12**	12	0%	**25**	23	9%	**0**	0		**19**	20	-5%	**-56**	-55	-2%	**0**	0	
contribution to consolidated sales	**55%**	54%		**21%**	22%		**21%**	21%		**3%**	3%		**0%**	0%		**100%**	100%	
EBITDA	**1,396**	1,262	11%	**740**	691	7%	**427**	399	7%	**21**	21	0%	**-8**	-23	65%	**2,576**	2,350	10%
Depreciation and amortization	**337**	320	5%	**124**	120	3%	**95**	92	3%	**5**	5	0%	**5**	5	0%	**566**	542	4%
EBIT	**1,059**	942	12%	**616**	571	8%	**332**	307	8%	**16**	16	0%	**-13**	-28	54%	**2,010**	1,808	11%
Net interest	**-186**	-183	-2%	**-77**	-102	25%	**-20**	-25	20%	**0**	-2	100%	**-8**	-18	56%	**-291**	-330	12%
Income taxes	**-275**	-245	-12%	**-163**	-146	-12%	**-49**	-52	6%	**-4**	-4	0%	**0**	20	-100%	**-491**	-427	-15%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	**468**	404	16%	**359**	309	16%	**262**	226	16%	**11**	10	10%	**-345**	-307	-12%	**755**	642	18%
Operating cash flow	**768**	746	3%	**335**	354	-5%	**230**	231	0%	**1**	-44	102%	**-4**	-36	89%	**1,330**	1,251	6%
Cash flow before acquisitions and dividends	**322**	377	-15%	**210**	210	0%	**128**	150	-15%	**-3**	-51	94%	**-7**	-40	83%	**650**	646	1%
Total assets[1]	**23,917**	23,298	3%	**10,550**	10,395	1%	**8,692**	8,430	3%	**923**	988	-7%	**-261**	-152	-72%	**43,821**	42,959	2%
Debt[1]	**8,183**	7,942	3%	**5,251**	5,234	0%	**1,363**	1,282	6%	**182**	161	13%	**-19**	150	-113%	**14,960**	14,769	1%
Capital expenditure, gross	**454**	374	21%	**105**	141	-26%	**105**	84	25%	**4**	7	-43%	**2**	5	-60%	**670**	611	10%
Acquisitions, gross/investments	**365**	137	166%	**111**	36	--	**28**	28	0%	**–**	–	--	**1**	-7	114%	**505**	194	160%
Research and development expenses	**68**	59	15%	**161**	161	0%	**–**	–	--	**0**	0		**0**	3	-100%	**229**	223	3%
Employees (per capita on balance sheet date)[1]	**113,089**	110,242	3%	**33,915**	33,195	2%	**71,975**	69,728	3%	**7,999**	8,262	-3%	**878**	878	0%	**227,856**	222,305	2%
Key figures																		
EBITDA margin	**18.1%**	17.3%		**25.1%**	23.6%		**14.7%**	14.4%		**4.4%**	4.5%					**18.4%**	17.6%[2,3]	
EBIT margin	**13.7%**	12.9%		**20.9%**	19.5%		**11.4%**	11.1%		**3.4%**	3.5%					**14.4%**	13.6%[2,3]	
Depreciation and amortization in % of sales	**4.4%**	4.4%		**4.2%**	4.1%		**3.3%**	3.3%		**1.1%**	1.1%					**4.0%**	4.0%	
Operating cash flow in % of sales	**9.9%**	10.2%		**11.4%**	12.1%		**7.9%**	8.3%		**0.2%**	-9.5%					**9.5%**	9.3%	
ROOA[1]	**9.9%**	9.6%		**13.0%**	13.2%		**8.3%**	8.1%		**10.2%**	11.1%					**10.2%**[5]	10.1%[6]	

[1] 2015: December 31
[2] Before costs for the efficiency program
[3] Before integration costs and disposal gains (two HELIOS hospitals)
[4] After costs for the efficiency program, integration costs and disposal gains (two HELIOS hospitals)
[5] The underlying pro forma EBIT does not include costs for the efficiency program and integration costs.
[6] The underlying EBIT does not include costs for the efficiency program, integration costs and disposal gains (two HELIOS hospitals).

The consolidated segment reporting is an integral part of the notes.
The following notes are an integral part of the unaudited condensed interim financial statements.

FRESENIUS SE & CO. KGAA
CONSOLIDATED SEGMENT REPORTING SECOND QUARTER (UNAUDITED)

	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other			Fresenius Group		
by business segment, € in millions	**2016**	2015	Change	**2016**	2015[1]	Change	**2016**	2015[2]	Change	**2016**	2015	Change	**2016**	2015[3]	Change	**2016**	2015	Change
Sales	**3,914**	3,796	3%	**1,476**	1,538	-4%	**1,477**	1,383	7%	**254**	255	0%	**-29**	-26	-12%	**7,092**	6,946	2%
thereof contribution to consolidated sales	**3,907**	3,789	3%	**1,463**	1,527	-4%	**1,477**	1,383	7%	**243**	245	-1%	**2**	2	0%	**7,092**	6,946	2%
thereof intercompany sales	**7**	7	0%	**13**	11	18%	**0**	0		**11**	10	10%	**-31**	-28	-11%	**0**	0	
contribution to consolidated sales	**55%**	54%		**21%**	22%		**21%**	20%		**3%**	4%		**0%**	0%		**100%**	100%	
EBITDA	**741**	658	13%	**369**	376	-2%	**221**	207	7%	**12**	12	0%	**-4**	-40	90%	**1,339**	1,213	10%
Depreciation and amortization	**172**	164	5%	**62**	62	0%	**48**	47	2%	**3**	3	0%	**3**	2	50%	**288**	278	4%
EBIT	**569**	494	15%	**307**	314	-2%	**173**	160	8%	**9**	9	0%	**-7**	-42	83%	**1,051**	935	12%
Net interest	**-90**	-92	2%	**-36**	-52	31%	**-9**	-12	25%	**0**	-1	100%	**-4**	-8	50%	**-139**	-165	16%
Income taxes	**-150**	-123	-22%	**-83**	-84	1%	**-25**	-27	7%	**-2**	-2	0%	**-2**	13	-115%	**-262**	-223	-17%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	**261**	218	20%	**180**	169	7%	**138**	119	16%	**6**	6	0%	**-192**	-187	-3%	**393**	325	21%
Operating cash flow	**605**	349	73%	**211**	271	-22%	**164**	117	40%	**19**	-7	--	**-3**	-10	70%	**996**	720	38%
Cash flow before acquisitions and dividends	**382**	155	146%	**153**	192	-20%	**99**	66	50%	**17**	-13	--	**-3**	-12	75%	**648**	388	67%
Capital expenditure, gross	**227**	195	16%	**61**	83	-27%	**67**	52	29%	**2**	6	-67%	**0**	2	-100%	**357**	338	6%
Acquisitions, gross/investments	**275**	76	--	**6**	2	200%	**19**	11	73%	**–**	–	--	**1**	1	0%	**301**	90	--
Research and development expenses	**34**	32	6%	**82**	83	-1%	**–**	–	--	**0**	0		**0**	2	-100%	**116**	117	-1%
Key figures																		
EBITDA margin	**18.9%**	17.3%		**25.0%**	24.4%		**15.0%**	15.0%		**4.7%**	4.7%					**18.9%**	18.0%[1,2]	
EBIT margin	**14.5%**	13.0%		**20.8%**	20.4%		**11.7%**	11.6%		**3.5%**	3.5%					**14.8%**	14.0%[1,2]	
Depreciation and amortization in % of sales	**4.4%**	4.3%		**4.2%**	4.0%		**3.2%**	3.4%		**1.2%**	1.2%					**4.1%**	4.0%	
Operating cash flow in % of sales	**15.3%**	9.2%		**14.3%**	17.6%		**11.1%**	8.5%		**7.5%**	-2.7%					**14.0%**	10.4%	

[1] Before costs for the efficiency program
[2] Before integration costs
[3] After costs for the efficiency program and integration costs

The consolidated segment reporting is an integral part of the notes.
The following notes are an integral part of the unaudited condensed interim financial statements.

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GENERAL NOTES

1. PRINCIPLES

I. GROUP STRUCTURE

Fresenius is a global healthcare group with products and services for dialysis, hospitals and outpatient medical care. In addition, the Fresenius Group focuses on hospital operations and also manages projects and provides services for hospitals and other healthcare facilities worldwide. Besides the activities of the parent company Fresenius SE & Co. KGaA, Bad Homburg v. d. H., the operating activities were split into the following legally independent business segments as of June 30, 2016:

- Fresenius Medical Care
- Fresenius Kabi
- Fresenius Helios
- Fresenius Vamed

The reporting currency in the Fresenius Group is the euro. In order to make the presentation clearer, amounts are mostly shown in million euros. Amounts under €1 million after rounding are marked with "–".

II. BASIS OF PRESENTATION

The accompanying condensed consolidated financial statements have been prepared in accordance with the United States Generally Accepted Accounting Principles (U.S. GAAP).

Fresenius SE & Co. KGaA, as a stock exchange listed company with a domicile in a member state of the European Union, fulfills its obligation to prepare and publish the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) applying Section 315a of the German Commercial Code (HGB). Simultaneously, the Fresenius Group voluntarily prepares and publishes the consolidated financial statements in accordance with U.S. GAAP.

The accounting policies underlying these interim financial statements are mainly the same as those applied in the consolidated financial statements as of December 31, 2015.

III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The condensed consolidated financial statements and management report for the first half and the second quarter ended June 30, 2016 have not been audited nor reviewed and should be read in conjunction with the notes included in the consolidated financial statements as of December 31, 2015, published in the 2015 Annual Report.

Except for the reported acquisitions (see note 2, Acquisitions and investments), there have been no other major changes in the entities consolidated.

The consolidated financial statements for the first half and the second quarter ended June 30, 2016 include all adjustments that, in the opinion of the Management Board, are of a normal and recurring nature and are necessary to provide an appropriate view of the assets and liabilities, financial position and results of operations of the Fresenius Group.

The results of operations for the first half ended June 30, 2016 are not necessarily indicative of the results of operations for the fiscal year 2016.

Classifications

Certain items in the prior year's comparative consolidated financial statements have been adjusted to conform to the current year's presentation. Deferred taxes which were classified as current at December 31, 2015, were reclassified to non-current as of January 1, 2016 in accordance with Accounting Standards Update 2015-17, Financial Accounting Standards Board Accounting Standards Codification Topic 740, Income Taxes – Balance Sheet Classification of Deferred Taxes.

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

IV. RECENT PRONOUNCEMENTS, APPLIED

The Fresenius Group has prepared its consolidated financial statements at June 30, 2016 in conformity with U.S. GAAP in force for interim periods on January 1, 2016.

The Fresenius Group applied the following standards, as far as they are relevant for Fresenius Group's business, for the first time:

In November 2015, the Financial Accounting Standards Board (FASB) issued **Accounting Standards Update 2015-17** (ASU 2015-17), FASB Accounting Standards Codification (ASC) Topic 740, Income Taxes – Balance Sheet Classification of Deferred Taxes, which focuses on reducing the complexity of classifying deferred taxes on the balance sheet. ASU 2015-17 eliminates the current requirement for organizations to present deferred tax liabilities and assets as current and non-current in a classified balance sheet and requires the classification of all deferred tax assets and liabilities as non-current. The update is effective for fiscal years and interim periods within those years beginning after December 15, 2016. Earlier adoption is permitted. The Fresenius Group has elected to early adopt this ASU as of March 31, 2016. In accordance with ASU 2015-17, deferred taxes recorded as of December 31, 2015 within current assets and liabilities have been reclassified to non-current assets and liabilities in the amount of €438 million and €61 million, respectively. As a result of deferred tax netting, non-current assets and liabilities were then adjusted in the amount of €211 million.

In February 2015, the FASB issued **Accounting Standards Update 2015-02** (ASU 2015-02), FASB ASC Topic 810, Consolidation – Amendments to the Consolidation Analysis, which focuses on clarifying guidance related to the evaluation of various types of legal entities such as limited partnerships, limited liability corporations and certain security transactions for consolidation. The update is effective for fiscal years and interim periods within those years beginning after December 15, 2015. The Fresenius Group adopted ASU 2015-02 as of March 31, 2016 and will prospectively adjust its disclosures in the consolidated financial statements as of December 31, 2016 to align with the update.

V. RECENT PRONOUNCEMENTS, NOT YET APPLIED

The FASB issued the following relevant new standards for the Fresenius Group:

In June 2016, the FASB issued **Accounting Standards Update 2016-13** (ASU 2016-13), FASB ASC Topic 326, Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments. ASU 2016-13 amends guidance on reporting credit losses for assets held at amortized cost basis and available for sale financial assets. The updates are effective for fiscal years and interim periods within those years beginning after December 15, 2020. Early adoption is permitted as of the fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Fresenius Group is currently evaluating the impact of ASU 2016-13 on its consolidated financial statements.

In March 2016, the FASB issued **Accounting Standards Update 2016-09** (ASU 2016-09), FASB ASC Topic 718, Compensation – Stock Compensation: Improvements to Employee Share-Based Payment Accounting. ASU 2016-09 provides for simplification and clarity of guidance with regard to share-based income tax consequences, classification of awards as equity or liabilities as well as cash flow impacts. The updates are effective for fiscal years and interim periods within those years beginning after December 15, 2016. Early adoption is permitted. The Fresenius Group is currently evaluating the impact of ASU 2016-09 on its consolidated financial statements.

In February 2016, the FASB issued **Accounting Standards Update 2016-02** (ASU 2016-02), FASB ASC Subtopic 842, Leases. ASU 2016-02 is expected to increase transparency and comparability by recognizing lease assets and lease liabilities from lessees on the balance sheet and disclosing key information about leasing arrangements in the financial statements. The lessor accounting is largely unchanged. The updates are effective for fiscal years and interim periods within those years beginning after December 15, 2018. Early applications of the amendments in these updates are permitted. The Fresenius Group is currently evaluating the impact of ASU 2016-02 on its consolidated financial statements.

In January 2016, the FASB issued **Accounting Standards Update 2016-01** (ASU 2016-01), FASB ASC Subtopic 825-10, Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities. ASU 2016-01 focuses on improving the recognition and measurement of financial instruments to provide users of financial statements with more decision-useful information. ASU 2016-01 affects the accounting treatment and disclosures related to financial instruments and equity instruments. The update is effective for fiscal years and interim periods within those years beginning after December 15, 2017. Earlier adoption is generally not permitted. The Fresenius Group is currently evaluating the impact of ASU 2016-01 on its consolidated financial statements.

In May 2014, the FASB issued **Accounting Standards Update 2014-09** (ASU 2014-09), FASB ASC Topic 606, Revenue from Contracts with Customers. Simultaneously, the International Accounting Standards Board (IASB) published its equivalent revenue standard, IFRS 15, Revenue from Contracts with Customers. The standards are the result of a convergence project between the FASB and the IASB. This update specifies how and when companies reporting under U.S. GAAP will recognize revenue as well as providing users of financial statements with more informative and relevant disclosures. ASU 2014-09 supersedes some guidance included in Topic 605, Revenue Recognition, some guidance within the scope of Topic 360, Property, Plant, and Equipment, and some guidance within the scope of Topic 350, Intangibles – Goodwill and Other. This ASU applies to nearly all contracts with customers, unless those contracts are within the scope of other standards (for example, lease contracts or insurance contracts). With the issuance of **Accounting Standards Update 2015-14** (ASU 2015-14), FASB ASC Topic 606, Revenue from Contracts with Customers: Deferral of the Effective Date, in August 2015, the effective date of ASU 2014-09 for public business entities, among others, was deferred from fiscal years and interim periods within those years beginning after December 15, 2016 to fiscal years and interim periods within those years beginning after December 15, 2017. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact of ASU 2014-09, in conjunction with all amendments, on its consolidated financial statements.

2. ACQUISITIONS AND INVESTMENTS

The Fresenius Group made acquisitions, investments and purchases of intangible assets of €505 million and €194 million in the first half of 2016 and 2015, respectively. Of this amount, €397 million was paid in cash and €108 million was assumed obligations in the first half of 2016.

FRESENIUS MEDICAL CARE

In the first half of 2016, Fresenius Medical Care spent €365 million on acquisitions, mainly on acquisitions of dialysis clinics as well as in care coordination.

FRESENIUS KABI

In the first half of 2016, Fresenius Kabi spent €111 million on acquisitions including the acquisition of a U.S. pharmaceutical manufacturing plant and a line of seven drugs.

FRESENIUS HELIOS

In the first half of 2016, Fresenius Helios spent €28 million on acquisitions for the purchase of 100% of the shares in Klinikum Niederberg gGmbH, Germany and for the purchase of outpatient clinics.

NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

3. SALES

Sales by activity were as follows:

€ in millions	H1/2016	H1/2015
Sales of services	9,660	9,074
less patient service bad debt provision	-212	-193
Sales of products and related goods	4,360	4,338
Sales from long-term production contracts	196	204
Other sales	2	6
Sales	**14,006**	13,429

4. TAXES

During the first half of 2016, there were no material changes relating to tax audits, accruals for income taxes, unrecognized tax benefits as well as recognized and accrued payments for interest and penalties. Explanations regarding the tax audits and further information can be found in the consolidated financial statements in the 2015 Annual Report.

5. EARNINGS PER SHARE

The following table shows the earnings per share including and excluding the dilutive effect from stock options issued:

	H1/2016	H1/2015
Numerators, € in millions		
Net income attributable to shareholders of Fresenius SE & Co. KGaA	755	642
less effect from dilution due to Fresenius Medical Care shares	–	–
Income available to all ordinary shares	755	642
Denominators in number of shares		
Weighted-average number of ordinary shares outstanding	545,945,575	542,708,040
Potentially dilutive ordinary shares	4,102,887	4,491,252
Weighted-average number of ordinary shares outstanding assuming dilution	550,048,462	547,199,292
Basic earnings per share in €	**1.38**	1.18
Fully diluted earnings per share in €	**1.37**	1.17

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

6. CASH AND CASH EQUIVALENTS

As of June 30, 2016 and December 31, 2015, cash and cash equivalents were as follows:

€ in millions	June 30, 2016	Dec. 31, 2015
Cash	1,076	992
Time deposits and securities (with a maturity of up to 90 days)	22	52
Total cash and cash equivalents	**1,098**	1,044

As of June 30, 2016 and December 31, 2015, earmarked funds of €70 million and €57 million, respectively, were included in cash and cash equivalents.

7. TRADE ACCOUNTS RECEIVABLE

As of June 30, 2016 and December 31, 2015, trade accounts receivable were as follows:

€ in millions	June 30, 2016	Dec. 31, 2015
Trade accounts receivable	5,556	5,246
less allowance for doubtful accounts	736	650
Trade accounts receivable, net	**4,820**	4,596

8. INVENTORIES

As of June 30, 2016 and December 31, 2015, inventories consisted of the following:

€ in millions	June 30, 2016	Dec. 31, 2015
Raw materials and purchased components	647	602
Work in process	544	526
Finished goods	1,925	1,839
less reserves	130	107
Inventories, net	**2,986**	2,860

9. OTHER CURRENT AND NON-CURRENT ASSETS

As of June 30, 2016, investments were comprised of investments of €611 million (December 31, 2015: €592 million), mainly regarding the joint venture between Fresenius Medical Care and Galenica Ltd., that were accounted for under the equity method. In the first half of 2016, income of €29 million (H1/2015: €12 million) resulting from this valuation was included in selling, general and administrative expenses in the consolidated statement of income. Securities and long-term loans included €268 million financial assets available for sale as of June 30, 2016 (December 31, 2015: €257 million) mainly relating to shares in funds.

10. GOODWILL AND OTHER INTANGIBLE ASSETS

As of June 30, 2016 and December 31, 2015, intangible assets, split into amortizable and non-amortizable intangible assets, consisted of the following:

AMORTIZABLE INTANGIBLE ASSETS

	June 30, 2016			December 31, 2015		
€ in millions	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Patents, product and distribution rights	714	362	352	713	356	357
Technology	376	122	254	383	111	272
Customer relationships	333	76	257	324	61	263
Software	437	271	166	406	248	158
Non-compete agreements	326	254	72	322	251	71
Other	428	261	167	414	252	162
Total	2,614	1,346	1,268	2,562	1,279	1,283

Estimated regular amortization expenses of intangible assets for the next five years are shown in the following table:

€ in millions	Q3–4/2016	2017	2018	2019	2020	Q1–2/2021
Estimated amortization expenses	93	180	174	169	161	79

NON-AMORTIZABLE INTANGIBLE ASSETS

	June 30, 2016			December 31, 2015		
€ in millions	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Tradenames	218	0	218	221	0	221
Management contracts	4	0	4	6	0	6
Goodwill	21,639	0	21,639	21,523	0	21,523
Total	21,861	0	21,861	21,750	0	21,750

The carrying amount of goodwill has developed as follows:

€ in millions	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate/ Other	**Fresenius Group**
Carrying amount as of January 1, 2015	**10,775**	**4,601**	**4,387**	**99**	**6**	**19,868**
Additions	105	27	57	–	0	189
Disposals	0	-1	0	0	0	-1
Reclassifications	0	2	0	0	0	2
Foreign currency translation	1,091	374	0	0	0	1,465
Carrying amount as of December 31, 2015	**11,971**	**5,003**	**4,444**	**99**	**6**	**21,523**
Additions	292	7	49	0	0	348
Reclassifications	3	0	0	0	0	3
Foreign currency translation	-173	-62	0	0	0	-235
Carrying amount as of June 30, 2016	**12,093**	**4,948**	**4,493**	**99**	**6**	**21,639**

As of June 30, 2016 and December 31, 2015, the carrying amounts of the other non-amortizable intangible assets were €193 million and €198 million, respectively, for Fresenius Medical Care as well as €29 million for Fresenius Kabi.

11. DEBT AND CAPITAL LEASE OBLIGATIONS

SHORT-TERM DEBT

As of June 30, 2016 and December 31, 2015, short-term debt consisted of the following:

€ in millions	Book value June 30, 2016	Book value December 31, 2015
Fresenius SE & Co. KGaA Commercial Paper	**190**	0
Fresenius Medical Care AG & Co. KGaA Commercial Paper	**550**	0
Other short-term debt	**260**	202
Short-term debt	**1,000**	202

LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

As of June 30, 2016 and December 31, 2015, long-term debt and capital lease obligations net of debt issuance costs consisted of the following:

€ in millions	Book value June 30, 2016	Book value December 31, 2015
Fresenius Medical Care 2012 Credit Agreement	**2,235**	2,399
2013 Senior Credit Agreement	**1,641**	2,203
Schuldschein Loans	**1,166**	914
Accounts Receivable Facility of Fresenius Medical Care	**0**	46
Capital lease obligations	**155**	151
Other	**378**	396
Subtotal	**5,575**	6,109
less current portion	**491**	607
Long-term debt and capital lease obligations, less current portion	**5,084**	5,502

Fresenius Medical Care 2012 Credit Agreement

Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) originally entered into a syndicated credit facility (Fresenius Medical Care 2012 Credit Agreement) of US$3,850 million and a 5-year period with a large group of banks and institutional investors on October 30, 2012.

On November 26, 2014, the Fresenius Medical Care 2012 Credit Agreement was amended to increase the total credit facility to approximately US$4,400 million and extend the term for an additional two years until October 30, 2019.

The following tables show the available and outstanding amounts under the Fresenius Medical Care 2012 Credit Agreement after scheduled amortization payments at June 30, 2016 and at December 31, 2015:

	June 30, 2016			
	Maximum amount available		**Balance outstanding**	
		€ in millions		**€ in millions**
Revolving Credit (in US$)	US$1,000 million	900	**US$0 million**	**0**
Revolving Credit (in €)	€400 million	400	**€0 million**	**0**
US$ Term Loan	US$2,200 million	1,982	**US$2,200 million**	**1,982**
€ Term Loan	€264 million	264	**€264 million**	**264**
Total		3,546		**2,246**
less financing cost				**11**
Total				**2,235**

	December 31, 2015			
	Maximum amount available		**Balance outstanding**	
		€ in millions		**€ in millions**
Revolving Credit (in US$)	US$1,000 million	918	**US$25 million**	**23**
Revolving Credit (in €)	€400 million	400	**€0 million**	**0**
US$ Term Loan	US$2,300 million	2,113	**US$2,300 million**	**2,113**
€ Term Loan	€276 million	276	**€276 million**	**276**
Total		3,707		**2,412**
less financing cost				**13**
Total				**2,399**

At June 30, 2016 and December 31, 2015, Fresenius Medical Care had letters of credit outstanding in the amount of US$4 million under the U.S. dollar revolving credit facility, which were not included above as part of the balance outstanding at those dates but which reduce available borrowings under the applicable revolving credit facility.

As of June 30, 2016, FMC-AG & Co. KGaA and its subsidiaries were in compliance with all covenants under the Fresenius Medical Care 2012 Credit Agreement.

2013 Senior Credit Agreement

On December 20, 2012, Fresenius SE & Co. KGaA and various subsidiaries entered into a delayed draw syndicated credit agreement (2013 Senior Credit Agreement) in the original amount of US$1,300 million and €1,250 million. Since the initial funding of the 2013 Senior Credit Agreement in June 2013, additional tranches were added. Furthermore, scheduled amortization payments as well as voluntary repayments have been made. On February 29, 2016, a Term Loan B of US$489 million was voluntarily prepaid.

The following tables show the available and outstanding amounts under the 2013 Senior Credit Agreement at June 30, 2016 and at December 31, 2015:

	June 30, 2016			
	Maximum amount available	€ in millions	**Balance outstanding**	**€ in millions**
Revolving Credit Facilities (in €)	€900 million	900	**€0 million**	**0**
Revolving Credit Facilities (in US$)	US$300 million	270	**US$0 million**	**0**
Term Loan A (in €)	€995 million	995	**€995 million**	**995**
Term Loan A (in US$)	US$735 million	662	**US$735 million**	**662**
Total		2,827		**1,657**
less financing cost				**16**
Total				**1,641**

	December 31, 2015			
	Maximum amount available	€ in millions	**Balance outstanding**	**€ in millions**
Revolving Credit Facilities (in €)	€900 million	900	**€0 million**	**0**
Revolving Credit Facilities (in US$)	US$300 million	276	**US$0 million**	**0**
Term Loan A (in €)	€1,057 million	1,057	**€1,057 million**	**1,057**
Term Loan A (in US$)	US$781 million	717	**US$781 million**	**717**
Term Loan B (in US$)	US$489 million	449	**US$489 million**	**449**
Total		3,399		**2,223**
less financing cost				**20**
Total				**2,203**

As of June 30, 2016, the Fresenius Group was in compliance with all covenants under the 2013 Senior Credit Agreement.

Schuldschein Loans

As of June 30, 2016 and December 31, 2015, Schuldschein Loans of the Fresenius Group net of debt issuance costs consisted of the following:

				Book value € in millions	
	Notional amount	Maturity	Interest rate	**June 30, 2016**	Dec. 31, 2015
Fresenius SE & Co. KGaA 2012/2016	€108 million	April 4, 2016	3.36%	**0**	108
Fresenius SE & Co. KGaA 2013/2017	€51 million	Aug. 22, 2017	2.65%	**51**	51
Fresenius SE & Co. KGaA 2013/2017	€74 million	Aug. 22, 2017	variable	**74**	74
Fresenius SE & Co. KGaA 2014/2018	€97 million	April 2, 2018	2.09%	**97**	96
Fresenius SE & Co. KGaA 2014/2018	€76 million	April 2, 2018	variable	**76**	76
Fresenius SE & Co. KGaA 2014/2018	€65 million	April 2, 2018	variable	**65**	65
Fresenius SE & Co. KGaA 2012/2018	€72 million	April 4, 2018	4.09%	**72**	72
Fresenius SE & Co. KGaA 2015/2018	€36 million	October 8, 2018	1.07%	**36**	36
Fresenius SE & Co. KGaA 2015/2018	€55 million	October 8, 2018	variable	**55**	55
Fresenius SE & Co. KGaA 2014/2020	€106 million	April 2, 2020	2.67%	**105**	105
Fresenius SE & Co. KGaA 2014/2020	€55 million	April 2, 2020	variable	**55**	55
Fresenius SE & Co. KGaA 2014/2020	€101 million	April 2, 2020	variable	**100**	100
Fresenius SE & Co. KGaA 2015/2022	€21 million	April 7, 2022	variable	**21**	21
Fresenius US Finance II, Inc. 2016/2021	US$309 million	March 10, 2021	variable	**277**	0
Fresenius US Finance II, Inc. 2016/2021	US$33 million	March 10, 2021	2.66%	**29**	0
Fresenius US Finance II, Inc. 2016/2023	US$15 million	March 10, 2023	variable	**14**	0
Fresenius US Finance II, Inc. 2016/2023	US$43 million	March 10, 2023	3.12%	**39**	0
Schuldschein Loans				**1,166**	914

The Schuldschein Loans issued by Fresenius SE & Co. KGaA in the amount of €108 million, which were due on April 4, 2016, were repaid as scheduled.

On March 10, 2016, Fresenius US Finance II, Inc. issued Schuldschein Loans in a total amount of US$400 million which consist of fixed and floating rate tranches and terms of five and seven years. These Schuldschein Loans are guaranteed by Fresenius SE & Co. KGaA, Fresenius Kabi AG and Fresenius ProServe GmbH.

As of June 30, 2016, the Fresenius Group was in compliance with all of its covenants under the Schuldschein Loans.

CREDIT LINES

In addition to the financial liabilities described before, the Fresenius Group maintains additional credit facilities which have not been utilized, or have only been utilized in part, as of the reporting date. At June 30, 2016, the additional financial cushion resulting from unutilized credit facilities was approximately €3.3 billion. Thereof €2.4 billion accounted for syndicated credit facilities.

12. SENIOR NOTES

As of June 30, 2016 and December 31, 2015, Senior Notes of the Fresenius Group net of debt issuance costs consisted of the following:

				Book value € in millions	
	Notional amount	Maturity	Interest rate	**June 30, 2016**	Dec. 31, 2015
Fresenius Finance B.V. 2014/2019	€300 million	Feb. 1, 2019	2.375%	**298**	297
Fresenius Finance B.V. 2012/2019	€500 million	Apr. 15, 2019	4.25%	**497**	497
Fresenius Finance B.V. 2013/2020	€500 million	July 15, 2020	2.875%	**497**	496
Fresenius Finance B.V. 2014/2021	€450 million	Feb. 1, 2021	3.00%	**444**	443
Fresenius Finance B.V. 2014/2024	€450 million	Feb. 1, 2024	4.00%	**449**	450
Fresenius US Finance II, Inc. 2014/2021	US$300 million	Feb. 1, 2021	4.25%	**268**	275
Fresenius US Finance II, Inc. 2015/2023	US$300 million	Jan. 15, 2023	4.50%	**267**	273
FMC Finance VI S.A. 2010/2016	€250 million	July 15, 2016	5.50%	**250**	249
FMC Finance VII S.A. 2011/2021	€300 million	Feb. 15, 2021	5.25%	**295**	295
FMC Finance VIII S.A. 2011/2016	€100 million	Oct. 15, 2016	variable	**100**	100
FMC Finance VIII S.A. 2011/2018	€400 million	Sept. 15, 2018	6.50%	**396**	396
FMC Finance VIII S.A. 2012/2019	€250 million	July 31, 2019	5.25%	**244**	244
Fresenius Medical Care US Finance, Inc. 2007/2017	US$500 million	July 15, 2017	6.875%	**449**	457
Fresenius Medical Care US Finance, Inc. 2011/2021	US$650 million	Feb. 15, 2021	5.75%	**579**	590
Fresenius Medical Care US Finance II, Inc. 2011/2018	US$400 million	Sept. 15, 2018	6.50%	**357**	363
Fresenius Medical Care US Finance II, Inc. 2012/2019	US$800 million	July 31, 2019	5.625%	**718**	732
Fresenius Medical Care US Finance II, Inc. 2014/2020	US$500 million	Oct. 15, 2020	4.125%	**447**	456
Fresenius Medical Care US Finance II, Inc. 2012/2022	US$700 million	Jan. 31, 2022	5.875%	**627**	639
Fresenius Medical Care US Finance II, Inc. 2014/2024	US$400 million	Oct. 15, 2024	4.75%	**357**	364
Senior Notes				**7,539**	7,616

All Senior Notes included in the table are unsecured.

The Senior Notes issued by FMC Finance VI S.A. which were due on July 15, 2016 and the Senior Notes issued by FMC Finance VIII S.A. which are due on October 15, 2016 have been reclassified as short-term debt and are shown as current portion of Senior Notes in the consolidated statement of financial position.

As of June 30, 2016, the Fresenius Group was in compliance with all of its covenants under the Senior Notes.

13. CONVERTIBLE BONDS

As of June 30, 2016 and December 31, 2015, the convertible bonds of the Fresenius Group net of debt issuance costs consisted of the following:

					Book value € in millions	
	Notional amount	Maturity	Coupon	Current conversion price	**June 30, 2016**	Dec. 31, 2015
Fresenius SE & Co. KGaA 2014/2019	€500 million	Sept. 24, 2019	0.000%	€49.5184	**469**	464
Fresenius Medical Care AG & Co. KGaA 2014/2020	€400 million	Jan. 31, 2020	1.125%	€73.6054	**377**	374
Convertible bonds					**846**	838

The fair value of the derivative embedded in the convertible bonds of Fresenius SE & Co. KGaA was €207 million at June 30, 2016. The derivative embedded in the convertible bonds of Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) was recognized with a fair value of €97 million at June 30, 2016. Fresenius SE & Co. KGaA and FMC-AG & Co. KGaA have purchased stock options (call options) to secure against future fair value fluctuations of these derivatives. The call options also had an aggregate fair value of €207 million and €97 million, respectively, at June 30, 2016.

The conversions will be cash-settled. Any increase of Fresenius' share price and of Fresenius Medical Care's share price above the conversion price would be offset by a corresponding value increase of the call options.

The derivatives embedded in the convertible bonds and the call options are recognized in other non-current liabilities/assets in the consolidated statement of financial position.

14. PENSIONS AND SIMILAR OBLIGATIONS

DEFINED BENEFIT PENSION PLANS

At June 30, 2016, the pension liability of the Fresenius Group was €1,121 million. The current portion of the pension liability of €19 million is recognized in the consolidated statement of financial position within short-term accrued expenses and other short-term liabilities. The non-current portion of €1,102 million is recorded as pension liability.

Contributions to Fresenius Group's pension fund were €9 million in the first half of 2016. The Fresenius Group expects approximately €23 million contributions to the pension fund during 2016.

Defined benefit pension plans' net periodic benefit costs of €59 million (H1/2015: €56 million) were comprised of the following components:

€ in millions	**H1/2016**	H1/2015
Service cost	**28**	23
Interest cost	**22**	22
Expected return on plan assets	**-11**	-10
Amortization of unrealized actuarial losses, net	**19**	21
Amortization of prior service costs	**1**	–
Amortization of transition obligations	**–**	–
Net periodic benefit cost	**59**	56

15. NONCONTROLLING INTEREST

NONCONTROLLING INTEREST SUBJECT TO PUT PROVISIONS

Noncontrolling interest subject to put provisions changed as follows:

€ in millions	**H1/2016**
Noncontrolling interest subject to put provisions as of January 1, 2016	**947**
Noncontrolling interest subject to put provisions in profit	80
Purchase of noncontrolling interest subject to put provisions	52
Dividend payments	-74
Currency effects and other changes	100
Noncontrolling interest subject to put provisions as of June 30, 2016	**1,105**

99.2% of noncontrolling interest subject to put provisions applied to Fresenius Medical Care at June 30, 2016.

As of June 30, 2016 and December 31, 2015, put options with an aggregate purchase obligation of €252 million and €237 million, respectively, were exercisable. No put options were exercised in the first half of 2016 and (H1/2015: one put option in the amount of €0.4 million).

NONCONTROLLING INTEREST NOT SUBJECT TO PUT PROVISIONS

As of June 30, 2016 and December 31, 2015, noncontrolling interest not subject to put provisions in the Fresenius Group was as follows:

€ in millions	June 30, 2016	Dec. 31, 2015
Noncontrolling interest not subject to put provisions in Fresenius Medical Care AG & Co. KGaA	**6,338**	6,274
Noncontrolling interest not subject to put provisions in VAMED AG	**50**	49
Noncontrolling interest not subject to put provisions in the business segments		
Fresenius Medical Care	**585**	559
Fresenius Kabi	**107**	120
Fresenius Helios	**60**	59
Fresenius Vamed	**7**	7
Total noncontrolling interest not subject to put provisions	**7,147**	7,068

Noncontrolling interest not subject to put provisions changed as follows:

€ in millions	H1/2016
Noncontrolling interest not subject to put provisions as of January 1, 2016	**7,068**
Noncontrolling interest not subject to put provisions in profit	393
Stock options	18
Purchase of noncontrolling interest not subject to put provisions	32
Dividend payments	-218
Currency effects and other changes	-146
Noncontrolling interest not subject to put provisions as of June 30, 2016	**7,147**

16. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

SUBSCRIBED CAPITAL

As of January 1, 2016, the subscribed capital of Fresenius SE & Co. KGaA consisted of 545,727,950 bearer ordinary shares.

During the first half of 2016, 550,630 stock options were exercised. Consequently, as of June 30, 2016, the subscribed capital of Fresenius SE & Co. KGaA consisted of 546,278,580 bearer ordinary shares. The shares are issued as non-par value shares. The proportionate amount of the subscribed capital is €1.00 per share.

CONDITIONAL CAPITAL

The following Conditional Capitals exist in order to fulfill the subscription rights under the stock option plans of Fresenius SE & Co. KGaA: Conditional Capital I (Stock Option Plan 2003), Conditional Capital II (Stock Option Plan 2008) and Conditional Capital IV (Stock Option Plan 2013) (see note 23, Stock options). Another Conditional Capital III exists for the authorization to issue option bearer bonds and / or convertible bonds.

The following table shows the development of the Conditional Capital:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003	5,261,987
Conditional Capital II Fresenius SE Stock Option Plan 2008	7,216,907
Conditional Capital III option bearer bonds and / or convertible bonds	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	25,200,000
Total Conditional Capital as of January 1, 2016	**86,650,096**
Fresenius AG Stock Option Plan 2003 – options exercised	-147,286
Fresenius SE Stock Option Plan 2008 – options exercised	-403,344
Total Conditional Capital as of June 30, 2016	**86,099,466**

As of June 30, 2016, the Conditional Capital was composed as follows:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003	5,114,701
Conditional Capital II Fresenius SE Stock Option Plan 2008	6,813,563
Conditional Capital III option bearer bonds and / or convertible bonds	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	25,200,000
Total Conditional Capital as of June 30, 2016	**86,099,466**

DIVIDENDS

Under the German Stock Corporation Act (AktG), the amount of dividends available for distribution to shareholders is based upon the unconsolidated retained earnings of Fresenius SE & Co. KGaA as reported in its statement of financial position determined in accordance with the German Commercial Code (HGB).

In May 2016, a dividend of €0.55 per bearer ordinary share was approved by Fresenius SE & Co KGaA's shareholders at the Annual General Meeting and paid. The total dividend payment was €300 million.

17. OTHER COMPREHENSIVE INCOME (LOSS)

Other comprehensive income (loss) is comprised of all amounts recognized directly in equity (net of tax) resulting from the currency translation of foreign subsidiaries' financial statements and the effects of measuring financial instruments at their fair value as well as the change in benefit obligation.

Changes in accumulated other comprehensive income (loss) net of tax by component were as follows:

€ in millions	Cash flow hedges	Change of fair value of available for sale financial assets	Foreign currency translation	Actuarial gains/losses on defined benefit pension plans	Total, before non-controlling interest	Non-controlling interest	Total, after non-controlling interest
Balance as of December 31, 2014	-109	1	294	-305	-119	189	70
Other comprehensive income (loss) before reclassifications	6	–	369	-12	363	475	838
Amounts reclassified from accumulated other comprehensive income (loss)	6	0	–	7	13	19	32
Other comprehensive income (loss), net	12	–	369	-5	376	494	870
Balance as of June 30, 2015	**-97**	**1**	**663**	**-310**	**257**	**683**	**940**
Balance as of December 31, 2015	-84	1	619	-256	280	741	1,021
Other comprehensive income (loss) before reclassifications	-10	–	-76	4	-82	-93	-175
Amounts reclassified from accumulated other comprehensive income (loss)	8	0	–	7	15	11	26
Other comprehensive income (loss), net	-2	–	-76	11	-67	-82	-149
Balance as of June 30, 2016	**-86**	**1**	**543**	**-245**	**213**	**659**	**872**

Reclassifications out of accumulated other comprehensive income (loss) into net income were as follows:

€ in millions	Amount of gain or loss reclassified from accumulated other comprehensive income (loss)[1]		Affected line item in the consolidated statement of income
	H1/2016	H1/2015	
Details about accumulated other comprehensive income (loss) components			
Cash flow hedges			
Interest rate contracts	**16**	19	Interest income/expense
Foreign exchange contracts	**-1**	12	Cost of sales
Foreign exchange contracts	**1**	-6	Selling, general and administrative expenses
Other comprehensive income (loss)	**16**	25	
Tax expense or benefit	**-3**	-7	
Other comprehensive income (loss), net	**13**	18	
Amortization of defined benefit pension items			
Prior service costs	**1**	–	[2]
Transition obligations	**–**	–	[2]
Actuarial gains/losses on defined benefit pension plans	**19**	21	[2]
Other comprehensive income (loss)	**20**	21	
Tax expense or benefit	**-7**	-7	
Other comprehensive income (loss), net	**13**	14	
Total reclassifications for the period	**26**	32	

[1] Gains are shown with a negative sign, losses with a positive sign.
[2] Net periodic benefit cost is allocated as personnel expense within cost of sales or selling, general and administrative expenses as well as research and development expenses.

OTHER NOTES

18. LEGAL AND REGULATORY MATTERS

The Fresenius Group is routinely involved in numerous claims, lawsuits, regulatory and tax audits, investigations and other legal matters arising, for the most part, in the ordinary course of its business of providing healthcare services and products. Legal matters that the Fresenius Group currently deems to be material or noteworthy are described below. For the matters described below in which the Fresenius Group believes a loss is both reasonably possible and estimable, an estimate of the loss or range of loss exposure is provided. For the other matters described below, the Fresenius Group believes that the loss probability is remote and/or the loss or range of possible losses cannot be reasonably estimated at this time. The outcome of litigation and other legal matters is always difficult to predict accurately and outcomes that are not consistent with Fresenius Group's view of the merits can occur. The Fresenius Group believes that it has valid defenses to the legal matters pending against it and is defending itself vigorously. Nevertheless, it is possible that the resolution of one or more of the legal matters currently pending or threatened could have a material adverse effect on its business, results of operations and financial condition.

Further information regarding legal disputes, court proceedings and investigations can be found in detail in the consolidated financial statements in the 2015 Annual Report. In the following, only the changes during the first half ended June 30, 2016 compared to the information provided in the consolidated financial statements are described. These changes should be read in conjunction with the overall information in the consolidated financial statements in the 2015 Annual Report; defined terms or abbreviations having the same meaning as in the 2015 Annual Report.

SUBPOENAS "MASSACHUSETTS AND LOUISIANA"

On March 29, 2016, the Court dismissed the relator's companion claims for retaliatory termination of employment, finding that the retaliation claims were barred under principles of res judicata by a January 2015 jury verdict in the United States District Court for the Central District of California. The California verdict remains on appeal in the Ninth Circuit Court of Appeals.

PRODUCT LIABILITY LITIGATION

As subsequently amended with the courts' approval as to the applicable timetable, plaintiffs must accept or reject the settlement by September 15, 2016; FMCH has until October 1, 2016 to exercise any rights to void the settlement; and payment of the settlement amount must be made in October 2016 if the settlement is confirmed.

Subsequent to the agreement in principle, FMCH's insurers in the AIG group initiated an action for declaratory judgment in New York state court advancing various arguments for reducing the amount of their coverage obligations. FMCH filed an action in Massachusetts state court seeking to compel the AIG group carriers to honor their obligations under applicable policies, including reimbursement to FMCH of litigation defense costs incurred before the agreement in principle was reached. The affected carriers have confirmed that the coverage litigation does not impact their commitment to fund US$220 million of the settlement with plaintiffs in October.

Three institutional plaintiffs have filed complaints against FMCH or its affiliates under state deceptive practices statutes resting on certain background allegations common to the Granuflo®/Naturalyte® personal injury litigation, but seeking as remedy the repayment of sums paid to FMCH attributable to the Granuflo®/Naturalyte® products. These cases implicate different legal standards, theories of liability and forms of potential recovery from those in the personal injury litigation and their claims will not be extinguished by the personal injury litigation settlement described above. The three plaintiffs are the Attorneys General for the States of Louisiana and Mississippi and Blue Cross Blue Shield of Louisiana. See, State of Mississippi ex rel. Hood, v. Fresenius Medical Care Holdings, Inc., No. 14-cv-152 (Chancery Court, DeSoto County); State of Louisiana ex re. Caldwell and Louisiana Health Service & Indemnity Company v. Fresenius Medical Care Airline, 2016 Civ. 11035 (U.S.D.C. D. Mass.).

SUBPOENA "AMERICAN ACCESS CARE, LLC"

The United States Attorney for the Eastern District of Virginia pursued a grand jury investigation against an individual surgeon employed by Fresenius Medical Care. As of July 15, 2016, the United States Attorney advised that the grand jury investigation was being closed without charges being asserted.

SUBPOENA "TEXAS (DALLAS)"

On June 30, 2016, FMCH received a subpoena from the United States Attorney for the Northern District of Texas (Dallas) seeking information about the use and management of the pharmaceutical Velphoro®, and FMCH's interactions with DaVita Healthcare Partners, Inc. FMCH understands that the subpoena relates to the investigation previously disclosed by DaVita, and is cooperating in the investigation.

SUBPOENA "NEVADA"

Through a further ancilliary subpoena of June 2016, the DOJ has requested further information from Fresenius Kabi USA without changing the focus of the investigation.

The Fresenius Group regularly analyzes current information including, as applicable, the Fresenius Group's defenses and insurance coverage and, as necessary, provides accruals for probable liabilities for the eventual disposition of these matters.

The Fresenius Group, like other healthcare providers, conducts its operations under intense government regulation and scrutiny. It must comply with regulations which relate to or govern the safety and efficacy of medical products and supplies, the marketing and distribution of such products, the operation of manufacturing facilities, laboratories and dialysis clinics, and environmental and occupational health and safety. With respect to its development, manufacture, marketing and distribution of medical products, if such compliance is not maintained, the Fresenius Group could be subject to significant adverse regulatory actions by the U.S. Food and Drug Administration (FDA) and comparable regulatory authorities outside the United States. These regulatory actions could include warning letters or other enforcement notices from the FDA, and/or comparable foreign regulatory authority, which may require the Fresenius Group to expend significant time and resources in order to implement appropriate corrective actions. If the Fresenius Group does not address matters raised in warning letters or other enforcement notices to the satisfaction of the FDA and/or comparable regulatory authorities outside the United States, these regulatory authorities could take additional actions, including product recalls, injunctions against the distribution of products or operation of manufacturing plants, civil penalties, seizures of Fresenius Group's products and/or criminal prosecution. FMCH is currently engaged in remediation efforts with respect to three pending FDA warning letters, Fresenius Kabi with respect to two pending FDA warning letters. The Fresenius Group must also comply with the laws of the United States, including the federal Anti-Kickback Statute, the federal False Claims Act, the federal Stark Law and the federal

Foreign Corrupt Practices Act as well as other federal and state fraud and abuse laws. Applicable laws or regulations may be amended, or enforcement agencies or courts may make interpretations that differ from Fresenius Group's interpretations or the manner in which it conducts its business. Enforcement has become a high priority for the federal government and some states. In addition, the provisions of the False Claims Act authorizing payment of a portion of any recovery to the party bringing the suit encourage private plaintiffs to commence whistleblower actions. By virtue of this regulatory environment, Fresenius Group's business activities and practices are subject to extensive review by regulatory authorities and private parties, and continuing audits, subpoenas, other inquiries, claims and litigation relating to Fresenius Group's compliance with applicable laws and regulations. The Fresenius Group may not always be aware that an inquiry or action has begun, particularly in the case of whistleblower actions, which are initially filed under court seal.

Other than those individual contingent liablilities mentioned in the consolidated financial statements in the 2015 Annual Report, the current estimated amount of Fresenius Group's other known individual contingent liabilities is immaterial.

19. FINANCIAL INSTRUMENTS

VALUATION OF FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and fair values as well as the fair value hierarchy levels of Fresenius Group's financial instruments as of June 30, 2016 and December 31, 2015, classified into classes:

		June 30, 2016		December 31, 2015	
€ in millions	Fair value hierarchy level	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Cash and cash equivalents	1	**1,098**	**1,098**	1,044	1,044
Assets recognized at carrying amount	2	**4,841**	**4,841**	4,674	4,674
Assets recognized at fair value	1	**268**	**268**	257	257
Liabilities recognized at carrying amount	2	**16,076**	**17,126**	16,069	17,171
Liabilities recognized at fair value	2	**320**	**320**	353	353
Noncontrolling interest subject to put provisions recognized at fair value	3	**1,105**	**1,105**	947	947
Derivatives for hedging purposes	2	**294**	**294**	358	358

Explanations regarding the significant methods and assumptions used to estimate the fair values of financial instruments and classification of fair value measurements according to the three-tier fair value hierarchy as well as explanations with regard to existing and expected risks from financial instruments and hedging can be found in the consolidated financial statements in the 2015 Annual Report.

As of June 30, 2016, there was no indication for further possible significant risks from financial instruments or that a decrease in the value of Fresenius Group's financing receivables (other current and non-current assets) was probable and the allowances on credit losses of financing receivables are immaterial.

FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

€ in millions	June 30, 2016		December 31, 2015	
	Assets	**Liabilities**	Assets	Liabilities
Interest rate contracts (current)	**0**	**1**	0	2
Interest rate contracts (non-current)	**0**	**3**	0	1
Foreign exchange contracts (current)	**12**	**16**	16	6
Foreign exchange contracts (non-current)	**1**	**–**	1	1
Derivatives designated as hedging instruments [1]	**13**	**20**	17	10
Interest rate contracts (non-current)	**–**	**1**	0	3
Foreign exchange contracts (current) [1]	**17**	**20**	23	7
Foreign exchange contracts (non-current) [1]	**–**	**–**	–	–
Derivatives embedded in the convertible bonds	**0**	**304**	0	335
Stock options to secure the convertible bonds [1]	**304**	**0**	335	0
Derivatives not designated as hedging instruments	**321**	**325**	358	345

[1] Derivatives designated as hedging instruments, foreign exchange contracts and call options to secure the convertible bonds not designated as hedging instruments are classified as derivatives for hedging purposes.

Derivative financial instruments are marked to market each reporting period, resulting in carrying amounts equal to fair values at the reporting date.

Derivatives not designated as hedging instruments, which are derivatives that do not qualify for hedge accounting, are also solely entered into to hedge economic business transactions and not for speculative purposes.

Derivatives for hedging purposes as well as the derivatives embedded in the convertible bonds were recognized at gross value within other assets in an amount of €334 million and other liabilities in an amount of €344 million.

The current portion of derivatives indicated as assets in the preceding table is recognized within other current assets in the consolidated statement of financial position, while the current portion of those indicated as liabilities is included in short-term accrued expenses and other short-term liabilities. The non-current portions indicated as assets or liabilities are recognized in other non-current assets or in long-term accrued expenses and other long-term liabilities, respectively. The derivatives embedded in the convertible bonds and the call options to secure the convertible bonds are recognized in other non-current liabilities/assets in the consolidated statement of financial position.

EFFECT OF DERIVATIVES DESIGNATED AS HEDGING INSTRUMENTS ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	H1/2016		
€ in millions	Gain or loss recognized in other comprehensive income (loss) (effective portion)	Gain or loss reclassified from accumulated other comprehensive income (loss) (effective portion)	Gain or loss recognized in the consolidated statement of income
Interest rate contracts	–	16	0
Foreign exchange contracts	-9	–	0
Derivatives in cash flow hedging relationships[1]	**-9**	**16**	**0**
Foreign exchange contracts			0
Derivatives in fair value hedging relationships			**0**
Derivatives designated as hedging instruments	**-9**	**16**	**0**

	H1/2015		
€ in millions	Gain or loss recognized in other comprehensive income (loss) (effective portion)	Gain or loss reclassified from accumulated other comprehensive income (loss) (effective portion)	Gain or loss recognized in the consolidated statement of income
Interest rate contracts	2	19	0
Foreign exchange contracts	-2	6	0
Derivatives in cash flow hedging relationships[1]	**–**	**25**	**0**
Foreign exchange contracts			-10
Derivatives in fair value hedging relationships			**-10**
Derivatives designated as hedging instruments	**–**	**25**	**-10**

[1] The amount of gain or loss recognized in the consolidated statement of income solely relates to the ineffective portion.

EFFECT OF DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Gain or loss recognized in the consolidated statement of income	
€ in millions	**H1/2016**	H1/2015
Interest rate contracts	**–**	–
Foreign exchange contracts	**-22**	-12
Derivatives embedded in the convertible bonds	**-31**	-136
Call options to secure the convertible bonds	**31**	136
Derivatives not designated as hedging instruments	**-22**	-12

Losses from foreign exchange contracts not designated as hedging instruments recognized in the consolidated statement of income are faced by gains from the underlying transactions in the corresponding amount. Losses from derivatives in fair value hedging relationships recognized in the consolidated statement of income in the first half of 2015 are faced by gains from the underlying transactions in the corresponding amount.

The Fresenius Group expects to recognize a net amount of €1 million of the existing losses for foreign exchange contracts deferred in accumulated other comprehensive income (loss) in the consolidated statement of income within the next 12 months. For interest rate contracts, the Fresenius Group expects to recognize €28 million of losses in the course of normal business during the next 12 months in interest expense.

Gains and losses from foreign exchange contracts and the corresponding underlying transactions are accounted for as cost of sales, selling, general and administrative expenses and net interest. Gains and losses resulting from interest rate contracts are recognized as net interest in the consolidated statement of income.

In the first half of 2016 and 2015, losses in an immaterial amount for available for sale financial assets were recognized in other comprehensive income (loss).

MARKET RISK

Derivative financial instruments

Classification

The Fresenius Group elects not to offset the fair values of derivative financial instruments subject to master netting agreements in the consolidated statement of financial position.

At June 30, 2016 and December 31, 2015, the Fresenius Group had €29 million and €37 million of derivative financial assets subject to netting arrangements and €41 million and €19 million of derivative financial liabilities subject to netting arrangements. Offsetting these derivative financial instruments would have resulted in net assets of €20 million and €28 million as well as net liabilities of €32 million and €10 million at June 30, 2016 and December 31, 2015, respectively.

Foreign exchange risk management

As of June 30, 2016, the notional amounts of foreign exchange contracts totaled €1,894 million. These foreign exchange contracts have been entered into to hedge risks from operational business and in connection with loans in foreign currency. Foreign exchange forward contracts to hedge risks from operational business were exclusively recognized as cash flow hedges as of June 30, 2016. The fair value of cash flow hedges was -€3 million.

As of June 30, 2016, the Fresenius Group was party to foreign exchange contracts with a maximum maturity of 24 months.

Interest rate risk management

As of June 30, 2016, the U.S. dollar denominated interest rate hedges had a notional volume of US$200 million (€180 million) as well as a fair value of -US$1 million (-€1 million) and expire in 2021. As of June 30, 2016, the euro denominated interest rate hedges had a notional volume of €574 million and a fair value of -€3 million. These interest rate hedges expire in the years 2016 to 2022.

At June 30, 2016 and December 31, 2015, the Fresenius Group had €57 million and €68 million, respectively, related to settlements of pre-hedges deferred in accumulated other comprehensive income (loss), net of tax.

20. SUPPLEMENTARY INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of June 30, 2016, the equity ratio was 42.1% and the debt ratio (debt/total assets) was 34.1%. As of June 30, 2016, the leverage ratio on the basis of net debt/EBITDA at LTM average exchange rates was 2.6.

The aims of the capital management and further information can be found in the consolidated financial statements in the 2015 Annual Report.

The Fresenius Group is covered by the rating agencies Moody's, Standard & Poor's and Fitch.

The following table shows the company rating of Fresenius SE & Co. KGaA:

	Aug. 5, 2016	June 30, 2016	Dec. 31, 2015
Standard & Poor's			
Corporate Credit Rating	**BBB-**	**BBB-**	BBB-
Outlook	**stable**	**stable**	stable
Moody's			
Corporate Credit Rating	**Baa3**	**Baa3**	Baa3
Outlook	**stable**	**stable**	stable
Fitch			
Corporate Credit Rating	**BBB-**	**BB+**	BB+
Outlook	**stable**	**stable**	stable

On July 29, 2016, Fitch has upgraded the credit rating from BB+ to BBB- with a stable outlook.

21. SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

The following table provides additional information with regard to the consolidated statement of cash flows:

€ in millions	**H1/2016**	H1/2015
Interest paid	**260**	265
Income taxes paid	**457**	369

Cash paid for acquisitions (without investments in licenses) consisted of the following:

€ in millions	H1/2016	H1/2015
Assets acquired	**536**	185
Liabilities assumed	**-53**	-11
Noncontrolling interest	**-52**	-8
Notes assumed in connection with acquisitions	**-108**	-20
Cash paid	**323**	146
Cash acquired	**-23**	-4
Cash paid for acquisitions, net	**300**	142
Cash paid for investments, net of cash acquired	**92**	13
Cash paid for intangible assets, net	**5**	19
Total cash paid for acquisitions and investments, net of cash acquired, and net purchases of intangible assets	**397**	174

22. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

GENERAL

The consolidated segment reporting shown on pages 25 and 26 of this interim report is an integral part of the notes.

The Fresenius Group has identified the business segments Fresenius Medical Care, Fresenius Kabi, Fresenius Helios and Fresenius Vamed, which corresponds to the internal organizational and reporting structures (Management Approach) at June 30, 2016.

The business segments were identified in accordance with FASB ASC Topic 280, Segment Reporting, which defines the segment reporting requirements in the annual financial statements and interim reports with regard to the operating business, product and service businesses and regions. Further explanations with regard to the business segments can be found in the consolidated financial statements in the 2015 Annual Report.

NOTES ON THE BUSINESS SEGMENTS

Explanations regarding the notes on the business segments can be found in the consolidated financial statements in the 2015 Annual Report.

RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS

€ in millions	H1/2016	H1/2015
Total EBIT of reporting segments	**2,023**	1,836
Special items	**0**	-14
General corporate expenses Corporate/Other (EBIT)	**-13**	-14
Group EBIT	**2,010**	1,808
Net interest	**-291**	-330
Income before income taxes	**1,719**	1,478

RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	June 30, 2016	Dec. 31, 2015
Short-term debt	**1,000**	202
Short-term debt from related parties	**–**	4
Current portion of long-term debt and capital lease obligations	**491**	607
Current portion of Senior Notes	**350**	349
Long-term debt and capital lease obligations, less current portion	**5,084**	5,502
Senior Notes, less current portion	**7,189**	7,267
Convertible bonds	**846**	838
Debt	**14,960**	14,769
less cash and cash equivalents	**1,098**	1,044
Net debt	**13,862**	13,725

23. STOCK OPTIONS

FRESENIUS SE & CO. KGAA STOCK OPTION PLANS

As of June 30, 2016, Fresenius SE & Co. KGaA had three stock option plans in place: the Fresenius AG Stock Option Plan 2003 (2003 Plan) which is based on convertible bonds, the stock option based Fresenius SE Stock Option Plan 2008 (2008 Plan) and the Fresenius SE & Co. KGaA Long Term Incentive Program 2013 (2013 LTIP) which is based on stock options and phantom stocks. The 2013 LTIP is the only program under which stock options can be granted.

Transactions during the first half of 2016

During the first half of 2016, Fresenius SE & Co. KGaA received cash of €9.1 million from the exercise of 550,630 stock options.

385,786 convertible bonds were outstanding and exercisable under the 2003 Plan at June 30, 2016. The members of the Fresenius Management SE Management Board held no more convertible bonds. At June 30, 2016, out of 3,395,876 outstanding stock options issued under the 2008 Plan, 560,460 were held by the members of the Fresenius Management SE Management Board. 6,132,850 stock options issued under the 2013 LTIP were outstanding at June 30, 2016. The members of the Fresenius Management SE Management Board held 967,500 stock options. 900,975 phantom stocks issued under the 2013 LTIP were outstanding at June 30, 2016. The members of the Fresenius Management SE Management Board held 236,729 phantom stocks.

As of June 30, 2016, 3,781,662 options for ordinary shares were outstanding and exercisable. On June 30, 2016, total unrecognized compensation cost related to non-vested options granted under the 2008 Plan and the 2013 LTIP was €37 million. This cost is expected to be recognized over a weighted-average period of 2.6 years.

FRESENIUS MEDICAL CARE AG & CO. KGAA STOCK OPTION PLANS

During the first half of 2016, 435,469 stock options were exercised. Fresenius Medical Care AG & Co. KGaA received cash of €15.5 million upon exercise of these stock options and €4.3 million from a related tax benefit.

24. RELATED PARTY TRANSACTIONS

In 2015, Fresenius Medical Care provided unsecured loans to an associated company under customary conditions, which have been fully repaid as of June 30, 2016.

25. SUBSEQUENT EVENTS

There have been no significant changes in the Fresenius Group's operating environment following the end of the first half of 2016. No other events of material importance on the assets and liabilities, financial position, and results of operations of the Group have occurred following the end of the first half of 2016.

26. CORPORATE GOVERNANCE

For each consolidated stock exchange listed entity, the declaration pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz) has been issued and made available to shareholders on the website of Fresenius SE & Co. KGaA (www.fresenius.com/corporate-governance), and of Fresenius Medical Care AG & Co. KGaA (www.freseniusmedicalcare.com).

27. RESPONSIBILITY STATEMENT

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year."

Bad Homburg v. d. H., August 5, 2016

Fresenius SE Co. KGaA,
represented by:
Fresenius Management SE, its General Partner

The Management Board

S. Sturm	Dr. F. De Meo	Dr. J. Götz
M. Henriksson	R. Powell	Dr. E. Wastler

FINANCIAL CALENDAR

Report on 1st–3rd quarter 2016 Conference call, Live webcast	October 27, 2016
Annual General Meeting, Frankfurt am Main Live webcast of the speech of the Chairman of the Management Board	May 12, 2017

Subject to change

FRESENIUS SHARE / ADR

	Ordinary share
Securities identification no.	578 560
Ticker symbol	FRE
ISIN	DE0005785604
Bloomberg symbol	FRE GR
Reuters symbol	FREG.de
Main trading location	Frankfurt/Xetra

	ADR
CUSIP	35804M105
Ticker symbol	FSNUY
ISIN	US35804M1053
Structure	Sponsored Level 1 ADR
Ratio	4 ADR = 1 Share
Trading platform	OTCQX

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Chairman of the Supervisory Board: Dr. Gerd Krick

General Partner: Fresenius Management SE
Registered Office and Commercial Register: Bad Homburg v. d. H.; HRB 11673
Management Board: Stephan Sturm (President and CEO), Dr. Francesco De Meo, Dr. Jürgen Götz, Mats Henriksson, Rice Powell, Dr. Ernst Wastler
Chairman of the Supervisory Board: Dr. Gerd Krick

For additional information on the performance indicators used please refer to pages 25, 40, 56f., 100f. and 194 of the Annual Report 2015 of Fresenius SE & Co. KGaA . Constant currencies for income and expenses are calculated using prior year average rates; constant currencies for assets and liabilities are calculated using the mid-closing rate on the date of the respective statement of financial position (cf. Annual Report 2015, page 111 in the PDF https://www.fresenius.com/financial_reporting/Fresenius_GB_US_GAAP_2015_englisch.pdf).