FRESENIUS

Quarterly Financial Report of Fresenius Group

applying International Financial Reporting Standards (IFRS)

1st Quarter 2011

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FRESENIUS GROUP FIGURES AT A GLANCE

Fresenius is a health care group providing products and services for dialysis, hospitals and the medical care of patients at home. In addition, Fresenius focuses on hospital operation, as well as on engineering and services for hospitals and other health care facilities. In 2010, group sales were approximately €16.0 billion. On March 31, 2011, more than 140,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

SALES, EARNINGS, AND CASH FLOW

€ in millions	Q1/2011	Q1/2010	Change
Sales	3,962	3,643	9%
EBIT	578	495	17%
Net income [1]	171	115	49%
Earnings per ordinary share in € [1]	1.05	0.71	48%
Operating cash flow	280	439	-36%

BALANCE SHEET AND INVESTMENTS

€ in millions	March 31, 2011	Dec. 31, 2010	Change
Total assets	23,743	23,831	0%
Non-current assets	17,321	17,726	-2%
Equity	9,145	9,219	-1%
Net debt	7,823	7,908	-1%
Investments [2]	449	207	117%

RATIOS

€ in millions	Q1/2011	Q1/2010
EBITDA margin	18.8%	18.0%
EBIT margin	14.6%	13.6%
Depreciation and amortization in % of sales	4.2	4.4
Operating cash flow in % of sales	7.1	12.1
Equity ratio (March 31/December 31)	38.5%	38.7%
Net debt/EBITDA (March 31/December 31)	2.5	2.6

[1] Net income attributable to Fresenius SE & Co. KGaA; adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) relating to the acquisition of APP Pharmaceuticals. Both are non-cash items.
[2] Investments in property, plant and equipment and intangible assets, acquisitions (Q1)

INFORMATION ON THE BUSINESS SEGMENTS [1]

FRESENIUS MEDICAL CARE – Dialysis products, Dialysis care

US$ in millions	Q1/2011	Q1/2010	Change
Sales	3,036	2,882	5%
EBIT	445	425	5%
Net income [2]	221	211	5%
Operating cash flow	175	349	-50%
Capital expenditure/acquisitions	463	200	132%
R & D expenses	26	23	13%
Employees, per capita on balance sheet date (March 31/December 31)	78,985	77,442	2%

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

€ in millions	Q1/2011	Q1/2010	Change
Sales	960	800	20%
EBIT	197	145	36%
Net income [3]	87	46	89%
Operating cash flow	67	74	-9%
Capital expenditure/acquisitions	32	34	-6%
R & D expenses	38	33	15%
Employees, per capita on balance sheet date (March 31/December 31)	23,369	22,851	2%

FRESENIUS HELIOS – Hospital operation

€ in millions	Q1/2011	Q1/2010	Change
Sales	648	608	7%
EBIT	58	52	12%
Net income [4]	33	28	18%
Operating cash flow	68	36	89%
Capital expenditure/acquisitions	21	23	-9%
Employees, per capita on balance sheet date (March 31/December 31)	33,783	33,321	1%

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

€ in millions	Q1/2011	Q1/2010	Change
Sales	140	156	-10%
EBIT	5	7	-29%
Net income [5]	4	6	-33%
Operating cash flow	26	89	-71%
Capital expenditure/acquisitions	1	1	0%
Order intake	127	260	-51%
Employees, per capita on balance sheet date (March 31/December 31)	3,157	3,110	2%

[1] All segment data according to U.S. GAAP
[2] Net income attributable to Fresenius Medical Care AG & Co. KGaA
[3] Net income attributable to Fresenius Kabi AG
[4] Net income attributable to HELIOS Kliniken GmbH
[5] Net income attributable to VAMED AG

FRESENIUS SHARES

In the first quarter of 2011, the change of legal form from Fresenius SE into an SE & Co. KGaA in combination with the conversion of all preference shares into ordinary shares took effect. The ordinary shares of Fresenius SE & Co. KGaA commenced trading at the stock markets on January 31, 2011.

1ST QUARTER 2011

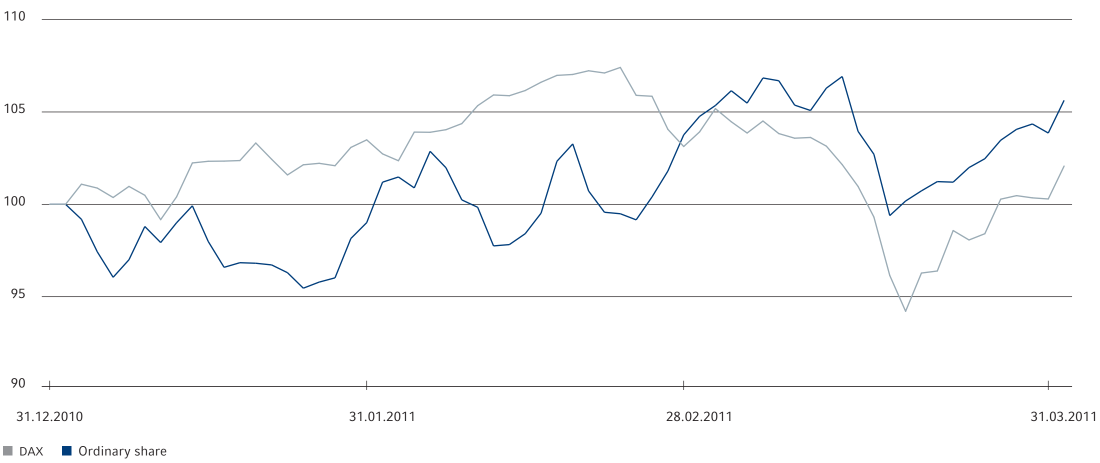
The Fresenius shares had a reluctant start into 2011 compared to the DAX. After the successful change of legal form in combination with the share conversion on January 28, 2011, an upwind considerably supported the Fresenius ordinary share price. But the positive development at the capital markets was impacted by the catastrophe in Japan in March 2011 .

The Fresenius share increased by 6% to €65.27 as of March 31, 2011, compared with the year-end quotation of 2010. In the same period, the DAX only grew by 2%.

In the first quarter of 2011, the Fresenius shares also improved the average daily trading volume by 12% compared to the average daily trading volume of fiscal year 2010[2].

RELATIVE SHARE PRICE PERFORMANCE VS. DAX

31.12.2010 = 100



KEY DATA OF THE FRESENIUS SHARE

	Q1/2011	2010	Change
Number of shares (March 31/December 31)	**162,450,090**	162,450,090[1]	
Quarter-end quotation in €	**65.27**	62.75	4%
High in €	**67.09**	67.59	-1%
Low in €	**59.90**	41.80	43%
Ø Trading volume (number of shares per trading day)	**482,111**	431,460[2]	12%
Market capitalization, € in millions (March 31/December 31)	**10,603**	10,301[3]	3%

[1] Number of shares of the legal predecessor Fresenius SE, equally divided into 81,225,045 preference shares and 81,225,045 ordinary shares
[2] Based on the average XETRA trading volume of both the ordinary and preference shares of the legal predecessor Fresenius SE in 2010
[3] Based on the XETRA closing prices of both the ordinary and preference shares of the legal predecessor Fresenius SE as of Dec. 31, 2010

MANAGEMENT REPORT

After record results in 2010, we are pleased to report strong sales and earnings growth for the first quarter of 2011. All of our business segments had an excellent start. We have seen particularly strong growth at Fresenius Kabi in North America, where we continue to benefit from successful product launches and supply constraints in the injectable drugs market. Based on Fresenius Kabi's prospects, Fresenius Medical Care's successful implementation of the ESRD prospective payment system in the United States and Fresenius Helios' strong earnings development, we raise our Group's sales and earnings guidance[1] for 2011.

EXCELLENT START INTO 2011 – FRESENIUS RAISES 2011 SALES AND EARNINGS OUTLOOK

- Group raises 2011 outlook for sales and earnings[1,2] growth
- Fresenius Medical Care and Fresenius Kabi raise 2011 outlook
- Fresenius Helios narrows earnings guidance to upper half of range
- Fresenius Vamed fully confirms guidance

	Q1/2011	at actual rates	in constant currency
Sales	**€4.0 bn**	+9%	+7%
EBIT	**€578 m**	+17%	+15%
Net income[2]	**€171 m**	+49%	+45%

HEALTH CARE INDUSTRY

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

The main growth factors are: the rising medical needs, stronger demand for innovative products and therapies, advances in medical technology as well as growing health consciousness, which increases the demand for health care services and facilities.

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

At the same time, the cost of health care is rising and claiming an ever-increasing share of national income.

Health care structures are being reviewed and possible cost-cutting potential identified in order to contain the steadily rising health care expenditures. Market-based elements are being introduced increasingly in the health care system to create incentives for cost and quality-conscious behaviour. Overall treatment cost shall be reduced through improved quality standards and optimized medical processes.

In addition, ever greater importance is being placed on disease prevention and innovative reimbursement models linked to treatment quality standards.

[1] According to U.S. GAAP
[2] Net income attributable to Fresenius SE & Co. KGaA; adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) relating to the acquisition of APP Pharmaceuticals. Both are non-cash items.

RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

SALES

Group sales increased by 9% (7% in constant currency) to €3,962 million (Q1 2010: €3,643 million). Organic sales growth was 6%. Acquisitions contributed a further 1%. Currency translation had a positive effect of 2%.

Organic sales growth was 5% in North America and 2% in Europe. Prior year sales in Europe were positively influenced by Fresenius Vamed's large medical supply contract to the Ukraine. Organic sales growth reached 13% in Latin America, 18% in Asia-Pacific and 28% in Africa.

EARNINGS

Group EBITDA increased by 14% (12% in constant currency) to €743 million (Q1 2010: €654 million). Group EBIT increased by 17% (15% in constant currency) to €578 million (Q1 2010: €495 million). The EBIT margin increased to 14.6% (Q1 2010: 13.6%).

Group net interest improved to -€135 million (Q1 2010: -€143 million).

The other financial result was -€62 million and includes valuation changes of the fair redemption value of the Mandatory Exchangeable Bonds (MEB) of -€67 million and the Contingent Value Rights (CVR) of €5 million. Both are non-cash items. The CVR were delisted in March 2011. The MEB will come to maturity in August 2011.

The Group tax rate[1] was 30.5% (Q1 2010: 33.0%). The prior year was impacted by non-tax deductible charges related to the devaluation of the Venezuelan Bolivar.

Noncontrolling interest increased to €137 million (Q1 2010: €121 million), of which 93% was attributable to the noncontrolling interest in Fresenius Medical Care.

EARNINGS

€ in millions	Q1/2011	Q1/2010
EBIT	**578**	495
Net income[2]	**171**	115
Net income[3]	**129**	84
Earnings per ordinary share in €[2]	**1.05**	0.71
Earnings per ordinary share in €[3]	**0.79**	0.52

Group net income[2] increased by 49% (45% in constant currency) to €171 million (Q1 2010: €115 million). Earnings per ordinary share increased by 48% to €1.05.

SALES BY REGION

€ in millions	Q1/2011	Q1/2010	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/ Divestitures	% of total sales
North America	**1,676**	1,579	6%	1%	5%	5%	0%	42%
Europe	**1,640**	1,560	5%	0%	5%	2%	3%	42%
Asia-Pacific	**362**	271	34%	7%	27%	18%	9%	9%
Latin America	**208**	175	19%	5%	14%	13%	1%	5%
Africa	**76**	58	31%	5%	26%	28%	-2%	2%
Total	**3,962**	3,643	9%	2%	7%	6%	1%	100%

SALES BY BUSINESS SEGMENT

€ in millions	Q1/2011	Q1/2010	Change at actual rates	Currency translations effects	Change at constant rates	Organic Growth	Acquisitions/ Divestitures	% of total sales
Fresenius Medical Care	**2,220**	2,084	7%	2%	5%	3%	2%	56%
Fresenius Kabi	**960**	800	20%	3%	17%	16%	1%	24%
Fresenius Helios	**648**	608	7%	0%	7%	5%	2%	16%
Fresenius Vamed	**140**	156	-10%	0%	-10%	-10%	0%	4%

All segment data according to U.S. GAAP

[1] Adjusted for the effect of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) related to the acquisition of APP Pharmaceuticals
[2] Net income attributable to Fresenius SE & Co. KGaA; adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) relating to the acquisition of APP Pharmaceuticals. Both are non-cash items.
[3] Net income attributable to Fresenius SE & Co. KGaA

RECONCILIATION TO GROUP NET INCOME

The Group's U.S. GAAP financial results as of March 31, 2011 and as of March 31, 2010 include the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) related to the acquisition of APP Pharmaceuticals. Those special items are recognized in the financial result of the "Corporate/Other" segment. Adjusted earnings represent the Group's business operations in the reporting period.

The table reconciles adjusted net income to net income according to IFRS in the first quarter:

RECONCILIATION

€ in millions	Q1/2011	Q1/2010
Earnings [1]	**171**	115
Other financial result:		
Mandatory Exchangeable Bonds (MEB) (mark-to-market)	**-47**	-49
Contingent Value Rights (CVR) (mark-to-market)	**5**	18
Earnings according to IFRS [2]	**129**	84

Both the Mandatory Exchangeable Bonds and the Contingent Value Rights are viewed as liabilities and therefore recognized with their fair redemption value. Valuation changes will lead to gains or expenses on a quarterly basis until maturity of the instruments. This will only have an effect on 2011 results. The CVR were delisted in March 2011. The MEB come to maturity in August 2011.

Group net income [2] (including special items) reached €129 million or €0.79 per ordinary share.

INVESTMENTS

The Fresenius Group spent €138 million on property, plant and equipment (Q1 2010: €126 million). Acquisition spending was €311 million (Q1 2010: €81 million), mainly due to acquisitions at Fresenius Medical Care.

CASH FLOW

Operating cash flow was €280 million (Q1 2010: €439 million). Strong earnings growth was more than offset by increased DSOs (days sales outstanding), primarily related to the introduction of the new Medicare end-stage renal disease prospective payment system in the U.S. dialysis service business, and raised inventory levels. The cash flow margin was 7.1% (Q1 2010: 12.1%). Net capital expenditure increased to €149 million (Q1 2010: €131 million). Free cash flow before acquisitions and dividends was €131 million (Q1 2010: €308 million). Free cash flow after acquisitions and dividends was -€132 million (Q1 2010: €218 million).

ASSET AND LIABILITY STRUCTURE

The Group's total assets were €23,743 million (Dec. 31, 2010: €23,831 million). In constant currency, the increase

INVESTMENTS BY BUSINESS SEGMENT

€ in millions	Q1/2011	Q1/2010	thereof property, plant and equipment	thereof acquisitions	Change	% of total
Fresenius Medical Care	**339**	145	86	253	134%	76%
Fresenius Kabi	**32**	34	31	1	-6%	7%
Fresenius Helios	**21**	23	17	4	-9%	5%
Fresenius Vamed	**1**	1	1	0	0%	0%
Corporate/Other	**54**	2	1	53	--	12%
IFRS Reconciliation	**2**	2	2	0	0%	0%
Total	**449**	207	138	311	117%	100%

All segment data according to U.S. GAAP

[1] Net income attributable to Fresenius SE & Co. KGaA; adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) relating to the acquisition of APP Pharmaceuticals. Both are non-cash items.
[2] Net income attributable to Fresenius SE & Co. KGaA

was 3%. Current assets increased by 5% (8% in constant currency) to €6,422 million (Dec. 31, 2010: €6,105 million). Non-current assets were €17,321 million (Dec. 31, 2010: €17,726 million). In constant currency, the increase was 2%.

Total shareholders' equity decreased by 1% to €9,145 million (Dec. 31, 2010: €9,219 million). In constant currency, the increase was 4%. The equity ratio was 38.5% (Dec. 31, 2010: 38.7%).

Group debt remained almost unchanged (4% growth in constant currency) at €8,717 million (Dec. 31, 2010: €8,677 million). Net debt decreased by 1% to €7,823 million (Dec. 31, 2010: €7,908 million). In constant currency, net debt increased by 3%.

The net debt/EBITDA ratio improved to 2.47 as of March 31, 2011 (Dec. 31, 2010: 2.57).

CHANGES TO THE SUPERVISORY BOARD

With the change of legal form of Fresenius SE into an SE & Co. KGaA, the SE-Works Council was replaced by a European Works Council. The employee representatives in the Supervisory Board of Fresenius SE & Co. KGaA were elected in the constitutive meeting of the European Works Council on May 5, 2011. These are now as follows:

- **Dario Ilossi,** Rome (Italy), Trade union officer FEMCA Cisl – Energy, Fashion and Chemicals
- **Konrad Kölbl,** Hof am Laithagebirge (Austria), Chairman of the Group Works Council VAMED AG
- **Dieter Reuß,** Weilrod, Chairman of the Joint Works Council Fresenius SE & Co. KGaA/Site Bad Homburg v. d. H.
- **Stefan Schubert,** Limburg-Staffel, Chairman of the Group Works Council of Wittgensteiner Kliniken GmbH
- **Rainer Stein,** Berlin, Chairman of the Group Works Council of HELIOS Kliniken GmbH
- **Niko Stumpfögger,** Zeuthen, Secretary of the trade union ver.di, Betriebs- und Branchenpolitik im Bereich Gesundheit und Soziales

The shareholder representatives in the Supervisory Board of Fresenius SE & Co. KGaA had been previously elected at the 2010 Annual General Meeting.

CASH FLOW STATEMENT (SUMMARY)

€ in millions	Q1/2011	Q1/2010	Change
Net income	266	205	30%
Depreciation and amortization	165	159	4%
Change in accruals for pensions	6	6	0%
Cash flow	**437**	370	18%
Change in working capital	-199	38	--
Changes in mark-to-market evaluation of the MEB and the CVR	42	31	35%
Operating cash flow	**280**	439	-36%
Property, plant and equipment	-152	-136	-12%
Proceeds from the sale of property, plant and equipment	3	5	-40%
Cash flow before acquisitions and dividends	**131**	308	-57%
Cash used for acquisitions/proceeds from disposals	-248	-66	--
Dividends	-15	-24	-38%
Free cash flow after acquisitions and dividends	**-132**	218	-161%
Cash provided by/used for financing activities (without dividends paid)	275	-187	--
Effect of exchange rates on change in cash and cash equivalents	-18	16	--
Net change in cash and cash equivalents	**125**	47	166%

BUSINESS SEGMENTS [1]

FRESENIUS MEDICAL CARE

Fresenius Medical Care is the world's leading provider of services and products for patients with chronic kidney failure. As of March 31, 2011, Fresenius Medical Care was treating 216,942 patients in 2,769 dialysis clinics.

US$ in millions	Q1/2011	Q1/2010	Change
Sales	**3,036**	2,882	5%
EBITDA	**581**	550	6%
EBIT	**445**	425	5%
Net income [2]	**221**	211	5%
Employees	**78,985**	77,442 (Dec 31, 2010)	2%

1ST QUARTER 2011

- Strong start into the year – despite the impact of the new Medicare prospective payment system in the U.S.
- Outlook 2011 raised: Sales above US$13 billion and net income [2] of US$1,070 million to US$1,090 million

Fresenius Medical Care achieved sales growth of 5% to US$3,036 million (Q1 2010: US$2,882 million). Organic growth was 3%, acquisitions contributed a further 2%.

Sales in dialysis service increased by 5% to US$2,285 million (Q1 2010: US$2,171 million). Dialysis product sales grew by 6% to US$751 million (Q1 2010: US$711 million).

In North America, sales increased by 1% to US$1,977 million (Q1 2010: US$1,960 million). Dialysis services sales increased by 1% to US$1,782 million. Average sales per treatment for U.S. clinics decreased to US$348 in the first quarter of 2011 compared to US$355 for the corresponding quarter in 2010 as a result of the implementation of the new Medicare end-stage renal disease prospective payment system. Dialysis product sales were US$195 million (Q1 2010: US$200 million).

Sales outside North America ("International" segment) grew by 14% to US$1,055 million (Q1 2010: US$922 million). Sales in dialysis services increased by 23% to US$503 million. Dialysis product sales increased by 8% to US$552 million, mainly driven by higher sales of peritoneal dialysis products, dialyzers, bloodlines and products for acute care treatments.

EBIT increased by 5% to US$445 million (Q1 2010: US$425 million) resulting in an EBIT margin of 14.7% (Q1 2010: 14.8%).

In North America, the EBIT margin increased to 15.8% (Q1 2010: 15.7%). The favorable development of pharmaceutical costs, was largely offset by the effects of the implementation of the new Medicare end-stage renal disease prospective payment system in the U.S.

In the International segment, the EBIT margin was 16.2% (Q1 2010: 16.4%).

Net income [2] increased by 5% to US$221 million (Q1 2010: US$211 million).

On March 8, 2011, Fresenius Medical Care announced the acquisition of all assets of Hema Metrics LLC related to its Crit-Line® system. Based on its strong dialysis product business and sales organization, Fresenius Medical Care intends to establish this technology as the standard of care for fluid and anemia management in the North American market.

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

[1] All segment data according to U.S. GAAP
[2] Net income attributable to 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 also is a leading provider of medical devices and transfusion technology products.

€ in millions	Q1/2011	Q1/2010	Change
Sales	**960**	800	20%
EBITDA	**234**	180	30%
EBIT	**197**	145	36%
Net income [1]	**87**	46	89%
Employees	**23,369**	22,851 (Dec 31, 2010)	2%

1ST QUARTER 2011

- Excellent first quarter – Outstanding organic sales growth of 16%
- Outlook 2011 raised: Organic sales growth >5% on top of challenging 2010 base – EBIT margin between 19% and 20%

Fresenius Kabi had a very successful start into 2011. Strong sales and earnings growth was mainly driven by continued high demand in North America. Product launches as well as continued supply constraints in the injectable drugs market which had expanded in March 2010 had a positive effect. Moreover, Fresenius Kabi achieved excellent organic sales growth of 10% outside of North America.

Sales increased by 20% to €960 million (Q1 2010: €800 million). Organic growth was excellent and increased by 16%. Acquisitions contributed 1%. Currency translation had a positive effect of 3%, mainly attributable to the strength of the currencies in China, Brazil and Australia against the Euro.

In Europe, sales grew by 10% to €449 million (Q1 2010: €409 million), driven by strong organic growth of 8%. In North America, sales increased by 42% to €254 million (Q1 2010: €179 million). Organic sales growth was an exceptional 39%. In Asia-Pacific, Fresenius Kabi achieved sales growth of 22% to €156 million (Q1 2010: €128 million), driven by organic sales growth of 16%. Sales in Latin America and Africa increased by 20% to €101 million (Q1 2010: €84 million) with organic sales growth contributing 13%.

EBIT grew by 36% to €197 million (Q1 2010: €145 million). The EBIT margin improved significantly to 20.5% (Q1 2010: 18.1%), driven by the strong development in North America.

Net interest improved to -€68 million (Q1 2010: -€74 million).

Net income [1] increased by 89% to €87 million (Q1 2010: €46 million).

Fresenius Kabi's operating cash flow was €67 million (Q1 2010: €74 million). The cash flow margin was 7.0% (Q1 2010: 9.3%). Cash flow before acquisitions and dividends was €22 million (Q1 2010: €42 million).

Special items relating to the acquisition of APP Pharmaceuticals are included in the segment "Corporate/Other".

[1] Net income attributable to Fresenius Kabi AG

FRESENIUS HELIOS

Fresenius Helios is one of the largest private hospital operators in Germany. The HELIOS Kliniken Group owns 63 hospitals, including five maximum care hospitals in Berlin-Buch, Erfurt, Krefeld, Schwerin and Wuppertal. HELIOS treats more than 2 million patients per year, thereof ~600,000 inpatients, and operates a total of more than 18,500 beds.

€ in millions	Q1/2011	Q1/2010	Change
Sales	**648**	608	7%
EBITDA	**79**	72	10%
EBIT	**58**	52	12%
Net income [1]	**33**	28	18%
Employees	**33,783**	33,321 (Dec 31, 2010)	1%

1ST QUARTER 2011

- Strong organic sales growth of 5% continued
- Excellent earnings growth – EBIT margin improved to 9.0%
- Outlook 2011 – EBIT guidance narrowed to upper half of range

Sales increased by 7% to €648 million (Q1 2010: €608 million). Organic sales growth was 5%, mainly driven by an increase in hospital admissions. Acquisitions contributed 2% to overall sales growth, due to the consolidation of St. Marienberg hospital in Helmstedt / Lower Saxony with 267 beds.

EBIT grew by 12% to €58 million (Q1 2010: €52 million). The EBIT margin improved to 9.0% (Q1 2010: 8.6%).

The established clinics increased sales by 5% to €639 million. EBIT improved by 12% to €58 million. The EBIT margin was at 9.1%.

Net income [1] increased by 18% to €33 million (Q1 2010: €28 million).

In the first quarter of 2011, Fresenius Helios announced the acquisition of the municipal hospital in Rottweil, south-western Germany. The 264-bed acute care clinic has approximately 600 employees and generated sales of approximately €31 million in 2009. The acquisition has been already approved by the German anti-trust authorities. Helios expects to close the transaction in the third quarter of 2011.

[1] Net income attributable to HELIOS Kliniken GmbH

FRESENIUS VAMED

Fresenius Vamed offers engineering and services for hospitals and other health care facilities.

€ in millions	Q1/2011	Q1/2010	Change
Sales	**140**	156	-10%
EBITDA	**7**	9	-22%
EBIT	**5**	7	-29%
Net income [1]	**4**	6	-33%
Employees	**3,157**	3,110 (Dec 31, 2010)	2%

1ST QUARTER 2011

- €842 million order backlog – new all-time high
- Sales and earnings fully in line with our expectations
- Outlook 2011 fully confirmed

Fresenius Vamed's sales reached €140 million (Q1 2010: €156 million). Sales in the project business were €84 million (Q1 2010: €102 million). Prior year sales included a substantial medical supply contract with the Ukraine. Sales in the service business increased by 4% to €56 million (Q1 2010: €54 million).

Fresenius Vamed achieved an EBIT of €5 million (Q1 2010: €7 million). The EBIT margin was 3.6%. Net income [1] was €4 million (Q1 2010: €6 million).

As of March 31, 2011, order backlog increased by 5% to a new all-time high of €842 million (Dec. 31, 2010: €801 million), driven by strong order intake of €127 million (Q1 2010: €260 million). Order intake includes a €67 million project to build a private health care facility in the Ukraine and a €29 million medical equipment contract for the National Cancer Institute in Malaysia.

[1] Net income attributable to VAMED AG

EMPLOYEES

As of March 31, 2011, Fresenius Group increased the number of its employees by 2% to 140,111 (Dec. 31, 2010: 137,552).

EMPLOYEES BY BUSINESS SEGMENT

Number of employees	Mar 31, 2011	Dec 31, 2010	Change
Fresenius Medical Care	78,985	77,442	2%
Fresenius Kabi	23,369	22,851	2%
Fresenius Helios	33,783	33,321	1%
Fresenius Vamed	3,157	3,110	2%
Corporate/Other	817	828	-1%
Total	**140,111**	137,552	2%

RESEARCH AND DEVELOPMENT

We place great importance on research and development at Fresenius, where we develop products and therapies for severely and chronically ill patients. High quality is crucial for providing patients with optimal care, improving their quality of life, and thus increasing their life expectancy. As an integral part of our corporate strategy, research and development also serves to secure the Company's economic growth and success.

RESEARCH AND DEVELOPMENT EXPENSES BY BUSINESS SEGMENT

€ in millions	Q1/2011	Q1/2010	Change
Fresenius Medical Care	19	17	12%
Fresenius Kabi	38	33	15%
Fresenius Helios	–	–	--
Fresenius Vamed	0	0	
Corporate/Other	6	7	-14%
IFRS Reconciliation	1	8	-88%
Total	**64**	65	-2%

All segment data according to U.S. GAAP

Fresenius focuses its R & D efforts on its core competencies in the following areas:

- Dialysis
- Infusion and nutrition therapies, generic IV drugs, and medical devices
- Antibody therapies

DIALYSIS

The R & D activities of Fresenius Medical Care are aimed at translating new in-sights into novel or improved developments and bring them to market as quickly as possible, and thus make an important contribution toward rendering the treatment of patients increasingly comfortable, safe, and individualized. On this basis, we continue to expand our global leadership in the dialysis market.

In the first quarter of 2011, Fresenius Medical Care expanded its activities in its key areas of strategic development.

INFUSION THERAPIES, GENERIC IV DRUGS, AND MEDICAL DEVICES

Fresenius Kabi's R & D activities concentrate on products for the treatment and care of critically and chronically ill patients. We develop products that help to support medical advancements in acute and post-acute are and improve the patient's quality of life. At the same time, we want to make high-quality treatments available to patients worldwide.

Our R & D strategy is aligned with this focus:

- develop innovative products in areas where we hold a leading position, such as blood volume replacement and clinical nutrition
- develop new formulations for drugs no longer protected by patent
- develop own generic drug formulations for the date when drugs go off-patent
- continue to develop and refine our existing portfolio of pharmaceuticals and medical devices.

A key focus of our R & D work is to expand global distribution of our product portfolio. We are constantly working on dossiers for the registration of our products for all the world's major markets.

ANTIBODY THERAPIES

Fresenius Biotech develops and commercializes innovative therapies with immunotherapeutic products. Two products are currently being marketed: firstly, ATG-Fresenius S in transplantation medicine and, secondly, the trifunctional antibody Removab for the treatment of cancer patients with malignant ascites.

Fresenius Biotech sales[1] increased by 16% to €7.3 million in the first quarter of 2011 (Q1 2010: €6.3 million). The immunosuppressive agent ATG contributed €6.5 million and the trifunctional antibody Removab (catumaxomab) €0.8 million to sales.

In March 2011, Fresenius Biotech received Paul-Ehrlich-Institut approval to use a polyclonal antibody in stem cell transplantations. As a result, ATG-Fresenius S now can be used in the indication "prophylaxis of graft-versus-host disease (GVHD) for unrelated stem cell transplant donors in adults".

In addition, reimbursement negotiations for Removab in Italy were successfully concluded.

In the first quarter of 2011[1], Fresenius Biotech's EBIT was -€7 million (Q1 2010: -€8 million).

OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the 2010 annual report, there have been no material changes in Fresenius' overall opportunities and risk situation. 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 38 to 43 in the Notes of this report.

SUBSEQUENT EVENTS

There were no significant changes in the Group position or environment sector since the end of the first quarter of 2011.

OUTLOOK 2011[1]

FRESENIUS GROUP

For 2011, Fresenius Group now expects sales growth of 7% to 8% and net income[2] growth of 12% to 16%, both in constant currency. Previously, the company expected sales growth of ≥7% and net income growth of 8% to 12%, both in constant currency.

The net debt/EBITDA ratio is expected to stay in the range of 2.5 to 3.0.

FRESENIUS MEDICAL CARE

Based on the strong financial results in the first quarter of 2011 and the elimination of the "transition adjustment" imposed on dialysis facilities (as part of the new Medicare end-stage renal disease prospective payment system) in the U.S., the company raises its outlook for the full year 2011.

Fresenius Medical Care now projects sales of more than US$13 billion. Previously, the company expected sales between US$12.8 billion and US$13.0 billion. Net income[3] is now expected between US$1,070 million and US$1,090 million. Previously, Fresenius Medical Care expected net income between US$1,035 million and US$1,055 million.

FRESENIUS KABI

Fresenius Kabi raises its outlook for 2011 and forecasts organic sales growth of >5%. Previously, organic sales growth of approximately 5% was expected. Furthermore, Fresenius Kabi expects an EBIT margin of 19% to 20% with net income[4] surpassing 2010 earnings. Previously, an EBIT margin of >19% was projected.

[1] According to U.S. GAAP
[2] Net income attributable to Fresenius SE & Co. KGaA; adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) relating to the acquisition of APP Pharmaceuticals. Both are non-cash items.
[3] Net income attributable to Fresenius Medical Care AG & Co. KGaA
[4] Net income attributable to Fresenius Kabi AG

FRESENIUS HELIOS

Fresenius Helios fully confirms its outlook for 2011. The company expects organic sales growth of 3% to 5%. EBIT is projected to increase to €250 million to €260 million; the company expects to achieve the upper half of this range.

FRESENIUS VAMED

Fresenius Vamed fully confirms its 2011 outlook and expects to achieve both sales and EBIT growth between 5% and 10%.

FRESENIUS BIOTECH

For 2011, Fresenius Biotech expects an EBIT of about -€30 million.

INVESTMENTS

The Group plans to invest approximately 5% of sales in property, plant and equipment.

EMPLOYEES

The number of employees in the Group will continue to rise in the future as a result of expected expansion. We expect that the percentage increase in the number of employees will be in the mid-single digits in 2011.

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.

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 the improvement of treatment concepts. We are concentrating our R&D activities on products and therapies for the treatment of patients with chronic kidney failure. Another focus is infusion and nutrition therapies and the development of generic IV drugs. In Biotechnology research, we will be focusing on the further clinical development of the antibody Removab.

GROUP FINANCIAL OUTLOOK 2011

	Previous guidance	New guidance
Sales, growth (in constant currency)	≥7%	7%–8%
Net income [1], growth (in constant currency)	8%–12%	12%–16%

According to U.S. GAAP
[1] Net income attributable to Fresenius SE & Co. KGaA, adjusted for the effects of the mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) relating to the acquisition of APP Pharmaceuticals. Both are non-cash items.

OUTLOOK 2011 BY BUSINESS SEGMENT

		Previous guidance	New guidance
Fresenius Medical Care	Sales	US$12.8 bn–US$13.0 bn	>US$13.0 bn
	Net income [1]	US$1,035 m–US$1,055 m	US$1,070 m–US$1,090 m
Fresenius Kabi	Sales, growth (organic)	~5%	>5%
	EBIT-margin	>19%	19%–20%
Fresenius Helios	Sales, growth (organic)	3%–5%	confirmed
	EBIT	€250 m–€260 m	upper half of range
Fresenius Vamed	Sales, growth	5%–10%	confirmed
	EBIT, growth	5%–10%	confirmed
Fresenius Biotech	EBIT	~-€30 m	confirmed

According to U.S. GAAP
[1] Net income attributable to Fresenius Medical Care AG & Co. KGaA

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

€ in millions	Q1/2011	Q1/2010
Sales	**3,962**	3,643
Cost of sales	**-2,632**	-2,469
Gross profit	**1,330**	1,174
Selling, general and administrative expenses	**-688**	-614
Research and development expenses	**-64**	-65
Operating income (EBIT)	**578**	495
Net interest	**-135**	-143
Other financial result	**-62**	-51
Financial result	**-197**	-194
Income before income taxes	**381**	301
Income taxes	**-115**	-96
Net income	**266**	205
Noncontrolling interest	**137**	121
Net income attributable to Fresenius SE & Co. KGaA	**129**	84
Earnings per ordinary share in €	**0.79**	0.52
Fully diluted earnings per ordinary share in €	**0.78**	0.52
Earnings per preference share in €	**n/a**	0.52
Fully diluted earnings per preference share in €	**n/a**	0.52

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	Q1/2011	Q1/2010
Net income	**266**	205
Other comprehensive income (loss)		
Foreign currency translation	**-357**	359
Cash flow hedges	**34**	-35
Income taxes related to components of other comprehensive income (loss)	**-4**	3
Other comprehensive income (loss)	**-327**	327
Total comprehensive income (loss)	**-61**	532
Comprehensive income (loss) attributable to noncontrolling interest	**-39**	272
Comprehensive income (loss) attributable to Fresenius SE & Co. KGaA	**-22**	260

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

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

€ in millions	March 31, 2011	Dec. 31, 2010
Cash and cash equivalents	894	769
Trade accounts receivable, less allowance for doubtful accounts	3,031	2,935
Accounts receivable from and loans to related parties	8	15
Inventories	1,489	1,411
Other current assets	1,000	975
I. Total current assets	**6,422**	6,105
Property, plant and equipment	3,851	3,955
Goodwill	11,149	11,568
Other intangible assets	1,163	1,227
Other non-current assets	716	538
Deferred taxes	442	438
II. Total non-current assets	**17,321**	17,726
Total assets	**23,743**	23,831
Trade accounts payable	624	691
Short-term accounts payable to related parties	1	2
Short-term accrued expenses and other short-term liabilities	2,928	2,855
Short-term debt	260	606
Short-term loans from related parties	2	2
Current portion of long-term debt and capital lease obligations	400	421
Mandatory Exchangeable Bonds	554	554
Trust preferred securities of Fresenius Medical Care Capital Trusts	458	468
Short-term accruals for income taxes	182	163
A. Total short-term liabilities	**5,409**	5,762
Long-term debt and capital lease obligations, less current portion	4,525	4,811
Senior Notes	3,072	2,369
Long-term accrued expenses and other long-term liabilities	445	507
Pension liabilities	324	319
Long-term accruals for income taxes	163	196
Deferred taxes	660	648
B. Total long-term liabilities	**9,189**	8,850
I. Total liabilities	**14,598**	14,612
A. Noncontrolling interest	**3,923**	3,979
Subscribed capital	162	162
Capital reserve	2,193	2,186
Other reserves	2,920	2,794
Accumulated other comprehensive income (loss)	-53	98
B. Total Fresenius SE & Co. KGaA shareholders' equity	**5,222**	5,240
II. Total shareholders' equity	**9,145**	9,219
Total liabilities and shareholders' equity	**23,743**	23,831

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	Q1/2011	Q1/2010
Operating activities		
Net income	**266**	205
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities		
Depreciation and amortization	**165**	159
Change in deferred taxes	**15**	-15
Gain on sale of fixed assets	**-2**	–
Changes in assets and liabilities, net of amounts from businesses acquired or disposed of		
Trade accounts receivable, net	**-180**	-55
Inventories	**-118**	-73
Other current and non-current assets	**28**	7
Accounts receivable from/payable to related parties	**7**	9
Trade accounts payable, accrued expenses and other short-term and long-term liabilities	**106**	175
Accruals for income taxes	**-7**	27
Net cash provided by operating activities	**280**	439
Investing activities		
Purchase of property, plant and equipment	**-152**	-136
Proceeds from sales of property, plant and equipment	**3**	5
Acquisitions and investments, net of cash acquired and net purchases of intangible assets	**-252**	-68
Proceeds from divestitures	**4**	2
Net cash used in investing activities	**-397**	-197
Financing activities		
Proceeds from short-term loans	**73**	81
Repayments of short-term loans	**-53**	-27
Proceeds from short-term loans from related parties	**–**	–
Repayments of short-term loans from related parties	**–**	–
Proceeds from long-term debt and capital lease obligations	**120**	127
Repayments of long-term debt and capital lease obligations	**-253**	-457
Proceeds from the issuance of Senior Notes	**756**	243
Changes of accounts receivable securitization program	**-373**	-155
Proceeds from the exercise of stock options	**4**	16
Dividends paid	**-15**	-24
Change in noncontrolling interest	**–**	-2
Exchange rate effect due to corporate financing	**1**	-13
Net cash provided by/used in financing activities	**260**	-211
Effect of exchange rate changes on cash and cash equivalents	**-18**	16
Net increase in cash and cash equivalents	**125**	47
Cash and cash equivalents at the beginning of the reporting period	**769**	420
Cash and cash equivalents at the end of the reporting period	**894**	467

ADDITIONAL INFORMATION ON PAYMENTS THAT ARE INCLUDED IN NET CASH PROVIDED BY OPERATING ACTIVITIES

€ in millions	Q1/2011	Q1/2010
Received interest	**12**	6
Paid interest	**-147**	-160
Income taxes paid	**-96**	-75

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)

	Ordinary shares		Preference shares		Subscribed Capital	
	Number of shares in thousand	Amount € in thousands	Number of shares in thousand	Amount € in thousands	Amount € in thousands	Amount € in millions
As of December 31, 2009	80,658	80,658	80,658	80,658	161,316	161
Proceeds from the exercise of stock options						
Compensation expense related to stock options						
Dividends paid						
Purchase of noncontrolling interest						
Comprehensive income (loss)						
Net income						
Other comprehensive income (loss)						
Cash flow hedges						
Foreign currency translation						
Comprehensive income						
As of March 31, 2010	80,658	80,658	80,658	80,658	161,316	161
As of December 31, 2010	81,225	81,225	81,225	81,225	162,450	162
Conversion of the preference shares into ordinary shares	81,225	81,225	-81,225	-81,225	0	0
Proceeds from the exercise of stock options						
Compensation expense related to stock options						
Dividends paid						
Sale of noncontrolling interest						
Liabilities for noncontrolling interest subject to put provisions						
Comprehensive income (loss)						
Net income						
Other comprehensive income (loss)						
Cash flow hedges						
Foreign currency translation						
Comprehensive income (loss)						
As of March 31, 2011	**162,450**	**162,450**	**0**	**0**	**162,450**	**162**

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

	Reserves					
	Capital reserve € in millions	Other reserves € in millions	Accumulated other comprehensive income (loss) € in millions	Total Fresenius SE & Co. KGaA shareholders' equity € in millions	Noncontrolling interest € in millions	Total shareholders' equity € in millions
As of December 31, 2009	2,120	2,360	-133	4,508	3,400	7,908
Proceeds from the exercise of stock options	4			4	12	16
Compensation expense related to stock options	5			5	3	8
Dividends paid				0	-19	-19
Purchase of noncontrolling interest				0	9	9
Comprehensive income (loss)						
Net income		84		84	121	205
Other comprehensive income (loss)						
Cash flow hedges			-25	-25	0	-25
Foreign currency translation			201	201	151	352
Comprehensive income		84	176	260	272	532
As of March 31, 2010	2,129	2,444	43	4,777	3,677	8,454
As of December 31, 2010	2,186	2,794	98	5,240	3,979	9,219
Conversion of the preference shares into ordinary shares				0	0	0
Proceeds from the exercise of stock options	2			2	2	4
Compensation expense related to stock options	5			5	3	8
Dividends paid				0	-15	-15
Sale of noncontrolling interest				0	-2	-2
Liabilities for noncontrolling interest subject to put provisions		-3		-3	-5	-8
Comprehensive income (loss)						
Net income		129		129	137	266
Other comprehensive income (loss)						
Cash flow hedges			23	23	0	23
Foreign currency translation			-174	-174	-176	-350
Comprehensive income (loss)		129	-151	-22	-39	-61
As of March 31, 2011	**2,193**	**2,920**	**-53**	**5,222**	**3,923**	**9,145**

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

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

	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed		
by business segment, € in millions	**2011**	2010	Change	**2011**	2010	Change	**2011**	2010	Change	**2011**	2010	Change
Sales	**2,220**	2,084	7%	**960**	800	20%	**648**	608	7%	**140**	156	-10%
thereof contribution to consolidated sales	**2,219**	2,084	6%	**949**	790	20%	**648**	608	7%	**140**	156	-10%
thereof intercompany sales	**1**	–	--	**11**	10	10%	**0**	0		**–**	0	
contribution to consolidated sales	**56%**	57%		**24%**	22%		**16%**	17%		**4%**	4%	
EBITDA	**425**	397	7%	**234**	180	30%	**79**	72	10%	**7**	9	-22%
Depreciation and amortization	**100**	90	11%	**37**	35	6%	**21**	20	5%	**2**	2	0%
EBIT	**325**	307	6%	**197**	145	36%	**58**	52	12%	**5**	7	-29%
Net interest	**-52**	-49	-6%	**-68**	-74	8%	**-13**	-13	0%	**–**	1	--
Income taxes	**-91**	-92	1%	**-37**	-21	-76%	**-8**	-8	0%	**-1**	-2	50%
Net income attributable to Fresenius SE & Co. KGaA	**161**	153	5%	**87**	46	89%	**33**	28	18%	**4**	6	-33%
Operating cash flow	**128**	252	-49%	**67**	74	-9%	**68**	36	89%	**26**	89	-71%
Cash flow before acquisitions and dividends	**45**	181	-75%	**22**	42	-48%	**51**	14	--	**25**	88	-72%
Total assets[1]	**12,750**	12,793	0%	**6,657**	6,860	-3%	**3,274**	3,270	0%	**605**	549	10%
Debt[1]	**4,503**	4,400	2%	**4,103**	4,298	-5%	**1,053**	1,096	-4%	**23**	16	44%
Other operating liabilities[1]	**2,096**	2,157	-3%	**1,048**	1,102	-5%	**780**	760	3%	**372**	326	14%
Capital expenditure, gross	**86**	77	12%	**31**	21	48%	**17**	23	-26%	**1**	1	0%
Acquisitions, gross/investments	**253**	68	--	**1**	13	-92%	**4**	–	--	**0**	–	--
Research and development expenses	**19**	17	12%	**38**	33	15%	**–**	–	--	**0**	0	
Employees (per capita on balance sheet date)[1]	**78,985**	77,442	2%	**23,369**	22,851	2%	**33,783**	33,321	1%	**3,157**	3,110	2%
Key figures												
EBITDA margin	**19.1%**	19.1%		**24.4%**	22.5%		**12.2%**	11.8%		**5.0%**	5.8%	
EBIT margin	**14.7%**	14.8%		**20.5%**	18.1%		**9.0%**	8.6%		**3.6%**	4.5%	
Depreciation and amortization in % of sales	**4.5%**	4.3%		**3.9%**	4.4%		**3.2%**	3.3%		**1.4%**	1.3%	
Operating cash flow in % of sales	**5.8%**	12.1%		**7.0%**	9.3%		**10.5%**	5.9%		**18.6%**	57.1%	
ROOA[1]	**12.2%**	12.5%		**12.6%**	11.9%		**7.9%**	7.8%		**18.3%**	22.2%	

[1] 2010: December 31

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

by business segment, € in millions	Corporate/Other[2] 2011	Corporate/Other[2] 2010	Corporate/Other[2] Change	IFRS-Reconciliation 2011	IFRS-Reconciliation 2010	IFRS-Reconciliation Change	Fresenius Group 2011	Fresenius Group 2010	Fresenius Group Change
Sales	**-6**	-5	-20%	**0**	0		**3,962**	3,643	9%
thereof contribution to consolidated sales	**6**	5	20%	**0**	0		**3,962**	3,643	9%
thereof intercompany sales	**-12**	-10	-20%	**0**	0		**0**	0	
contribution to consolidated sales	**0%**	0%		**0%**	0%		**100%**	100%	
EBITDA	**-8**	-8	0%	**6**	4	50%	**743**	654	14%
Depreciation and amortization	**2**	2	0%	**3**	10	-70%	**165**	159	4%
EBIT	**-10**	-10	0%	**3**	-6	150%	**578**	495	17%
Net interest	**-2**	-8	75%	**0**	0		**-135**	-143	6%
Income taxes	**22**	24	-8%	**0**	3	-100%	**-115**	-96	-20%
Net income attributable to Fresenius SE & Co. KGaA	**-157**	-145	-8%	**1**	-4	125%	**129**	84	54%
Operating cash flow	**-11**	-13	15%	**2**	1	100%	**280**	439	-36%
Cash flow before acquisitions and dividends	**-12**	-17	29%	**0**	0		**131**	308	-57%
Total assets[1]	**286**	105	172%	**171**	254	-33%	**23,743**	23,831	0%
Debt[1]	**-859**	-1,026	16%	**-106**	-107	1%	**8,717**	8,677	0%
Other operating liabilities[1]	**878**	833	5%	**47**	109	-57%	**5,221**	5,287	-1%
Capital expenditure, gross	**1**	2	-50%	**2**	2	0%	**138**	126	10%
Acquisitions, gross/investments	**53**	0		**0**	0		**311**	81	--
Research and development expenses	**6**	7	-14%	**1**	8	-88%	**64**	65	-2%
Employees (per capita on balance sheet date)[1]	**817**	828	-1%	**0**	0		**140,111**	137,552	2%
Key figures									
EBITDA margin							**18.8%**	18.0%	
EBIT margin							**14.6%**	13.6%	
Depreciation and amortization in % of sales							**4.2%**	4.4%	
Operating cash flow in % of sales							**7.1%**	12.1%	
ROOA[1]							**11.5%**	11.4%	

[1] 2010: December 31
[2] Including special items from the acquisition of APP Pharmaceuticals, Inc.

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 worldwide operating health care group with products and services for dialysis, the hospital and the medical care of patients at home. Further areas of activity are hospital operations as well as engineering and services for hospitals and other health care facilities. In addition to the activities of the parent company Fresenius SE & Co. KGaA, Bad Homburg v. d. Höhe, the operating activities were split into the following legally-independent business segments (subgroups) as of March 31, 2011:

- 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. CHANGE OF FRESENIUS SE'S LEGAL FORM INTO A PARTNERSHIP LIMITED BY SHARES (KOMMANDITGESELLSCHAFT AUF AKTIEN) AND CONVERSION OF THE PREFERENCE SHARES INTO ORDINARY SHARES

On May 12, 2010, Fresenius SE's Annual General Meeting approved the change of Fresenius SE's legal form into a partnership limited by shares (Kommanditgesellschaft auf Aktien, KGaA) with the name Fresenius SE & Co. KGaA in combination with the conversion of all non-voting preference shares into voting ordinary shares. The change of legal form as well as the conversion of shares was also approved by the preference shareholders through a special resolution.

Upon registration with the commercial register of the local court in Bad Homburg v. d. Höhe, the change of legal form into Fresenius SE & Co. KGaA became effective on January 28, 2011. According to the resolution passed, the holders of preference shares received one ordinary share of Fresenius SE & Co. KGaA for each preference share held in Fresenius SE; the ordinary shareholders received one ordinary share of Fresenius SE & Co. KGaA for each ordinary share held in Fresenius SE. The notional proportion of each non-par value share in the subscribed capital as well as the subscribed capital itself remained unchanged. The change of Fresenius SE's legal form into a KGaA neither led to the liquidation of the Company nor to the formation of a new legal entity. The legal and commercial identity of the Company was preserved.

The legal form of the KGaA enables Fresenius to achieve the benefits of a single share class while maintaining the control position of the Else Kröner-Fresenius-Stiftung which held approximately 58% of the ordinary shares in Fresenius SE prior to the change. The European company Fresenius Management SE, a wholly-owned subsidiary of the Else Kröner-Fresenius-Stiftung, is the general partner (Komplementärin) of Fresenius SE & Co. KGaA. Concerning the personnel composition, the Management Board of Fresenius Management SE is identical to the previous Fresenius SE Management Board and has taken over the management of Fresenius SE & Co. KGaA. The Else Kröner-Fresenius-Stiftung's right to provide the general partner is tied to the holding of more than 10% of the subscribed capital in Fresenius SE & Co. KGaA.

In addition to the existing Conditional Capitals, three Authorized Capitals were created with the articles of association that were determined by the Annual General Meeting. These can be used as an alternative source of shares for Fresenius SE & Co. KGaA's three stock option plans.

The effects of the change of legal form are described in the respective notes.

The registration of the change of legal form with the commercial register was finally cleared following a court settlement of pending disputes initiated by minority shareholders.

III. BASIS OF PRESENTATION

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 the United States Generally Accepted Accounting Principles (U.S. GAAP).

The accompanying condensed interim financial statements comply with the International Accounting Standard (IAS) 34. They have been prepared in accordance with the IFRS in force on the reporting date and adopted by the European Union.

The accounting policies underlying these interim financial statements are mainly the same as those applied in the consolidated financial statements as of December 31, 2010.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The condensed consolidated financial statements and management report for the first quarter ended March 31, 2011 have not been audited nor reviewed and should be read in conjunction with the notes included and published in the consolidated financial statements as of December 31, 2010 applying Section 315a HGB in accordance with IFRS.

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 quarter ended March 31, 2011 include all adjustments that, in the opinion of the Management Board, are of a normal and recurring nature, 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 quarter ended March 31, 2011 are not necessarily indicative of the results of operations for the fiscal year 2011.

Classifications

Certain items in the consolidated financial statements for the first quarter of 2010 and for the year 2010 have been reclassified to conform with the current year's presentation.

Use of estimates

The preparation of consolidated financial statements in conformity with IFRS requires the 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.

V. RECENT PRONOUNCEMENTS, APPLIED

The Fresenius Group has prepared its consolidated financial statements at March 31, 2011 in conformity with IFRS in force for interim periods on January 1, 2011.

In the first quarter of 2011, the Fresenius Group did not apply any new standards relevant for its business for the first time.

VI. RECENT PRONOUNCEMENTS, NOT YET APPLIED

The International Accounting Standards Board (IASB) issued the following for the Fresenius Group relevant new standards:

In October 2010, the IASB issued additions to IFRS 9, Financial Instruments for the accounting of financial liabilities. These additions complete the classification and measurement of financial instruments phase of the project to replace IAS 39, Financial Instruments: Recognition and Measurement. The new guidance requires entities that choose to measure financial liabilities at fair value to generally present changes in the entity's own credit risk in other comprehensive income (loss). Other current accounting guidance for financial liabilities has been maintained. In November 2009, the IASB issued IFRS 9, Financial Instruments for the accounting of financial assets, which replaces the IAS 39 financial asset categories with two categories. Financial assets that have basic loan features and are managed on a contractual yield basis must be measured at amortized cost. All other financial assets are measured at fair value through profit and loss, whereby for strategic equity investments there is an option to record changes in fair value through other comprehensive income (loss). IFRS 9 is effective for fiscal years beginning on or after January 1, 2013. Earlier adoption is permitted. Entities shall only apply the changes to financial liabilities in earlier periods if the guidance on financial assets is also applied. The Fresenius Group is currently evaluating the impact on its consolidated financial statements and considering the most appropriate implementation date.

The EU Commission's endorsement of IFRS 9 is still outstanding.

The Fresenius Group does not generally adopt new accounting standards before compulsory adoption date.

2. ACQUISITIONS AND INVESTMENTS

The Fresenius Group made acquisitions and investments of €311 million and €81 million in the first quarter of 2011 and 2010, respectively. Of this amount, €252 million was paid in cash and €59 million was assumed obligations in the first quarter of 2011.

In the first quarter of 2011, Fresenius Medical Care spent €253 million on acquisitions, that consisted of the following:

During the first quarter of 2011, Fresenius Medical Care loaned €207 million to Renal Advantage Partners LLC, the parent company of Renal Advantage, Inc., a provider of dialysis services, which included a conversion right for a minority equity interest in Renal Advantage Partners LLC. The conversion right was exercised and became effective May 1, 2011. This amount is classified within other non-current assets in the consolidated statement of financial position. Additionally, Fresenius Medical Care has entered into agreements to provide renal products and pharmaceutical supplies as well as other services to Renal Advantage Partners LLC and Liberty Dialysis, Inc. Further spending on acquisitions related mainly to the purchase of dialysis clinics.

In January 2011, Fresenius Medical Care announced the signing of a purchase agreement to acquire International Dialysis Centers (IDC), Euromedic International's dialysis service business for €485 million. IDC currently treats over 8,200 hemodialysis patients predominantly in Central and Eastern Europe and operates a total of 70 clinics in 9 countries. Closing is subject to necessary regulatory approvals by the relevant anti-trust authorities and is expected to occur in the second quarter of 2011.

Fresenius Helios spent €4 million on acquisitions, mainly for an additional purchase price payment for the HELIOS St. Marienberg Klinik Helmstedt GmbH, Germany, in the first quarter of 2011.

In the first quarter of 2011, in the segment Corporate/Other, the remaining shares of HELIOS Kliniken GmbH, Germany, were acquired for a purchase price of €54 million.

NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

Net income attributable to Fresenius SE & Co. KGaA for the first quarter of 2011 in the amount of €129 million includes several special items relating to the acquisition of APP Pharmaceuticals, Inc. (APP) in 2008. These special items in a total amount of -€42 million (before tax: -€62 million) are described in note 5, Other financial result. Net income attributable to Fresenius SE & Co. KGaA before special items was €171 million (Q1 2010: €115 million).

3. SALES

Sales by activity were as follows:

€ in millions	Q1/2011	Q1/2010
Sales of services	**2,390**	2,242
Sales of products and related goods	**1,486**	1,298
Sales from long-term production contracts	**86**	103
Other sales	**–**	–
Sales	**3,962**	3,643

4. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of €64 million (Q1 2010: €65 million) included expenditure for research and non-capitalizable development costs as well as depreciation and amortization expenses relating to capitalized development costs of €3 million (Q1 2010: €9 million). In the first quarter of 2011, research and development expenses did not include impairments on capitalized development expenses (Q1 2010: €7 million). In the first quarter of 2010, these related to in-process R & D of one product approval project, which was acquired through the APP acquisition.

5. OTHER FINANCIAL RESULT

The item other financial result includes the following special expenses and income with regard to the acquisition of APP and its financing:

The Contingent Value Rights (CVR) awarded to the APP shareholders were traded on the NASDAQ Stock Exchange in the United States. Following a request to the U.S. Securities and Exchange Commission, in the first quarter of 2011, the CVR were deregistered and delisted from the NASDAQ due to the expiration of the underlying agreement and became valueless. As a result, an income of €5 million was recognized in the first quarter of 2011 (Q1 2010: income of €18 million resulting from the valuation of the liability).

Due to their contractual definition, the issued Mandatory Exchangeable Bonds (MEB) include derivative financial instruments that have to be measured at fair value. This measurement resulted in an expense (before tax) of €67 million in the first quarter of 2011 (Q1 2010: expense before tax of €69 million).

6. TAXES

For the tax year 1997, Fresenius Medical Care recognized an impairment of one of its subsidiaries which the German tax authorities disallowed in 2003 at the conclusion of their audit for the years 1996 and 1997. Fresenius Medical Care has filed a complaint with the appropriate German court to challenge the tax authorities' decision. In January 2011, Fresenius Medical Care reached an agreement with the tax authorities, estimated to be slightly more favorable than the tax benefit recognized previously. The additional benefit is expected to be recognized in 2011.

Furthermore, during the first quarter of 2011, there were no material changes relating to tax audits, accruals for income taxes 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 as of December 31, 2010 applying Section 315a HGB in accordance with IFRS.

7. EARNINGS PER SHARE

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

	Q1/2011	Q1/2010
Numerators, € in millions		
Net income attributable to Fresenius SE Co. KGaA	**129**	84
less effect from dilution due to Fresenius Medical Care shares	**–**	–
Income available to all classes of shares	**129**	84
Denominators in number of shares		
Weighted-average number of ordinary shares outstanding	**162,450,090**	80,657,688
Weighted-average number of preference shares outstanding	**0**	80,657,688
Weighted-average number of shares outstanding of all classes	**162,450,090**	161,315,376
Potentially dilutive ordinary shares	**1,583,405**	577,285
Potentially dilutive preference shares	**0**	577,285
Weighted-average number of ordinary shares outstanding assuming dilution	**164,033,495**	81,234,973
Weighted-average number of preference shares outstanding assuming dilution	**0**	81,234,973
Weighted-average number of shares outstanding of all classes assuming dilution	**164,033,495**	162,469,946
Basic earnings per ordinary share in €	**0.79**	0.52
Preference per preference share in €[1]	**n/a**	0.00
Basic earnings per preference share in €	**n/a**	0.52
Fully diluted earnings per ordinary share in €	**0.78**	0.52
Preference per preference share in €[1]	**n/a**	0.00
Fully diluted earnings per preference share in €	**n/a**	0.52

[1] Until December 31, 2010

Due to the conversion of the preference into ordinary shares in combination with the change of legal form, the dilutive effects are only calculated on ordinary shares as of the fiscal year 2011.

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8. CASH AND CASH EQUIVALENTS

As of March 31, 2011 and December 31, 2010, cash and cash equivalents were as follows:

€ in millions	March 31, 2011	Dec. 31, 2010
Cash	**750**	650
Time deposits and securities (with a maturity of up to 90 days)	**144**	119
Total cash and cash equivalents	**894**	769

As of March 31, 2011 and December 31, 2010, earmarked funds of €145 million and €65 million, respectively, were included in cash and cash equivalents.

9. TRADE ACCOUNTS RECEIVABLE

As of March 31, 2011 and December 31, 2010, trade accounts receivable were as follows:

€ in millions	March 31, 2011	Dec. 31, 2010
Trade accounts receivable	**3,347**	3,252
less allowance for doubtful accounts	**316**	317
Trade accounts receivable, net	**3,031**	2,935

10. INVENTORIES

As of March 31, 2011 and December 31, 2010, inventories consisted of the following:

€ in millions	March 31, 2011	Dec. 31, 2010
Raw materials and purchased components	**347**	350
Work in process	**265**	255
Finished goods	**940**	874
less reserves	**63**	68
Inventories, net	**1,489**	1,411

11. OTHER CURRENT AND NON-CURRENT ASSETS

The investments and long-term loans comprised investments in an amount of €194 million as of March 31, 2011 (December 31, 2010: €190 million), that were accounted for under the equity method. In the first quarter of 2011, income of €6 million (Q1 2010: €1 million) resulting from this valuation was included in general and administrative expenses in the consolidated statement of income. Furthermore, other non-current assets include € 207 million which Fresenius Medical Care loaned to Renal Advantage Partners LLC.

12. GOODWILL AND OTHER INTANGIBLE ASSETS

As of March 31, 2011 and December 31, 2010, intangible assets, split into amortizable and non-amortizable intangible assets, consisted of the following:

AMORTIZABLE INTANGIBLE ASSETS

	March 31, 2011			Dec. 31, 2010		
€ in millions	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Patents, product and distribution rights	**591**	**144**	**447**	617	139	478
Technology	**80**	**19**	**61**	83	19	64
Non-compete agreements	**174**	**121**	**53**	184	125	59
Capitalized development costs	**329**	**101**	**228**	344	101	243
Other	**486**	**281**	**205**	489	283	206
Total	**1,660**	**666**	**994**	1,717	667	1,050

NON-AMORTIZABLE INTANGIBLE ASSETS

€ in millions	March 31, 2011 Acquisition cost	March 31, 2011 Accumulated amortization	March 31, 2011 Carrying amount	Dec. 31, 2010 Acquisition cost	Dec. 31, 2010 Accumulated amortization	Dec. 31, 2010 Carrying amount
Tradenames	**163**	**0**	**163**	173	0	173
Management contracts	**6**	**0**	**6**	4	0	4
Goodwill	**11,149**	**0**	**11,149**	11,568	0	11,568
Total	**11,318**	**0**	**11,318**	11,745	0	11,745

In the second quarter of 2010, administrative services agreements of Fresenius Medical Care in an amount of US$215 million (€162 million) were reclassified from the category management contracts to goodwill due to a change in New York state regulations that allowed Fresenius Medical Care, beginning in April 2010, to directly own the managed facilities in that state.

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

€ in millions	Q2–4/2011	2012	2013	2014	2015	Q1/2016
Estimated amortization expenses	78	103	98	92	85	21

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, 2010	**5,213**	**3,571**	**1,619**	**44**	**6**	**10,453**
Additions	323	30	1	4	0	358
Reclassifications	162	0	0	0	0	162
Foreign currency translation	392	203	0	0	0	595
Carrying amount as of December 31, 2010	**6,090**	**3,804**	**1,620**	**48**	**6**	**11,568**
Additions	12	–	73	0	0	85
Foreign currency translation	-334	-170	0	0	0	-504
Carrying amount as of March 31, 2011	**5,768**	**3,634**	**1,693**	**48**	**6**	**11,149**

As of March 31, 2011 and December 31, 2010, the carrying amounts of the other non-amortizable intangible assets were €154 million and €161 million, respectively, for Fresenius Medical Care as well as €15 million and €16 million, respectively, for Fresenius Kabi.

13. DEBT AND CAPITAL LEASE OBLIGATIONS

SHORT-TERM DEBT

The Fresenius Group had short-term debt of €260 million and €606 million at March 31, 2011 and December 31, 2010, respectively. As of March 31, 2011, this debt consisted of borrowings by certain subsidiaries of the Fresenius Group under lines of credit with commercial banks.

LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

As of March 31, 2011 and December 31, 2010, long-term debt and capital lease obligations consisted of the following:

€ in millions	March 31, 2011	Dec. 31, 2010
Fresenius Medical Care 2006 Senior Credit Agreement	**1,998**	2,211
2008 Senior Credit Agreement	**1,405**	1,484
Euro Notes	**800**	800
European Investment Bank Agreements	**524**	531
Capital lease obligations	**51**	54
Other	**255**	262
Subtotal	**5,033**	5,342
less current portion	**400**	421
less financing cost	**108**	110
Long-term debt and capital lease obligations, less current portion	**4,525**	4,811

Fresenius Medical Care 2006 Senior Credit Agreement

Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) and several of its subsidiaries entered into a US$4.6 billion syndicated credit facility (Fresenius Medical Care 2006 Senior Credit Agreement) with several banks and institutional investors on March 31, 2006 which replaced a prior credit agreement.

Since entering into the 2006 Senior Credit Agreement, amendments and voluntary prepayments have been made which have resulted in a change of the total amount available under this facility.

The following tables show the available and outstanding amounts under the Fresenius Medical Care 2006 Senior Credit Agreement at March 31, 2011 and December 31, 2010:

	March 31, 2011			
	Maximum amount available		**Balance outstanding**	
	US$ in millions	€ in millions	**US$ in millions**	**€ in millions**
Revolving Credit	1,200	845	**0**	**0**
Term Loan A	1,305	919	**1,305**	**919**
Term Loan B	1,534	1,079	**1,534**	**1,079**
Total	4,039	2,843	**2,839**	**1,998**

	Dec. 31, 2010			
	Maximum amount available		**Balance outstanding**	
	US$ in millions	€ in millions	**US$ in millions**	**€ in millions**
Revolving Credit	1,200	898	**81**	**61**
Term Loan A	1,335	999	**1,335**	**999**
Term Loan B	1,538	1,151	**1,538**	**1,151**
Total	4,073	3,048	**2,954**	**2,211**

In addition, at March 31, 2011 and December 31, 2010, US$99 million and US$122 million, respectively, were utilized as letters of credit which were not included as part of the balances outstanding at those dates.

As of March 31, 2011, FMC-AG & Co. KGaA and its subsidiaries were in compliance with all covenants under the Fresenius Medical Care 2006 Senior Credit Agreement.

2008 Senior Credit Agreement

On August 20, 2008, in connection with the acquisition of APP Pharmaceuticals, Inc., the Fresenius Group entered into a syndicated credit agreement (2008 Senior Credit Agreement) in an original amount of US$2.45 billion.

Since entering into the 2008 Senior Credit Agreement, amendments and voluntary prepayments have been made which have resulted in a change of the total amount available under this facility.

The following tables show the available and outstanding amounts under the 2008 Senior Credit Agreement at March 31, 2011 and December 31, 2010:

	March 31, 2011			
	Maximum amount available	€ in millions	**Balance outstanding**	**€ in millions**
Revolving Credit Facilities	US$550 million	387	**US$0 million**	**0**
Term Loan A	US$782 million	551	**US$782 million**	**551**
Term Loan D (in US$)	US$984 million	692	**US$984 million**	**692**
Term Loan D (in €)	€162 million	162	**€162 million**	**162**
Total		1,792		**1,405**

	Dec. 31, 2010			
	Maximum amount available	€ in millions	**Balance outstanding**	**€ in millions**
Revolving Credit Facilities	US$550 million	411	**US$0 million**	**0**
Term Loan A	US$782 million	586	**US$782 million**	**586**
Term Loan C (in US$)	US$984 million	736	**US$984 million**	**736**
Term Loan C (in €)	€162 million	162	**€162 million**	**162**
Total		1,895		**1,484**

In March 2011, the 2008 Senior Credit Agreement was amended to refinance Term Loan C. As a result, the tranches of Term Loan C were replaced in full by Term Loan D tranches with lower interest rates.

As of March 31, 2011, the Fresenius Group was in compliance with all covenants under the 2008 Senior Credit Agreement.

Euro Notes

As of March 31, 2011 and December 31, 2010, Euro Notes (Schuldscheindarlehen) of the Fresenius Group consisted of the following:

			Book value/nominal value € in millions	
	Maturity	Interest rate	**March 31, 2011**	Dec. 31, 2010
Fresenius Finance B.V. 2008/2012	April 2, 2012	5.59%	**62**	62
Fresenius Finance B.V. 2008/2012	April 2, 2012	variable	**138**	138
Fresenius Finance B.V. 2007/2012	July 2, 2012	5.51%	**26**	26
Fresenius Finance B.V. 2007/2012	July 2, 2012	variable	**74**	74
Fresenius Finance B.V. 2008/2014	April 2, 2014	5.98%	**112**	112
Fresenius Finance B.V. 2008/2014	April 2, 2014	variable	**88**	88
Fresenius Finance B.V. 2007/2014	July 2, 2014	5.75%	**38**	38
Fresenius Finance B.V. 2007/2014	July 2, 2014	variable	**62**	62
FMC-AG & Co. KGaA 2009/2012	Oct. 27, 2012	7.41%	**36**	36
FMC-AG & Co. KGaA 2009/2012	Oct. 27, 2012	variable	**119**	119
FMC-AG & Co. KGaA 2009/2014	Oct. 27, 2014	8.38%	**15**	15
FMC-AG & Co. KGaA 2009/2014	Oct. 27, 2014	variable	**30**	30
Euro Notes			**800**	800

European Investment Bank Agreements

The following table shows the amounts outstanding under the European Investment Bank (EIB) facilities as of March 31, 2011 and December 31, 2010:

		Maximum amount available € in millions		Book value € in millions	
	Maturity	**March 31, 2011**	Dec. 31, 2010	**March 31, 2011**	Dec. 31, 2010
Fresenius SE & Co. KGaA	2013	**196**	196	**196**	196
Fresenius Medical Care AG & Co. KGaA	2013/2014	**271** [1]	271 [1]	**256** [1]	263 [1]
HELIOS Kliniken GmbH	2019	**72**	72	**72**	72
Loans from EIB		**539**	539	**524**	531

[1] Difference due to foreign currency translation

The majority of the loans are denominated in euros. The U.S. dollar denominated borrowings of FMC-AG & Co. KGaA amount to US$165 million (€116 million).

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. As of March 31, 2011, the additional financial cushion resulting from unutilized credit facilities was approximately €2 billion.

14. SENIOR NOTES

As of March 31, 2011 and December 31, 2010, Senior Notes of the Fresenius Group consisted of the following:

	Notional amount	Maturity	Interest rate	Book value € in millions March 31, 2011	Book value € in millions Dec. 31, 2010
Fresenius Finance B.V. 2006/2013	€500 million	Jan. 31, 2013	5.00%	**500**	500
Fresenius Finance B.V. 2006/2016	€650 million	Jan. 31, 2016	5.50%	**635**	635
Fresenius US Finance II, Inc. 2009/2015	€275 million	July 15, 2015	8¾%	**262**	261
Fresenius US Finance II, Inc. 2009/2015	US$500 million	July 15, 2015	9.00%	**336**	356
FMC Finance III S.A. 2007/2017	US$500 million	July 15, 2017	6⅞%	**348**	370
FMC Finance VI S.A. 2010/2016	€250 million	July 15, 2016	5.50%	**247**	247
FMC Finance VII S.A. 2011/2021	€300 million	Feb. 15, 2021	5.25%	**291**	0
Fresenius Medical Care US Finance, Inc. 2011/2021	US$650 million	Feb. 15, 2021	5.75%	**453**	0
Senior Notes				**3,072**	2,369

On February 3, 2011, Fresenius Medical Care US Finance, Inc. and FMC Finance VII S.A. issued unsecured Senior Notes of US$650 million and €300 million, respectively. The Senior Notes are due in 2021. Net proceeds were or will be used to repay indebtedness, for acquisitions and for general corporate purposes.

The Senior Notes of Fresenius Medical Care US Finance, Inc. and FMC Finance VII S.A. (wholly-owned subsidiaries of FMC-AG & Co. KGaA) are guaranteed on a senior basis jointly and severally by FMC-AG & Co. KGaA, Fresenius Medical Care Holdings, Inc. and Fresenius Medical Care Deutschland GmbH.

As of March 31, 2011, the Fresenius Group was in compliance with all of its covenants.

15. PENSIONS AND SIMILAR OBLIGATIONS

DEFINED BENEFIT PENSION PLANS

At March 31, 2011, the pension liability of the Fresenius Group was €336 million. The current portion of the pension liability in an amount of €12 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 €324 million is recorded as pension liability. As of March 31, 2011, prepaid pension costs in an amount of €8 million related to the North American pension plan are recorded within other non-current assets.

Contributions to Fresenius Group's pension fund were €1 million in the first quarter of 2011. The Fresenius Group expects approximately €5 million contributions to the pension fund during 2011.

Defined benefit pension plans' net periodic benefit costs of €10 million were comprised of the following components:

€ in millions	Q1/2011	Q1/2010
Service cost	**5**	4
Interest cost	**9**	9
Expected return on plan assets	**-4**	-4
Amortization of unrealized actuarial losses, net	**–**	–
Amortization of prior service costs	**–**	–
Settlement loss	**0**	–
Net periodic benefit cost	**10**	9

16. NONCONTROLLING INTEREST

As of March 31, 2011 and December 31, 2010, noncontrolling interest in the Group was as follows:

€ in millions	March 31, 2011	Dec. 31, 2010
Noncontrolling interest in Fresenius Medical Care AG & Co. KGaA	**3,534**	3,591
Noncontrolling interest in HELIOS Kliniken GmbH	**0**	4
Noncontrolling interest in VAMED AG	**25**	24
Noncontrolling interest in the business segments		
Fresenius Medical Care	**190**	192
Fresenius Kabi	**49**	47
Fresenius Helios	**123**	119
Fresenius Vamed	**2**	2
Total noncontrolling interest	**3,923**	3,979

In the first quarter of 2011, noncontrolling interest decreased by €56 million to €3,923 million. The change resulted from the noncontrolling interest in profit of €137 million, less dividend payments of €15 million as well as a reduction of noncontrolling interest in stock options, currency effects and first-time consolidations in a total amount of €178 million.

17. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

SUBSCRIBED CAPITAL

As a result of Fresenius SE's change of legal form to Fresenius SE & Co. KGaA and its registration with the commercial register on January 28, 2011, all bearer preference shares were converted into bearer ordinary shares.

Consequently, at March 31, 2011, the subscribed capital of Fresenius SE & Co. KGaA consisted of 162,450,090 bearer ordinary shares. The shares are issued as non-par value shares. The proportionate amount of the subscribed capital is €1.00 per share.

During the first quarter of 2011, 73,698 stock options were exercised. With the issuance of the corresponding shares after the Annual General Meeting, the subscribed capital will increase by 73,698 ordinary shares. These shares are entitled to dividends beginning fiscal year 2011.

CONDITIONAL CAPITAL

Corresponding to the stock option plans, the Conditional Capital of Fresenius SE & Co. KGaA is divided into Conditional Capital I, Conditional Capital II and Conditional Capital III. These are used to satisfy the subscription rights in connection with previously issued stock options or convertible bonds, as the case may be, for bearer ordinary shares under the stock option plans of 1998, 2003 and 2008 (see note 22, Stock options).

After the registration of the change of legal form with the commercial register on January 28, 2011, the Conditional Capitals in the articles of association of Fresenius SE & Co. KGaA correspond in their scope to the Conditional Capitals of the former Fresenius SE, adjusted for stock options that have been exercised in the interim.

Due to the conversion of all preference shares into ordinary shares, the Conditional Capital was amended to the effect that only subscription rights for bearer ordinary shares are granted.

The following table shows the development of the Conditional Capital:

in €	Ordinary shares	Preference shares	Total
Conditional Capital I Fresenius AG Stock Option Plan 1998	495,255	495,255	990,510
Conditional Capital II Fresenius AG Stock Option Plan 2003	1,743,159	1,743,159	3,486,318
Conditional Capital III Fresenius SE Stock Option Plan 2008	3,100,000	3,100,000	6,200,000
Total Conditional Capital as of January 1, 2011	**5,338,414**	**5,338,414**	**10,676,828**
Conversion of the preference shares into ordinary shares in combination with the change of legal form	5,337,526	-5,337,526	0
Fresenius AG Stock Option Plan 1998 – options exercised	-4,767	0	-4,767
Fresenius AG Stock Option Plan 2003 – options exercised	-68,043	-888	-68,931
Total Conditional Capital as of March 31, 2011	**10,603,130**	**0**	**10,603,130**

AUTHORIZED CAPITAL

At the Annual General Meeting on May 12, 2010, the articles of association of Fresenius SE & Co. KGaA were adopted with the following Authorized Capitals. Authorized Capitals I and II correspond in their scope to the Authorized Capitals of the former Fresenius SE. The Authorized Capitals I and II remain unchanged except that in the future, only ordinary shares will be issued. The Authorized Capitals III, IV and V are solely to be used as an alternative source of ordinary shares for the stock option plans of 1998, 2003 and 2008 (see note 22, Stock options) as far as these plans are not filled from Conditional Capitals I, II and III. The Conditional Capitals themselves have been adjusted to reflect the issuance of ordinary shares.

In accordance with the articles of association of Fresenius SE & Co. KGaA, the general partner Fresenius Management SE is authorized, with the approval of the Supervisory Board, until May 7, 2014,

- to increase Fresenius SE & Co. KGaA's subscribed capital by a total amount of up to €12,800,000 through a single or multiple issue of new bearer ordinary shares against cash contributions (Authorized Capital I). A subscription right must be granted to the shareholders. The general partner is authorized to exclude the shareholders' subscription right for fractional amounts.
- to increase Fresenius SE & Co. KGaA's subscribed capital by a total amount of up to €6,400,000 through a single or multiple issue of new bearer ordinary shares against cash contributions and/or contributions in kind (Authorized Capital II). The general partner is authorized, in each case with the consent of the Supervisory Board, to decide on the exclusion of the shareholders' subscription right. For cash contributions, the authorization can only be exercised if the issue price is not significantly below the stock exchange price. In case of a contribution in kind, the subscription right can be excluded only in order to acquire an undertaking, parts of an undertaking or a participation in an undertaking. The general partner is authorized to exclude the shareholders' subscription right for fractional amounts.

In addition, pursuant to the articles of association of Fresenius SE & Co. KGaA, the general partner is authorized, with the approval of the Supervisory Board, until May 11, 2015,

- to increase Fresenius SE & Co. KGaA's subscribed capital by a total amount of up to €1,313,100 through a single or multiple issue of new bearer ordinary shares against cash contributions (Authorized Capital III). The general partner may only make use of the Authorized Capital III to the extent that subscription rights for bearer ordinary shares were issued under the 1998 Stock Option Plan, the holders of these rights make use of their exercise right and provided that no Conditional Capital is used to satisfy the subscription rights.
- to increase Fresenius SE & Co. KGaA's subscribed capital by a total amount of up to €4,298,442 through a single or multiple issue of new bearer ordinary shares against cash contributions and/or contributions in kind (Authorized Capital IV). The general partner may only make use of the Authorized Capital IV to the extent that convertible bonds on bearer ordinary shares were issued under the 2003 Stock Option Plan, the holders of these convertible bonds exercise their conversion right and provided that no Conditional Capital is used to satisfy the conversion rights.
- to increase Fresenius SE & Co. KGaA's subscribed capital by a total amount of up to €6,200,000 through a single or multiple issue of new bearer ordinary shares against cash contributions (Authorized Capital V). The general partner may only make use of the Authorized Capital V to the extent that subscription rights for bearer ordinary shares were or will be issued under the 2008 Stock Option Plan, the holders of these rights make use of their exercise right, Fresenius SE & Co. KGaA does not grant own shares or exercise its right to pay a cash compensation in order to satisfy these subscription rights and provided that no Conditional Capital is used to satisfy the subscription rights.

The shareholders' subscription right is excluded for Authorized Capital III, IV and V.

The resolved changes to the Authorized Capital became effective after registration of the new articles of association with the commercial register on January 28, 2011.

Two shareholder complaints (Anfechtungsklagen) were lodged against the resolutions of the Annual General Meeting held on May 8, 2009 creating the Authorized Capitals I and II. The Frankfurt Regional Court (Landgericht) has decided in favor of one complaint through judgment dated February 2, 2010, the other complaint was rejected. On February 15, 2011, the Higher Regional Court (Oberlandesgericht) of Frankfurt am Main confirmed the validity of the resolutions creating the Authorized Capitals I and II.

The clearance procedure (Freigabeverfahren) pursuant to Section 246a of the German Stock Corporation Act (AktG), initiated by Fresenius SE in order to secure Authorized Capital I and II already entered in the commercial register, was decided by the Higher Regional Court (Oberlandesgericht) of Frankfurt am Main in favor of Fresenius SE on March 30, 2010. Through this, the entry of the Authorized Capital I and II into the commercial register had already been final and conclusive.

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 2011, the general partner and the Supervisory Board of Fresenius SE & Co. KGaA will propose a dividend of €0.86 per bearer ordinary share to the Annual General Meeting, i. e. a total dividend payment of €140 million.

OTHER NOTES

18. LEGAL PROCEEDINGS

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. The outcome of litigation and other legal matters is always difficult to accurately predict 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 as of December 31, 2010 applying Section 315a HGB in accordance with IFRS. In the following, only the changes during the first quarter ended March 31, 2011 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 as of December 31, 2010 applying Section 315a HGB in accordance with IFRS; defined terms or abbreviations having the same meaning as in the consolidated financial statements as of December 31, 2010 applying Section 315a HGB in accordance with IFRS.

W.R. GRACE & CO. LAWSUIT

In January and February 2011, the U.S. Bankruptcy Court entered orders confirming the joint plan of reorganization. These confirmation orders are pending before the U.S. District Court.

BAXTER PATENT DISPUTE "LIBERTY CYCLER"

The District Court denied Baxter's request to overturn the jury verdict and Baxter has appealed the verdict and resulting judgment to the United States Court of Appeals for the Federal Circuit.

FRESENIUS MEDICAL CARE HOLDINGS – QUI TAM COMPLAINT (MASSACHUSETTS)

On February 15, 2011, a qui tam relator's complaint under the False Claims Act against Fresenius Medical Care Holdings, Inc. (FMCH) was unsealed by order of the United States District Court for the District of Massachusetts and served by the relator. The United States has not intervened in the case United States ex rel. John Doe v. Fresenius Medical Care Holdings, Inc., 2009 Civ. 10179 (D. Mass.). The relator's complaint, which was first filed under seal in February 2009, alleges that FMCH seeks and receives reimbursement from government payers for serum ferritin and hepatitis B laboratory tests that are medically unnecessary. On March 6, 2011, the United States Attorney for the District of Massachusetts issued a Civil Investigative Demand seeking the production of documents related to the same laboratory tests that are the subject of the relator's complaint. FMCH will cooperate fully in responding to the additional Civil Investigative Demand, and will vigorously contest the relator's complaint.

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.

19. FINANCIAL INSTRUMENTS

VALUATION OF FINANCIAL INSTRUMENTS

Estimation of fair values of financial instruments

The significant methods and assumptions used to estimate the fair values of financial instruments are as follows:

Cash and cash equivalents are stated at nominal value, which equals the fair value.

The nominal value of short-term financial instruments such as accounts receivables and payables and short-term debt represents its carrying amount, which is a reasonable estimate of the fair value due to the relatively short period to maturity of these instruments.

The fair values of the major long-term financial instruments are calculated on the basis of market information. Financial instruments for which market quotes are available are measured with the market quotes at the reporting date. The fair values of the other long-term financial liabilities are calculated at the present value of respective future cash flows. To determine these present values, the prevailing interest rates and credit spreads for the Fresenius Group as of the date of the statement of financial position are used. The fair value of Fresenius Medical Care's loan to Renal Advantage Partners LLC is based on significant unobservable inputs of comparable instruments. The fair values of the noncontrolling interest subject to put provisions are determined using significant unobservable inputs.

Currently, there is no indication that a decrease in the value of Fresenius Group's financing receivables is probable. Therefore, the allowances on credit losses of financing receivables are immaterial.

The carrying amounts of derivatives embedded in the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) correspond with their fair values. The embedded derivatives have to be measured at fair value, which is estimated based on a Black-Scholes model. The CVR were traded on the stock exchange in the United States and were therefore valued with the current stock exchange price until December 31, 2010. In the first quarter of 2011, the CVR were deregistered and delisted from the NASDAQ due to the expiration of the underlying agreement and became valueless.

Derivatives, mainly consisting of interest rate swaps and foreign exchange forward contracts, are valued as follows: The fair value of interest rate swaps is calculated by discounting the future cash flows on the basis of the market interest rates applicable for the remaining term of the contract as of the date of the statement of financial position. To determine the fair value of foreign exchange forward contracts, the contracted forward rate is compared to the current forward rate for the remaining term of the contract as of the date of the statement of financial position. The result is then discounted on the basis of the market interest rates prevailing at the date of the statement of financial position for the respective currency.

Fresenius Group's own credit risk is incorporated in the fair value estimation of derivatives that are liabilities. Counterparty credit-risk adjustments are factored into the valuation of derivatives that are assets.

Fair value of financial instruments

The following table presents the carrying amounts and fair values of Fresenius Group's financial instruments as of March 31, 2011 and December 31, 2010, respectively:

€ in millions	March 31, 2011 Carrying amount	March 31, 2011 Fair value	Dec. 31, 2010 Carrying amount	Dec. 31, 2010 Fair value
Cash and cash equivalents	**894**	**894**	769	769
Assets recognized at carrying amount	**3,246**	**3,251**	2,950	2,950
Liabilities recognized at carrying amount	**9,896**	**10,103**	9,924	10,152
Liabilities recognized at fair value	**177**	**177**	118	118
Noncontrolling interest subject to put provisions recognized at fair value	**189**	**189**	192	192
Derivatives for hedging purposes	**-15**	**-15**	-225	-225

Derivative and non-derivative financial instruments recognized at fair value are classified according to the three-tier fair value hierarchy. For the fair value measurement of derivatives for hedging purposes, significant other observable inputs are used. Therefore, they are classified as Level 2 in accordance with the defined fair value hierarchy levels. The derivatives embedded in the MEB are also classified as Level 2. Until December 31, 2010, the valuation of the CVR was based on the current stock exchange price, they were therefore classified as Level 1. The liabilities recognized at fair value consisted of embedded derivatives and the CVR and were consequently classified in their entirety as the lower hierarchy Level 2. As of March 31, 2011, the liabilities recognized at fair value are comprised only of derivatives embedded in the MEB due to the expiration of the CVR. The valuation of the noncontrolling interests subject to put provisions is determined using significant unobservable inputs, they are therefore classified as Level 3.

FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

€ in millions	March 31, 2011 Assets	March 31, 2011 Liabilities	Dec. 31, 2010 Assets	Dec. 31, 2010 Liabilities
Interest rate contracts (current)	0	34	–	43
Interest rate contracts (non-current)	2	58	1	115
Foreign exchange contracts (current)	66	7	8	49
Foreign exchange contracts (non-current)	1	1	5	2
Derivatives designated as hedging instruments [1]	**69**	**100**	14	209
Interest rate contracts (current)	0	1	0	2
Foreign exchange contracts (current) [1]	32	13	10	34
Foreign exchange contracts (non-current) [1]	5	8	1	7
Derivatives embedded in the MEB (current)	0	176	0	111
Derivatives not designated as hedging instruments	**37**	**198**	11	154

[1] Derivatives designated as hedging instruments and foreign exchange contracts 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 concluded to hedge economic business transactions and not for speculative purposes.

Derivatives for hedging purposes as well as derivatives embedded in the MEB were recognized at gross value within other assets in an amount of €106 million and other liabilities in an amount of €297 million.

The current portion of interest rate contracts and foreign exchange contracts indicated as assets in the previous 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 MEB are recognized within other short-term liabilities.

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

	Q1/2011		
€ 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	28	-1	1
Foreign exchange contracts	4	-1	0
Derivatives in cash flow hedging relationships [1]	**32**	**-2**	**1**
Foreign exchange contracts			17
Derivatives in fair value hedging relationships			**17**
Derivatives designated as hedging instruments	**32**	**-2**	**18**

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

	Q1/2010		
€ 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	-18	-2	–
Foreign exchange contracts	-21	-2	–
Derivatives in cash flow hedging relationships [1]	**-39**	**-4**	**–**
Foreign exchange contracts			-20
Derivatives in fair value hedging relationships			**-20**
Derivatives designated as hedging instruments	**-39**	**-4**	**-20**

[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	**Q1/2011**	Q1/2010
Interest rate contracts	**1**	0
Foreign exchange contracts	**44**	-56
Derivatives embedded in the MEB	**-65**	-67
Derivatives not designated as hedging instruments	**-20**	-123

Losses from derivatives in fair value hedging relationships and 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.

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 €73 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. The position other financial result in the consolidated statement of income includes gains and losses from the valuation of the derivatives embedded in the MEB (see note 5, Other financial result).

MARKET RISK

General

The Fresenius Group is exposed to effects related to foreign exchange fluctuations in connection with its international business activities that are denominated in various currencies. In order to finance its business operations, the Fresenius Group issues senior notes, trust preferred securities and commercial papers and enters into mainly long-term credit agreements and euro notes (Schuldscheindarlehen) with banks. Due to these financing activities, the Fresenius Group is exposed to interest risk caused by changes in variable interest rates and the risk of changes in the fair value of statement of financial position items bearing fixed interest rates.

In order to manage the risk of interest rate and foreign exchange rate fluctuations, the Fresenius Group enters into certain hedging transactions with highly rated financial institutions as authorized by the Management Board. Derivative financial instruments are not concluded for trading purposes.

The Fresenius Group defines benchmarks for individual exposures in order to quantify interest and foreign exchange risks. The benchmarks are derived from achievable and sustainable market rates. Depending on the individual benchmarks, hedging strategies are determined and implemented.

Derivative financial instruments

Foreign exchange risk management

Solely for the purpose of hedging existing and foreseeable foreign exchange transaction exposures, the Fresenius Group enters into foreign exchange forward contracts and, on a small scale, foreign exchange options. To ensure that no foreign exchange risks result from loans in foreign currencies, the Fresenius Group enters into foreign exchange swap contracts.

As of March 31, 2011, the notional amounts of foreign exchange contracts totaled €2,919 million. These foreign exchange contracts have been entered into to hedge risks from operational business and in connection with loans in foreign currency. The predominant part of the foreign exchange forward contracts to hedge risks from operational business was recognized as cash flow hedge, while foreign exchange contracts in connection with loans in foreign currencies are partly recognized as fair value hedges. The fair values of cash flow hedges and fair value hedges were €44 million and €15 million, respectively.

As of March 31, 2011, the Fresenius Group was party to foreign exchange contracts with a maximum maturity of 56 months.

Interest rate risk management

The Fresenius Group enters into interest rate swaps and, on a small scale, into interest rate options in order to hedge against interest rate exposures arising from long-term borrowings at variable rates by swapping them into fixed rates.

The Fresenius Group enters into interest rate swaps that are mainly designated as cash flow hedges with a notional volume of US$3,025 million (€2,129 million) and €406 million as well as a fair value of -US$110 million and -€14 million, respectively, which expire between 2011 and 2016.

20. SUPPLEMENTARY INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of March 31, 2011, the equity ratio was 38.5% and the debt ratio (debt/total assets) was 36.7%. As of March 31, 2011, the net debt/EBITDA ratio, which is measured on the basis of U.S. GAAP figures, was 2.5.

The aims of the capital management and further information can be found in the consolidated financial statements as of December 31, 2010 applying Section 315a HGB in accordance with IFRS.

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
Company rating	BB	Ba1	BB
Outlook	positive	stable	positive

21. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

GENERAL

The consolidated segment reporting shown on pages 23 to 24 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 March 31, 2011.

The business segments were identified in accordance with IFRS 8, Operating Segments, 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. The business segments of the Fresenius Group are as follows:

Fresenius Medical Care is the world's leading provider of dialysis products and dialysis care for the life-saving treatment of patients with chronic kidney failure. Fresenius Medical Care treats 216,942 patients in its 2,769 own dialysis clinics.

Fresenius Kabi is a globally active company, providing infusion therapies, intravenously administered generic drugs, clinical nutrition and the related medical devices. The products are used for the therapy and care of critically and chronically ill patients in and outside the hospital. In Europe, Fresenius Kabi is the market leader in infusion therapies and clinical nutrition, in the U.S., the company is a leading provider of intravenously administered generic drugs.

Fresenius Helios is one of the largest private hospital operators in Germany.

Fresenius Vamed provides engineering and services for hospitals and other health care facilities internationally.

The segment Corporate/Other mainly comprises the holding functions of Fresenius SE & Co. KGaA as well as Fresenius Netcare GmbH, which provides services in the field of information technology as well as Fresenius Biotech, which does not fulfill the characteristics of a reportable segment. In addition, the segment Corporate/Other includes intersegment consolidation adjustments as well as special items in connection with the fair value measurement of the Mandatory Exchangeable Bonds and the Contingent Value Rights.

The key data used by the Management Board of Fresenius Management SE (the general partner of Fresenius SE & Co. KGaA) to control the segments are based on U.S. GAAP. The segment information is therefore given in accordance with U.S. GAAP. The column IFRS-Reconciliation provides a reconciliation from the U.S. GAAP segment data to the IFRS key data. The differences between the U.S. GAAP and the

IFRS key data are mainly due to the differing recognition of in-process R & D, gains from sale and leaseback transactions with an operating lease agreement, development costs and cumulative actuarial gains and losses for pensions.

NOTES ON THE BUSINESS SEGMENTS

Explanations regarding the notes on the business segments can be found in the consolidated financial statements as of December 31, 2010 applying Section 315a HGB in accordance with IFRS.

RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS

€ in millions	Q1/2011	Q1/2010
Total EBIT of reporting segments	588	505
General corporate expenses Corporate/Other (EBIT)	-10	-10
Group EBIT	**578**	495
Net interest	-135	-143
Other financial result	-62	-51
Income before income taxes	**381**	301

RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	March 31, 2011	Dec. 31, 2010
Short-term debt	260	606
Short-term loans from related parties	2	2
Current portion of long-term debt and capital lease obligations	400	421
Trust preferred securities of Fresenius Medical Care Capital Trusts (current)	458	468
Long-term debt and capital lease obligations, less current portion	4,525	4,811
Senior Notes	3,072	2,369
Debt	**8,717**	8,677
less cash and cash equivalents	894	769
Net debt	**7,823**	7,908

According to the definitions in the underlying agreements, the MEB are and the CVR were not categorized as debt.

22. STOCK OPTIONS

FRESENIUS SE & CO. KGAA STOCK OPTION PLANS

On March 31, 2011, Fresenius SE & Co. KGaA had three stock option plans in place: the Fresenius AG stock option based plan of 1998 (1998 Plan), the Fresenius AG Stock Option Plan 2003 (2003 Plan) which is based on convertible bonds and the stock option based Fresenius SE Stock Option Plan 2008 (2008 Plan). Currently, stock options can only be granted under the 2008 Plan.

Adaptations of the stock option plans due to the change of legal form

Upon registration of Fresenius SE's change of legal form to Fresenius SE & Co. KGaA with the commercial register on January 28, 2011, adaptations of the three stock option plans were required. Due to the conversion of all preference shares into ordinary shares in combination with the change of legal form, all previously issued subscription rights under the respective stock option plan are to be satisfied, in case of exercise, with ordinary shares. Furthermore, the beneficiaries under the 2008 Plan are exclusively granted subscription rights for ordinary shares. With regard to the eligible beneficiaries, the members of Fresenius Management SE's Management Board replace the previous members of the Fresenius SE Management Board for future stock option grants. With regard to the 2008 Plan, the Supervisory Board of Fresenius Management SE determines the grants for the Management Board members of that company. All other plan participants will be determined by the Management Board of Fresenius Management SE. In addition, due to the discontinuation of the preference shares, the success target of the 2003 Plan was adjusted to the effect, that it is deemed to be achieved if and when the sum of the following price increases amounts to at least 25%:

- increase of the joint average stock exchange price of ordinary and preference shares from the day of the issuance until the day when the change of legal form took effect
- increase of the stock exchange price of ordinary shares since the change of legal form took effect

Whereas the number of stock options remained unchanged, in the future, the exercise price of the stock options corresponds to the stock exchange price of the ordinary share without considering the stock exchange price of the preference share.

Transactions during the first quarter of 2011

During the first quarter of 2011, 73,698 stock options were exercised. The corresponding ordinary shares will be issued after the Annual General Meeting. Fresenius SE & Co. KGaA received cash of €2 million from the exercise of the stock options.

Under the 1998 Plan, 129,685 stock options were outstanding and exercisable at March 31, 2011. No options were held by the members of the Fresenius Management SE Management Board. 1,886,795 convertible bonds were outstanding under the 2003 Plan, of which 1,608,417 were exercisable. The members of the Fresenius Management SE Management Board held 397,170 convertible bonds. Out of 3,181,236 outstanding stock options issued under the 2008 Plan, 559,860 were held by the members of the Fresenius Management SE Management Board.

At March 31, 2011, 1,738,102 options for ordinary shares were outstanding and exercisable. As of March 31, 2011, total unrecognized compensation costs related to non-vested options granted under the 2003 Plan and the 2008 Plan were €15 million. These costs are expected to be recognized over a weighted-average period of 1.8 years.

FRESENIUS MEDICAL CARE AG & CO. KGAA STOCK OPTION PLANS

During the first quarter of 2011, 45,155 stock options for ordinary shares and 751 stock options for preference shares were exercised. Fresenius Medical Care AG & Co. KGaA received cash of €1 million upon exercise of these stock options and €0.1 million from a related tax benefit.

23. RELATED PARTY TRANSACTIONS

Prof. Dr. med. D. Michael Albrecht, a member of the Supervisory Board of Fresenius SE & Co. KGaA, is medical director and spokesman of the management board of the Universitätsklinikum Carl Gustav Carus Dresden and a member of the supervisory boards of the Universitätsklinika Aachen, Rostock and Magdeburg. The Fresenius Group maintains business relations with these clinics in the ordinary course and under customary conditions.

Prof. Dr. h. c. Roland Berger, a member of the Supervisory Board of Fresenius SE & Co. KGaA, is a partner and was the chairman of the supervisory board of Roland Berger Strategy Consultants until August 1, 2010. In the first quarter of 2011, no services were rendered to the Fresenius Group by this company.

Klaus-Peter Müller, a member of the Supervisory Board of Fresenius SE & Co. KGaA, is the chairman of the supervisory board of Commerzbank AG. The Fresenius Group maintains business relations with Commerzbank under customary conditions. In the first quarter of 2011, the Fresenius Group paid €0.5 million for services in connection with the issuance of Senior Notes by FMC Finance VII S.A.

Dr. Gerhard Rupprecht, a member of the Supervisory Board of Fresenius SE & Co. KGaA, was a member of the management board of Allianz SE until December 31, 2010 and the chairman of the management board of Allianz Deutschland AG until June 30, 2010. Dr. Franceso De Meo, a member of the Management Board of the general partner of Fresenius SE & Co. KGaA, is a member of the supervisory board of Allianz Private Krankenversicherungs-AG. In the first quarter of 2011, the Fresenius Group paid €0.8 million for insurance premiums to Allianz.

Dr. Dieter Schenk, deputy chairman of the Supervisory Board of Fresenius SE until January 28, 2011, member of the Supervisory Board of Fresenius Management SE since March 11, 2010 and deputy chairman of the Supervisory Board of Fresenius Management SE since May 12, 2010, is a partner in the law firm Noerr LLP that provides legal services to the Fresenius Group. In the first quarter of 2011, the Fresenius Group paid this law firm €1 thousand for services rendered.

24. SUBSEQUENT EVENTS

There have been no significant changes in the Fresenius Group's operating environment following the end of the first quarter of 2011. 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 quarter of 2011.

25. 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 under Who we are / Corporate Governance / Declaration of Conformity and of Fresenius Medical Care AG & Co. KGaA www.fmc-ag.com under Investor Relations / Corporate Governance / Declaration of Compliance, respectively.

FINANCIAL CALENDAR

Annual General Meeting, Frankfurt am Main, Germany	May 13, 2011
Payment of dividend [1]	May 16, 2011
Report on 1st half 2011 Conference call Live webcast	August 2, 2011
Report on 1st – 3rd quarters 2011 Conference call Live webcast	November 2, 2011

[1] Subject to the prior approval by the AGM

FRESENIUS SHARE INFORMATION

	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

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Commercial Register: Bad Homburg v. d. H.; HRB 11852
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: Dr. Ulf M. Schneider (President and CEO), Rainer Baule, Dr. Francesco De Meo, Dr. Jürgen Götz, Dr. Ben Lipps, Stephan Sturm, Dr. Ernst Wastler
Chairman of the Supervisory Board: Dr. Gerd Krick