Quarterly Financial Report of Fresenius Group

applying International Financial Reporting Standards (IFRS)

1st Quarter 2012

CONTENT

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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 2011, group sales were €16.5 billion. On March 31, 2012, approximately 160,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

SALES, EARNINGS, AND CASH FLOW

€ in millions	Q1/2012	Q1/2011	Change
Sales	**4,470**	3,962	13%
EBIT	**660**	578	14%
Net income [1]	**200**	171	17%
Earnings per share in € [1]	**1.23**	1.05	17%
Operating cash flow	**540**	280	93%

BALANCE SHEET AND INVESTMENTS

€ in millions	March 31, 2012	Dec. 31, 2011	Change
Total assets	**28,712**	26,510	8%
Non-current assets	**21,398**	19,737	8%
Equity [2]	**11,275**	11,031	2%
Net debt	**10,500**	9,068	16%
Investments [3]	**2,080**	449	--

RATIOS

€ in millions	Q1/2012	Q1/2011
EBITDA margin	**18.8%**	18.8%
EBIT margin	**14.8%**	14.6%
Depreciation and amortization in % of sales	**4.0**	4.2
Operating cash flow in % of sales	**12.1**	7.1
Equity ratio (March 31/December 31)	**39.3%**	41.6%
Net debt/EBITDA (March 31/December 31)	**2.96** [4]	2.78

[1] Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain of €30 million at Fresenius Medical Care; 2011 adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds and the Contingent Value Rights.
[2] Equity including noncontrolling interest
[3] Investments in property, plant and equipment and intangible assets, acquisitions (Q1).
[4] Pro forma including Damp Group and Liberty Dialysis Holdings, Inc.

INFORMATION ON THE BUSINESS SEGMENTS [1]

FRESENIUS MEDICAL CARE – Dialysis products, Dialysis care

US$ in millions	Q1/2012	Q1/2011	Change
Sales [2]	3,249	2,984	9%
EBIT	503	445	13%
Net income [3]	244	221	10%
Operating cash flow	481	175	174%
Investments/Acquisitions	1,827	463	--
R & D expenses	29	26	9%
Employees, per capita on balance sheet date (March 31/December 31)	87,582	83,476	5%

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

€ in millions	Q1/2012	Q1/2011	Change
Sales	1,092	960	14%
EBIT	215	197	9%
Net income [4]	98	87	13%
Operating cash flow	93	67	39%
Investments/Acquisitions	37	32	16%
R & D expenses	45	38	18%
Employees, per capita on balance sheet date (March 31/December 31)	24,632	24,106	2%

FRESENIUS HELIOS – Hospital operation

€ in millions	Q1/2012	Q1/2011	Change
Sales	717	648	11%
EBIT	68	58	17%
Net income [5]	41	33	24%
Operating cash flow	34	68	-50%
Investments/Acquisitions	563	21	--
Employees, per capita on balance sheet date (March 31/December 31)	43,430	37,198	17%

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

€ in millions	Q1/2012	Q1/2011	Change
Sales	142	140	1%
EBIT	5	5	0%
Net income [6]	4	4	0%
Operating cash flow	45	26	73%
Investments/Acquisitions	1	1	0%
Order intake	104	127	-18%
Employees, per capita on balance sheet date (March 31/December 31)	3,760	3,724	1%

[1] All segment data according to U.S. GAAP
[2] Previous year's sales were adjusted according to a U.S. GAAP accounting change. The sales adjustment amounts to -US$ 52 million in Q1 2011; the 2011 sales adjustment amounts to -US$224 million.
[3] Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA – adjusted for a non-taxable investment gain of US$127 million in the first quarter 2012.
[4] Net income attributable to shareholders of Fresenius Kabi AG
[5] Net income attributable to shareholders of HELIOS Kliniken GmbH
[6] Net income attributable to shareholders of VAMED AG

FRESENIUS SHARE

In the first quarter of 2012, the Fresenius share reached a new all-time high and continued last year's upward trend. By the end of the first quarter the Fresenius share price had increased 8% compared to the 2011 year-end quotation.

FIRST QUARTER OF 2012

Following the turbulences in the financial markets 2011, the first quarter 2012 constituted significant stock price increases. The stabilization of the European financial crisis, encouraging economic data in the U.S. and from German companies as well as historically low interest rates lead to a positive development at the German stock market.

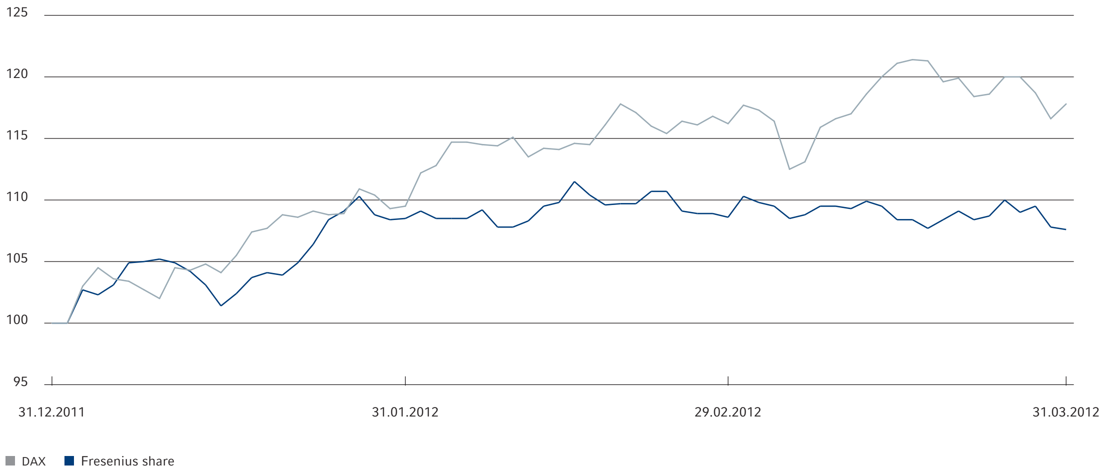
By the end of the first quarter the DAX posted an increase of over 18% to 6,946 points.

The Fresenius share price increased in the first quarter 2012 as well. On February 15, 2012 it reached a new all-time high of €79.71.

Supported by 2011's excellent operating results and the positive outlook for 2012 the Fresenius share closed near the all-time high at €76.89 on March 31, 2012. At the same time Fresenius market capitalization reached €12.6 billion; an increase of 8% compared to the 2011 year-end quotation.

RELATIVE SHARE PRICE PERFORMANCE VS. DAX

31.12.2011 = 100



KEY DATA OF THE FRESENIUS SHARE

	Q1/2012	2011	Change
Number of shares (March 31/December 31)	**163,334,670**	163,237,336	
Quarter-end quotation in €	**76.89**	71.48	8%
High in €	**79.71**	75.62	5%
Low in €	**72.51**	59.90	21%
Ø Trading volume (number of shares per trading day)	**422,276**	502,241	-9%
Market capitalization, € in millions (March 31/December 31)	**12,559**	11,668	8%

MANAGEMENT REPORT

Fresenius had an excellent start into the year with double-digit growth in sales and earnings. Our three largest business units showed strong organic growth. In addition Fresenius Medical Care and Fresenius Helios completed significant acquisitions in the first quarter. Based on the strong quaterly results we raise our sales and earnings guidance for the full year 2012.

EXCELLENT START INTO 2012 - FRESENIUS RAISES OUTLOOK

OUTLOOK [1, 2] 2012:

- Sales[3] growth in constant currency now at the upper end of 10% to 13% range
- Net income[4] growth of 12% to 15% in constant currency

	Q1/2012	at actual rates	in constant currency
Sales[3]	€4.5 bn	+13%	+10%
EBIT	€660 m	+14%	+11%
Net income[4]	€200 m	+17%	+15%

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. However, such measures cannot compensate for the cost pressures arising from medical advances and demographic change. 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] Before effects of the announced Rhön-Klinikum AG acquisition
[2] According to U.S. GAAP
[3] Previous year's sales were adjusted according to a U.S. GAAP accounting change. The sales adjustment of -€39 million in Q1 2011 and of -€161 million for the full year 2011 solely relate to Fresenius Medical Care North America.
[4] Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain of €30 million at Fresenius Medical Care; 2011 adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds and the Contingent Value Rights.

RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

SALES

Group sales increased by 13% (10% in constant currency) to €4,470 million (Q1 2011: €3,962 million). Organic sales growth was 5%. Acquisitions contributed a further 5%. Currency translation had a positive effect of 3%. This is mainly attributable to the strengthening of the U.S. dollar against the euro by 4% in the first quarter of 2012 compared to the first quarter of 2011.

Organic sales growth in North America was 2%, in Europe 5%. Organic sales growth was again strong in Asia-Pacific with 11% and in Latin America with 18%. Sales in Africa were impacted by the political unrest in the Middle East and North Africa.

EARNINGS

Group EBITDA increased by 13% (10% in constant currency) to €841 million (Q1 2011: €743 million). Group EBIT grew by 14% (11% in constant currency) to €660 million (Q1 2011: €578 million). The EBIT margin improved by 20 basis points to 14.8% (Q1 2011: 14.6%).

Group net interest was -€147 million (Q1 2011: -€135 million). Lower average interest rates were more than offset by incremental debt due to acquisition financing and currency translation effects.

The Group tax rate[1] slightly decreased to 30.2% (Q1 2011: 30.5%).

Noncontrolling interest increased to €158 million (Q1 2011: €137 million), of which 93% was attributable to the noncontrolling interest in Fresenius Medical Care.

Group net income[2] increased by 17% (15% in constant currency) to €200 million (Q1 2011: €171 million). Earnings per share increased by 17% to €1.23 (Q1 2011: €1.05).

SALES BY REGION

€ in millions	Q1/2012	Q1/2011	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/ Divestitures	Total sales
North America	**1,921**	1,676	14%	5%	9%	2%	7%	43%
Europe	**1,801**	1,640	10%	0%	10%	5%	5%	40%
Asia-Pacific	**423**	362	17%	6%	11%	11%	0%	9%
Latin America	**254**	208	22%	0%	22%	18%	4%	6%
Africa	**71**	76	-7%	-3%	-4%	-4%	0%	2%
Total	**4,470**	3,923	13%	3%	10%	5%	5%	100%

SALES BY BUSINESS SEGMENT

€ in millions	Q1/2012	Q1/2011	Change at actual rates	Currency translations effects	Change at constant rates	Organic Growth	Acquisitions/ Divestitures	Total sales
Fresenius Medical Care	**2,478**	2,181	14%	4%	10%	3%	7%	56%
Fresenius Kabi	**1,092**	960	14%	2%	12%	11%	1%	25%
Fresenius Helios	**717**	648	11%	0%	11%	5%	6%	16%
Fresenius Vamed	**142**	140	1%	0%	1%	1%	0%	3%

All segment data according to U.S. GAAP

[1] Adjusted for the non-taxable investment gain at Fresenius Medical Care; 2011 adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds
[2] Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain of €30 million at Fresenius Medical Care; 2011 adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds and the Contingent Value Rights

EARNINGS

€ in millions	Q1/2012	Q1/2011
EBIT	**660**	578
Net income [1]	**200**	171
Net income [2]	**230**	129
Earnings per share in € [1]	**1.23**	1.05
Earnings per share in € [2]	**1.41**	0.79

Group net income [2] including the non-taxable investment gain at Fresenius Medical Care was €230 million or €1.41 per share. This is a non-cash item.

INVESTMENTS

The Fresenius Group spent €153 million on property, plant and equipment (Q1 2011: €138 million). Acquisition spending was €1,927 million (Q1 2011: €311 million). This is primarily due to the completion of Fresenius Medical Care's acquisition of Liberty Dialysis Holdings, Inc. as well as of the acquisition of Damp Group by Fresenius Helios.

CASH FLOW

Operating cash flow increased to €540 million (Q1 2011: €280 million), mainly driven by strong earnings growth and tight working capital management. The cash flow margin was 12.1% (Q1 2011: 7.1%). Net capital expenditure was €154 million (Q1 2011: €149 million). Free cash flow before acquisitions and dividends was €386 million (Q1 2011: €131 million). Free cash flow after acquisitions and dividends was -€1,096 million (Q1 2011: -€132 million).

INVESTMENTS BY BUSINESS SEGMENT

€ in millions	Q1/2012	Q1/2011	thereof property, plant and equipment	thereof acquisitions	Change	% of total
Fresenius Medical Care	**1,361**	339	95	1,266	--	65%
Fresenius Kabi	**37**	32	33	4	16%	2%
Fresenius Helios	**563**	21	20	543	--	27%
Fresenius Vamed	**1**	1	1	0	0%	0%
Corporate/Other	**116**	54	2	114	115%	6%
IFRS Reconciliation	**2**	2	2	0	0%	0%
Total	**2,080**	449	153	1,927	--	100%

All segment data according to U.S. GAAP

[1] Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain of €30 million at Fresenius Medical Care; 2011 adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds and the Contingent Value Rights
[2] Net income attributable to shareholders of Fresenius SE & Co. KGaA

ASSET AND LIABILITY STRUCTURE

The Group's total assets increased by 8% (10% in constant currency) to €28,712 million (Dec. 31, 2011: €26,510 million). Current assets grew by 8% (9% in constant currency) to €7,314 million (Dec. 31, 2011: €6,773 million). Non-current assets increased by 8% (10% in constant currency) to €21,398 million (Dec. 31, 2011: €19,737 million).

Total shareholders' equity increased by 2% (4% in constant currency) to €11,275 million (Dec. 31, 2011: €11,031 million). The equity ratio was 39.3% (Dec. 31, 2011: 41.6%).

Group debt grew by 17% (19% in constant currency) to €11,355 million (Dec. 31, 2011: €9,703 million), primarily resulting from acquisition financing. Net debt increased by 16% (18% in constant currency) to €10,500 million (Dec. 31, 2011: €9,068 million).

In March 2012, Fresenius successfully placed €500 million of senior unsecured notes. Proceeds are used for acquisitions, including the acquisition of the Damp Group, refinancing of short-term debt, and general corporate purposes. The senior notes have a coupon of 4.250%, a maturity of seven years and were issued at par. The transaction was well received by investors and substantially oversubscribed.

As of March 31, 2012, the net debt/EBITDA[1] ratio was 2.96 (Dec. 31, 2011: 2.78). At identical exchange rates for net debt and EBITDA, the ratio was 2.91.

CASH FLOW STATEMENT (SUMMARY)

€ in millions	Q1/2012	Q1/2011	Change
Earnings after tax	455	266	71%
Depreciation and amortization	181	165	10%
Change in accruals for pensions	7	6	17%
Cash flow	643	437	47%
Change in working capital	-6	-199	97%
Changes in mark-to-market evaluation of the MEB and the CVR	0	42	-100%
Investment gain[2]	-97	0	
Operating cash flow	540	280	93%
Property, plant and equipment	-156	-152	-3%
Proceeds from the sale of property, plant and equipment	2	3	-33%
Cash flow before acquisitions and dividends	386	131	195%
Cash used for acquisitions/proceeds from disposals	-1,458	-248	--
Dividends paid	-24	-15	-60%
Free cash flow paid after acquisitions and dividends	-1,096	-132	--
Cash provided by/used for financing activities	1,329	275	--
Effect of exchange rates on change in cash and cash equivalents	-13	-18	28%
Net change in cash and cash equivalents	220	125	76%

[1] Pro forma including Damp Group and Liberty Dialysis Holdings, Inc.
[2] Q1 2012: €97 million non-taxable investment gain of Fresenius Medical Care AG & Co. KGaA; thereof €30 million attributable to shareholders of Fresenius SE & Co. KGaA

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, 2012, Fresenius Medical Care was treating 253,041 patients in 3,119 dialysis clinics.

US$ in millions	Q1/2012	Q1/2011	Change
Sales [2]	**3,249**	2,984	9%
EBITDA	**646**	581	11%
EBIT	**503**	445	13%
Net income [3]	**244**	221	10%
Employees (March 31/December 31)	**87,582**	83,476	5%

FIRST QUARTER OF 2012

- Strong start into 2012 – EBIT margin improvement to 15.5%
- Acquisition of Liberty Dialysis Holdings, Inc. closed
- 2012 outlook confirmed

Sales increased by 9% to US$3,249 million (Q1 2011[1]: US$2,984 million). Organic sales growth was 3%. Acquisitions contributed a further 7%. Currency translation had a negative effect of 1%.

Sales in dialysis services increased by 11% to US$2,478 million (Q1 2011: US$2,233 million). Dialysis product sales grew by 3% to US$771 million (Q1 2011: US$751 million).

In North America sales grew 9% to US$2,105 million (Q1 2011: US$1,925 million). Dialysis services sales grew by 11% to US$1,918 million (Q1 2011: US$1,730 million). Average revenue per treatment for U.S. clinics increased to US$353 in the first quarter of 2012 compared to US$348 in the first quarter of 2011. Dialysis product sales decreased by 4% to US$187 million (Q1 2011: US$195 million) mainly as a result of lower pricing of renal pharmaceuticals.

Sales outside North America ("International" segment) grew by 8% to US$1,136 million (Q1 2011: US$1,055 million). Sales in dialysis services increased by 11% to US$560 million (Q1 2011: US$503 million). Dialysis product sales increased by 4% to US$576 million (Q1 2011: US$552 million). The growth was mainly driven by higher sales of dialysis machines.

EBIT increased by 13% to US$503 million (Q1 2011: US$445 million). The EBIT margin improved to 15.5% (Q1 2011: 14.9%).

The EBIT margin in North America improved by 30 basis points to 16.5% (Q1 2011: 16.2%). The increase in Medicare rates and the growth of the expanded services contributed favorably to this development. In the International segment the EBIT margin improved to 17.2% (Q1 2011: 16.2%).

Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA for the first quarter of 2012 was US$370 million, an increase of 68% compared to the corresponding quarter of 2011. This includes a non-taxable investment gain of US$127 million related to the acquisition of Liberty Dialysis Holdings, Inc. (Liberty), including its 51% stake in Renal Advantage Partners, LLC (RAI). The gain is a result of measuring the 49% equity interest in RAI held by the company at its fair value at the time of the Liberty acquisition and is subject to the finalization of the Liberty purchase accounting. Excluding this investment gain, net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA increased by 10% to US$244 million (Q1 2011: US$221 million).

Fresenius Medical Care has closed the acquisition of Liberty Dialysis Holdings, Inc., the holding company of Liberty Dialysis and Renal Advantage effective February 28, 2012. The closing followed the completion of the review of the transaction and issuance of a consent decree by the United States' Federal Trade Commission. In connection with the consent decree, Fresenius Medical Care completed the sale of 44 clinics to Dialysis Newco, Inc. The acquisition of Liberty Dialysis Holdings, Inc. is expected to add annual sales of around US$700 million and 201 clinics to Fresenius Medical Care's network for an investment, net of proceeds from divestiture, of approximately US$1.5 billion.

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] Previous year's sales were adjusted according to a U.S. GAAP accounting change. The sales adjustment amounts to -US$52 million in Q1 2011; the 2011 sales adjustment amounts to -US$224 million.
[3] Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA – adjusted for a non-taxable investment gain of US$127 million in the first quarter 2012.

FRESENIUS KABI

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

€ in millions	Q1/2012	Q1/2011	Change
Sales	**1,092**	960	14%
EBITDA	**254**	234	9%
EBIT	**215**	197	9%
Net income [1]	**98**	87	13%
Employees (March 31/December 31)	**24,632**	24,106	2%

FIRST QUARTER OF 2012

- Excellent organic sales growth across all regions
- 2012 outlook raised

Sales increased by 14% to €1,092 million (Q1 2011: €960 million). Organic sales growth of 11% was driven by all regions. Currency translation had an effect of 2%. Acquisitions contributed 1%.

In Europe sales grew by 8% (organic growth: 8%) to €487 million (Q1 2011: €449 million). Sales in North America increased by 15% (organic growth: 10%) to €292 million (Q1 2011: €254 million). Organic sales growth was driven by new product launches and continued competitor supply constraints. In Asia-Pacific sales increased by 28% (organic growth: 20%) to €199 million (Q1 2011: €156 million). Sales in Latin America and Africa increased by 13% (organic growth: 15%) to €114 million (Q1 2011: €101 million).

EBIT grew by 9% to €215 million (Q1 2011: €197 million). EBIT growth was in particular driven by the emerging markets and North America. The EBIT margin was 19.7% (Q1 2011: 20.5%).

Net income[1] increased by 13% to €98 million (Q1 2011: €87 million).

Fresenius Kabi will host a Capital Market Day on June 12, 2012 in Bad Homburg to provide an update on the company's strategy and growth prospects.

[1] Net income attributable to shareholders of Fresenius Kabi AG

FRESENIUS HELIOS

Fresenius Helios is the largest private hospital operator in Germany. HELIOS owns 75 hospitals, including six maximum care hospitals in Berlin-Buch, Duisburg, Erfurt, Krefeld, Schwerin and Wuppertal. HELIOS treats more than 2.7 million patients per year, thereof more than 750,000 inpatients, and operates more than 23,000 beds.

€ in millions	Q1/2012	Q1/2011	Change
Sales	**717**	648	11%
EBITDA	**92**	79	16%
EBIT	**68**	58	17%
Net income [1]	**41**	33	24%
Employees (March 31/December 31)	**43,430**	37,198	17%

FIRST QUARTER OF 2012

- Strong organic sales growth of 5%
- Acquisition of Damp Group successfully completed
- 2012 earnings outlook raised

Sales increased by 11% to €717 million (Q1 2011: €648 million). This was driven by strong organic sales growth of 5%. Acquisitions contributed 6% to overall sales growth.

EBIT grew by 17% to €68 million (Q1 2011: €58 million). The EBIT margin improved by 50 basis points to 9.5% (Q1 2011: 9.0%).

Net income[1] increased by 24% to €41 million (Q1 2011: €33 million).

Sales at the established hospitals grew by 5% to €676 million. EBIT improved by 24% to €72 million. The EBIT margin increased to excellent 10.7% (Q1 2011: 9.0%). Sales of the acquired hospitals (consolidation < 1 year) were €41 million, and, as expected, EBIT was -€4 million. Restructuring of these hospitals is fully on track.

As of March 31, 2012, HELIOS fully consolidates Damp Group. Damp Group was among the ten largest private hospital operators in Germany. Damp Group's 2010 sales were €427 million (without Damp hospital Wismar, divested in the first quarter of 2012).

[1] Net income attributable to shareholders of HELIOS Kliniken GmbH

FRESENIUS VAMED

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

€ in millions	Q1/2012	Q1/2011	Change
Sales	**142**	140	1%
EBITDA	**7**	7	0%
EBIT	**5**	5	0%
Net income [1]	**4**	4	0%
Employees (March 31/December 31)	**3,760**	3,724	1%

FIRST QUARTER OF 2012

- Sales and EBIT fully in line with expectations
- Good order intake of €104 million
- 2012 outlook confirmed

Sales increased to €142 million (Q1 2011: €140 million). Sales in the project business were €77 million (Q1 2011: €84 million). Sales in the service business increased by 16% to €65 million (Q1 2011: €56 million).

EBIT was €5 million (Q1 2011: €5 million). The EBIT margin reached 3.5% (Q1 2011: 3.6%).

Net income[1] remained at previous year's level of €4 million.

In Q1 2012, Fresenius Vamed had a good order intake of €104 million (Q1 2011: €127 million). Order backlog increased to €872 million as of March 31, 2012 (Dec. 31, 2011: €845 million).

[1] Net income attributable to shareholders of VAMED AG

EMPLOYEES

As of March 31, 2012, Fresenius Group increased the number of its employees by 7% to 160,249 (Dec. 31, 2011: 149,351).

EMPLOYEES BY BUSINESS SEGMENT

Number of employees	**Mar. 31, 2012**	Dec. 31, 2011	Change
Fresenius Medical Care	**87,582**	83,476	5%
Fresenius Kabi	**24,632**	24,106	2%
Fresenius Helios	**43,430**	37,198	17%
Fresenius Vamed	**3,760**	3,724	1%
Corporate/Other	**845**	847	0%
Total	**160,249**	149,351	7%

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, 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	**Q1/2012**	Q1/2011	Change
Fresenius Medical Care	**22**	19	16%
Fresenius Kabi	**45**	38	18%
Fresenius Helios	**–**	–	--
Fresenius Vamed	**–**	0	
Corporate/Other	**4**	6	-33%
IFRS Reconciliation	**2**	1	50%
Total	**73**	64	14%

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

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

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.

INFUSION THERAPIES, CLINICAL NUTRITION, 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 care and improve the patients' quality of life. At the same time, we want to make high-quality treatments available to patients worldwide through our comprehensive range of generics.

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 non-patented
- 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.

To obtain marketing approval for new products we are constantly working on dossiers for the registration for all the world's major markets. This applies to our established portfolio, which we roll out on a broader international basis through marketing authorizations for new local markets, while at the same time we work on applications for new products.

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's sales [1] increased by 11% to €8.1 million compared to €7.3 million in the first quarter of 2011.

Sales with the trifunctional antibody Removab grew by 38% to €1.1 million (Q1 2011: €0.8 million). Sales of the immunosuppressive agent ATG Fresenius S increased by 8% to €7.0 million (Q1 2011: €6.5 million).

Fresenius Biotech's EBIT [1] was -€6 million (Q1 2011: -€7 million).

OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the consolidated financial statements and the management report as of December 31, 2011, applying Section 315a HGB in accordance with IFRS, 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 41 to 45 in the Notes of this report.

SUBSEQUENT EVENTS

On April 26, 2012 Fresenius announced its intention to make a voluntary public takeover offer to Rhön-Klinikum AG shareholders of €22.50 per share in cash. The total purchase price for all outstanding shares in the company is approximately €3.1 billion. The offer is contingent upon a minimum acceptance threshold of 90% and one share of Rhön-Klinikum AG's share capital at the end of the offer period and on antitrust approval.

Rhön-Klinikum AG is one of Germany's largest private hospital operators, with reported sales of €2.6 billion and net income of €161 million in 2011. Rhön-Klinikum AG has 53 hospitals with a total of approximately 16,000 beds, as well as 39 health medical care centers, and treated nearly 2.3 million patients last year.

OUTLOOK 2012 [1]

FRESENIUS GROUP

Based on the Group's excellent financial results in the first quarter of 2012, Fresenius raises its guidance. For 2012, Fresenius now expects net income[2] growth of 12% to 15% in constant currency. Previously, the Company expected net income growth of 8% to 11%. Sales[3] growth of 10% to 13% in constant currency is now projected at the upper end of the targeted range.

The net debt/EBITDA ratio is projected to be ≤3.0 at year end.

FRESENIUS MEDICAL CARE

Fresenius Medical Care confirms its sales and earnings outlook for 2012. The company expects sales to grow to around US$14 billion. Net income is expected to grow to around $1.3 billion and net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA is expected to grow to around US$1.14 billion. This does not include the investment gain of approximately US$127 million in the first quarter of 2012.

FRESENIUS KABI

Based on the excellent financial results in the first quarter of 2012, Fresenius Kabi raises its outlook for 2012 and now forecasts organic sales growth of 6% to 8%. Previously, organic sales growth of 4% to 6% was expected.

Fresenius Kabi expects to achieve an EBIT margin at the upper end of the targeted range of 19.5% to 20%.

[1] All data according to U.S. GAAP
[2] Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain of €30 million at Fresenius Medical Care; 2011 adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds and the Contingent Value Rights.
[3] Previous year's sales were adjusted according to a U.S. GAAP accounting change. The sales adjustment of -€39 million in Q1 2011 and of -€161 million for the full year 2011 solely relate to Fresenius Medical Care North America.

FRESENIUS HELIOS

Fresenius Helios raises its EBIT outlook for 2012. The company now projects EBIT to increase to the upper end of the targeted range of €310 million to €320 million. Fresenius Helios continues to expect organic sales growth of 3% to 5%.

FRESENIUS VAMED

Fresenius Vamed confirms its 2012 outlook and expects to achieve sales and EBIT growth of 5% to 10%.

FRESENIUS BIOTECH

For 2012, Fresenius Biotech continues to expect an EBIT of -€25 million to -€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. We expect that the number of employees will increase to more than 165,000 mainly due to the recently closed acquisitions by Fresenius Medical Care and Fresenius Helios.

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 2012

	Previous guidance	New guidance
Sales, growth (in constant currency)	10% – 13%	upper end of range
Net income[1], growth (in constant currency)	8% – 11%	12% – 15%

All data according to U.S. GAAP
[1] Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain of €30 million at Fresenius Medical Care; 2011 adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds and the Contingent Value Rights.

OUTLOOK 2012 BY BUSINESS SEGMENT

		Previous guidance	New guidance
Fresenius Medical Care	Sales	~US$14.0 bn	confirmed
	Net income[1]	~US$1.14 bn	confirmed
Fresenius Kabi	Sales, growth (organic)	4% – 6%	6% – 8%
	EBIT-margin	19.5% – 20%	upper end of range
Fresenius Helios	Sales, growth (organic)	3% – 5%	confirmed
	EBIT	€310 m – €320 m	upper end of range
Fresenius Vamed	Sales, growth	5% – 10%	confirmed
	EBIT, growth	5% – 10%	confirmed
Fresenius Biotech	EBIT	-€25 m to -€30 m	confirmed

All data according to U.S. GAAP
[1] Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA – adjusted for a non-taxable investment gain of US$127 million in the first quarter 2012.

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

€ in millions	Q1/2012	Q1/2011
Sales	**4,470**	3,962
Cost of sales	**-2,980**	-2,657
Gross profit	**1,490**	1,305
Selling, general and administrative expenses	**-757**	-663
Research and development expenses	**-73**	-64
Operating income (EBIT)	**660**	578
Investment gain	**97**	0
Net interest	**-147**	-135
Other financial result	**0**	-62
Financial result	**-50**	-197
Income before income taxes	**610**	381
Income taxes	**-155**	-115
Net income	**455**	266
Noncontrolling interest	**225**	137
Net income attributable to shareholders of Fresenius SE & Co. KGaA	**230**	129
Earnings per ordinary share in €	**1.41**	0.79
Fully diluted earnings per ordinary share in €	**1.39**	0.78

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	Q1/2012	Q1/2011
Net income	**455**	266
Other comprehensive income (loss)		
Foreign currency translation	**-143**	-357
Cash flow hedges	**12**	34
Income taxes related to components of other comprehensive income (loss)	**-14**	-4
Other comprehensive loss	**-145**	-327
Total comprehensive income (loss)	**310**	-61
Comprehensive income (loss) attributable to noncontrolling interest	**129**	-39
Comprehensive income (loss) attributable to shareholders of Fresenius SE & Co. KGaA	**181**	-22

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, 2012	Dec. 31, 2011
Cash and cash equivalents	**855**	635
Trade accounts receivable, less allowance for doubtful accounts	**3,541**	3,234
Accounts receivable from and loans to related parties	**17**	13
Inventories	**1,797**	1,717
Other current assets	**1,104**	1,174
I. Total current assets	**7,314**	6,773
Property, plant and equipment	**4,544**	4,212
Goodwill	**14,375**	12,773
Other intangible assets	**1,200**	1,200
Other non-current assets	**834**	1,098
Deferred taxes	**445**	454
II. Total non-current assets	**21,398**	19,737
Total assets	**28,712**	26,510
Trade accounts payable	**805**	807
Short-term accounts payable to related parties	**14**	21
Short-term accrued expenses and other short-term liabilities	**3,142**	2,971
Short-term debt	**218**	171
Short-term loans from related parties	**3**	3
Current portion of long-term debt and capital lease obligations	**2,952**	1,854
Current portion of Senior Notes	**500**	0
Short-term accruals for income taxes	**262**	184
A. Total short-term liabilities	**7,896**	6,011
Long-term debt and capital lease obligations, less current portion	**2,366**	3,679
Senior Notes, less current portion	**5,316**	3,996
Long-term accrued expenses and other long-term liabilities	**572**	516
Pension liabilities	**350**	344
Long-term accruals for income taxes	**188**	200
Deferred taxes	**749**	733
B. Total long-term liabilities	**9,541**	9,468
I. Total liabilities	**17,437**	15,479
A. Noncontrolling interest	**4,924**	4,780
Subscribed capital	**163**	163
Capital reserve	**2.245**	2,236
Other reserves	**3.872**	3,732
Accumulated other comprehensive income (loss)	**71**	120
B. Total Fresenius SE & Co. KGaA shareholders' equity	**6,351**	6,251
II. Total shareholders' equity	**11,275**	11,031
Total liabilities and shareholders' equity	**28,712**	26,510

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	Q1/2012	Q1/2011
Operating activities		
Net income	455	266
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities		
Depreciation and amortization	181	165
Change in deferred taxes	17	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	-185	-180
Inventories	-81	-118
Other current and non-current assets	58	28
Accounts receivable from/payable to related parties	-11	7
Trade accounts payable, accrued expenses and other short-term and long-term liabilities	76	106
Accruals for income taxes	30	-7
Net cash provided by operating activities	540	280
Investing activities		
Purchase of property, plant and equipment	-156	-152
Proceeds from sales of property, plant and equipment	2	3
Acquisitions and investments, net of cash acquired and net purchases of intangible assets	-1,593	-252
Proceeds from divestitures	135	4
Net cash used in investing activities	-1,612	-397
Financing activities		
Proceeds from short-term loans	29	73
Repayments of short-term loans	-38	-53
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	38	6
Repayments of long-term debt and capital lease obligations	-96	-139
Proceeds from the issuance of Senior Notes	1,768	756
Changes of accounts receivable securitization program	-254	-373
Proceeds from the exercise of stock options	8	4
Dividends paid	-24	-15
Change in noncontrolling interest	-126	–
Exchange rate effect due to corporate financing	–	1
Net cash provided by financing activities	1,305	260
Effect of exchange rate changes on cash and cash equivalents	-13	-18
Net increase in cash and cash equivalents	220	125
Cash and cash equivalents at the beginning of the reporting period	635	769
Cash and cash equivalents at the end of the reporting period	855	894

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

€ in millions	Q1/2012	Q1/2011
Received interest	10	12
Paid interest	-179	-147
Income taxes paid	-36	-96

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, 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
As of December 31, 2011	163,237	163,237	0	0	163,237	163
Proceeds from the exercise of stock options	98	98	0	0	98	–
Compensation expense related to stock options						
Dividends paid						
Purchase of noncontrolling interest						
Purchase of ordinary shares of Fresenius Medical Care AG & Co. KGaA						
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, 2012	**163,335**	**163,335**	**0**	**0**	**163,335**	**163**

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, 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
As of December 31, 2011	2,236	3,732	120	6,251	4,780	11,031
Proceeds from the exercise of stock options	4			4	4	8
Compensation expense related to stock options	5			5	3	8
Dividends paid				0	-24	-24
Purchase of noncontrolling interest				0	118	118
Purchase of ordinary shares of Fresenius Medical Care AG & Co. KGaA		-71		-71	-43	-114
Liabilities for noncontrolling interest subject to put provisions		-19		-19	-43	-62
Comprehensive income (loss)						
Net income		230		230	225	455
Other comprehensive income (loss)						
Cash flow hedges			-5	-5	0	-5
Foreign currency translation			-44	-44	-96	-140
Comprehensive income (loss)		230	-49	181	129	310
As of March 31, 2012	**2,245**	**3,872**	**71**	**6,351**	**4,924**	**11,275**

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	**2012**	2011	Change	**2012**	2011	Change	**2012**	2011	Change	**2012**	2011	Change
Sales	**2,478**	2,181	14%	**1,092**	960	14%	**717**	648	11%	**142**	140	1%
thereof contribution to consolidated sales	**2,474**	2,180	13%	**1,080**	949	14%	**717**	648	11%	**142**	140	1%
thereof intercompany sales	**4**	1	--	**12**	11	9%	**0**	0		**–**	–	--
contribution to consolidated sales	**56%**	56%		**25%**	24%		**16%**	16%		**3%**	4%	
EBITDA	**493**	425	16%	**254**	234	9%	**92**	79	16%	**7**	7	0%
Depreciation and amortization	**109**	100	9%	**39**	37	5%	**24**	21	14%	**2**	2	0%
EBIT	**384**	325	18%	**215**	197	9%	**68**	58	17%	**5**	5	0%
Net interest	**-75**	-52	-44%	**-69**	-68	-1%	**-14**	-13	-8%	**–**	–	--
Income taxes	**-105**	-91	-15%	**-40**	-37	-8%	**-10**	-8	-25%	**-1**	-1	0%
Net income attributable to shareholders of Fresenius SE & Co. KGaA [2]	**186**	161	16%	**98**	87	13%	**41**	33	24%	**4**	4	0%
Operating cash flow	**367**	128	187%	**93**	67	39%	**34**	68	-50%	**45**	26	73%
Cash flow before acquisitions and dividends	**274**	45	--	**57**	22	159%	**15**	51	-71%	**44**	25	76%
Total assets [1]	**16,463**	15,096	9%	**7,531**	7,282	3%	**4,205**	3,495	20%	**668**	594	12%
Debt [1]	**6,595**	5,573	18%	**4,533**	4,395	3%	**1,661**	1,104	50%	**55**	44	25%
Other operating liabilities [1]	**2,533**	2,501	1%	**1,211**	1,178	3%	**945**	811	17%	**369**	310	19%
Capital expenditure, gross	**95**	86	10%	**33**	31	6%	**20**	17	18%	**1**	1	0%
Acquisitions, gross/investments	**1,266**	253	--	**4**	1	--	**543**	4	--	**0**	0	
Research and development expenses	**22**	19	16%	**45**	38	18%	**–**	–	--	**–**	0	
Employees (per capita on balance sheet date) [1]	**87,582**	83,476	5%	**24,632**	24,106	2%	**43,430**	37,198	17%	**3,760**	3,724	1%
Key figures												
EBITDA margin	**19.9%**	19.5%		**23.3%**	24.4%		**12.8%**	12.2%		**4.9%**	5.0%	
EBIT margin	**15.5%**	14.9%		**19.7%**	20.5%		**9.5%**	9.0%		**3.5%**	3.6%	
Depreciation and amortization in % of sales	**4.4%**	4.6%		**3.6%**	3.9%		**3.3%**	3.2%		**1.4%**	1.4%	
Operating cash flow in % of sales	**14.8%**	5.9%		**8.5%**	7.0%		**4.7%**	10.5%		**31.7%**	18.6%	
ROOA [1]	**11.4%**	12.0%		**12.7%**	12.4%		**8.0%**	8.4%		**13.9%**	16.0%	

[1] 2011: December 31
[2] Fresenius Medical Care: excluding special item from the acquisition of Liberty Dialysis Holdings, Inc.

FRESENIUS SE & CO. KGAA

CONSOLIDATED SEGMENT REPORTING FIRST QUARTER (UNAUDITED)

	Corporate/Other			IFRS-Reconciliation			Fresenius Group		
by business segment, € in millions	2012[3]	2011[2]	Change	2012	2011	Change	2012	2011	Change
Sales	**-10**	-6	-67%	**51**	39	31%	**4,470**	3,962	13%
thereof contribution to consolidated sales	**6**	6	0%	**51**	39	31%	**4,470**	3,962	13%
thereof intercompany sales	**-16**	-12	-33%	**0**	0		**0**	0	
contribution to consolidated sales	**0%**	0%		**0%**	0%		**100%**	100%	
EBITDA	**-8**	-8	0%	**3**	6	-50%	**841**	743	13%
Depreciation and amortization	**3**	2	50%	**4**	3	33%	**181**	165	10%
EBIT	**-11**	-10	-10%	**-1**	3	-133%	**660**	578	14%
Net interest	**11**	-2	--	**0**	0		**-147**	-135	-9%
Income taxes	**–**	22	-100%	**1**	0		**-155**	-115	-35%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	**-99**	-157	37%	**0**	1	-100%	**230**	129	78%
Operating cash flow	**-1**	-11	91%	**2**	2	0%	**540**	280	93%
Cash flow before acquisitions and dividends	**-4**	-12	67%	**0**	0		**386**	131	195%
Total assets[1]	**-325**	-146	-123%	**170**	189	-10%	**28,712**	26,510	8%
Debt[1]	**-1,385**	-1,317	-5%	**-104**	-96	-8%	**11,355**	9,703	17%
Other operating liabilities[1]	**174**	203	-14%	**101**	40	153%	**5,333**	5,043	6%
Capital expenditure, gross	**2**	1	100%	**2**	2	0%	**153**	138	11%
Acquisitions, gross/investments	**114**	53	115%	**0**	0		**1,927**	311	--
Research and development expenses	**4**	6	-33%	**2**	1	100%	**73**	64	14%
Employees (per capita on balance sheet date)[1]	**845**	847	0%	**0**	0		**160,249**	149,351	7%
Key figures									
EBITDA margin							**18.8%**	18.8%	
EBIT margin							**14.8%**	14.6%	
Depreciation and amortization in % of sales							**4.0%**	4.2%	
Operating cash flow in % of sales							**12.1%**	7.1%	
ROOA[1]							**10.7%**	10.7%	

[1] 2011: December 31
[2] Including special items from the acquisition of APP Pharmaceuticals, Inc.
[3] Including special items from the acquisition of Liberty Dialysis Holdings, 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.

CONTENT NOTES

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, 2012:

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

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

II. BASIS OF PRESENTATION

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 condensed interim financial statements also comply with IFRS as issued by the International Accounting Standards Board (IASB).

The accounting policies underlying these interim financial statements are mainly the same as those applied in the consolidated financial statements as of December 31, 2011.

III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The condensed consolidated financial statements and management report for the first quarter ended March 31, 2012 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, 2011 applying Section 315a HGB in accordance with IFRS.

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

The consolidated financial statements for the first quarter ended March 31, 2012 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, 2012 are not necessarily indicative of the results of operations for the fiscal year 2012.

Classifications

Certain items in the consolidated financial statements for the first quarter of 2011 and for the year 2011 have been reclassified to conform with the current year's presentation.

In the business segment Fresenius Medical Care, freight expense in the amount of US$35 million (€25 million) was reclassified from selling, general and administrative expenses to cost of sales to harmonize the presentation for all business segments.

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.

IV. RECENT PRONOUNCEMENTS, APPLIED

The Fresenius Group has prepared its consolidated financial statements at March 31, 2012 in conformity with IFRS in force for interim periods on January 1, 2012.

In the first quarter of 2012, the Fresenius Group did not apply any new standards relevant for its business for the first time.

V. RECENT PRONOUNCEMENTS, NOT YET APPLIED

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

- Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)
- Mandatory Effective Date and Transition Disclosures (Amendments to IFRS 9 and IFRS 7)
- Amendments to IAS 19, Employee Benefits
- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)
- IFRS 10, Consolidated Financial Statements
- IFRS 11, Joint Arrangements
- IFRS 12, Disclosure of Interests in Other Entities
- IFRS 13, Fair Value Measurement
- Amendments to IAS 28, Investments in Associates and Joint Ventures
- IFRS 9, Financial Instruments

In December 2011, the IASB issued **Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)**. This amendment requires disclosing and reconciling gross and net amounts for financial instruments that are offset in the statement of financial position, and amounts for financial instruments that are subject to master netting arrangements and other similar clearing and repurchase arrangements. The amendments to IFRS 7 are effective for annual periods beginning on or after January 1, 2013 and interim periods within those annual periods. The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

In December 2011, the IASB issued **Mandatory Effective Date and Transition Disclosures (Amendments to IFRS 9 and IFRS 7)**. The amendments to IFRS 9 defer the mandatory effective date of IFRS 9 from January 1, 2013 to January 1, 2015. Earlier application is permitted. The amendments to IFRS 7 relieve entities from restating comparative financial statements. Instead, additional disclosures about the transition from IAS 39 to IFRS 9 are required when an entity first applies IFRS 9. The Fresenius Group will apply this guidance when applying IFRS 9 for the first time.

In June 2011, the IASB issued an amended version of **IAS 19**, Employee Benefits. Among other amendments, this version eliminates the corridor approach to accounting for actuarial gains and losses and requires their recognition in Other Comprehensive Income (OCI) without recycling to profit and loss. Another change in pension accounting according to IAS 19 relates to the return on plan assets. Until now, this return was comprised of the expected profit out of plan assets. In the future, the return will be calculated by discounting the fair value of a plan asset at the beginning of a period. Additionally, several new disclosures are required. The amended version of IAS 19 is effective retrospectively for fiscal years beginning on or after January 1, 2013 with a few simplifications to retrospective implementation. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

In June 2011, the IASB issued **Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)**. According to the amendments, the statement of comprehensive income shall present items of OCI that can be reclassified to profit and loss separately from items that can not be reclassified. Tax shall be allocated to each of these two groups if OCI items are presented before tax. The amended version of IAS 1 is effective retrospectively for fiscal years beginning on or after July 1, 2012. Earlier adoption is permitted. The Fresenius Group will implement the amendments to IAS 1 as of January 1, 2013.

In May 2011, the IASB issued **IFRS 10**, Consolidated Financial Statements. The new standard provides one single definition of „control". The new standard replaces the previously relevant consolidation guidance in IAS 27 (2008), Consolidated and Separate Financial Statements and SIC-12, Consolidation – Special Purpose Entities. According to IFRS 10, an entity (subsidiary) is controlled by an investor, who is exposed or has rights to variable returns from the involvement with the entity (subsidiary), when the investor has existing rights that give it the ability to direct the activities that significantly affect the investee's returns. IFRS 10 is effective retrospectively for fiscal years beginning on or after January 1, 2013. Earlier adoption is permitted concurrently with IFRS 11, IFRS 12 and IAS 28 (as amended in 2011). The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

In May 2011, the IASB issued **IFRS 11**, Joint Arrangements. The standard defines and regulates the accounting of arrangements under common control (joint arrangements). The new standard replaces the guidance on accounting for joint ventures previously included in IAS 31, Interests in Joint Ventures and SIC-13, Jointly Controlled Entities – Non-Monetary Contributions by Venturers. Joint arrangements are defined as arrangements for which two or more parties have contractually agreed joint control. Joint control exists if decisions about relevant activities must be taken unanimously by all parties. Additionally, IFRS 11 classifies joint arrangements in joint operations and joint ventures and gives guidance on how to account for both types. Parties to a joint operation have rights to the assets and obligations for the liabilities of the arrangement and shall include them in their consolidated financial statements proportionally to their interest. Parties to a joint venture have a right to the net position (asset or liability) of the arrangement and the arrangement shall be accounted for following the equity method. The option to consolidate using the proportional method of accounting has been eliminated. IFRS 11 is effective retrospectively for fiscal years beginning on or after January 1, 2013. Earlier adoption is permitted concurrently with IFRS 10, IFRS 12 and IAS 28 (as amended in 2011). The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

In May 2011, the IASB issued an amended version of **IAS 28**, Investments in Associates and Joint Ventures. This version stipulates that joint ventures as described in IFRS 11, Joint Arrangements, shall be accounted for using the equity method guidance in IAS 28, among others. The amended version of IAS 28 is effective retrospectively for fiscal years beginning on or after January 1, 2013. Earlier adoption is permitted concurrently with IFRS 10, IFRS 11 and IFRS 12. The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

In May 2011, the IASB issued **IFRS 12**, Disclosure of Interests in Other Entities. The standard gathers all disclosure requirements for interests held in other entities including joint arrangements. IFRS 12 is effective retrospectively for fiscal years beginning on or after January 1, 2013. Earlier adoption is permitted concurrently with IFRS 10, IFRS 11 and IAS 28 (as amended in 2011). The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

In May 2011, the IASB issued **IFRS 13**, Fair Value Measurement. IFRS 13 defines fair value as an exit price in a transaction between market participants at the measurement date and enhances disclosures related to fair value measurements. The new standard gives guidance on performing fair value measurements required by other IFRS. IFRS 13 increases convergence with the U.S. GAAP guidance in the field of fair value measurements. IFRS 13 is effective for fiscal years beginning on or after January 1, 2013. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

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, 2015. 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.

The EU Commission's endorsement of the standards described before is still outstanding.

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

2. ACQUISITIONS, DIVESTITURES AND INVESTMENTS

The Fresenius Group made acquisitions and investments of €1,927 million and €311 million in the first quarter of 2012 and 2011, respectively. Of this amount, €1,723 million was paid in cash and €204 million was assumed obligations in the first quarter of 2012.

FRESENIUS MEDICAL CARE

Acquisition of Liberty Dialysis Holdings, Inc.

On February 28, 2012, Fresenius Medical Care acquired 100% of the equity of Liberty Dialysis Holdings, Inc. (LD Holdings), the owner of Liberty Dialysis and owner of a 51% stake in Renal Advantage Partners, LLC (the Liberty Acquisition) and accounted for this transaction as a business combination, subject to finalization of the acquisition accounting which will be finalized when certain information arranged to be obtained has been received. LD Holdings mainly provides dialysis services in the United States through the 263 clinics it owns (the Acquired Clinics).

Total consideration for the Liberty Acquisition was US$2,161 million, consisting of US$1,693 million cash, net of cash acquired and US$468 million non-cash consideration. Accounting standards for business combinations require previously held equity interests to be fair valued with the difference to book value to be recognized as a gain or loss in income. Prior to the Liberty Acquisition, Fresenius Medical Care had a 49% equity investment in Renal Advantage Partners, LLC, the fair value of which, US$189 million, is included as non-cash consideration. The estimated fair value has been determined based on the discounted cash flow method, utilizing an approximately 13% discount rate. In addition to Fresenius Medical Care's investment, it also had a loan receivable of US$279 million from Renal Advantage Partners, LLC which was retired as part of the transaction. This retirement is also considered non-cash consideration bringing the total non-cash consideration in the Liberty Acquisition to US$468 million.

The following table summarizes the estimated fair values of assets acquired and liabilities assumed at the date of the acquisition. This preliminary acquisition accounting is based upon the best information available to management. Any adjustments to the acquisition accounting, net of related income tax effects, will be recorded with a corresponding adjustment to goodwill.

US$ in millions	
Assets held for sale	153
Trade accounts receivable	155
Other current assets	35
Property, plant and equipment	181
Intangible assets and other assets	90
Goodwill	2,032
Accounts payable, accrued expenses and other short-term liabilities	-143
Income tax payable and deferred taxes	-65
Short-term borrowings and other financial liabilities and long-term debt and capital lease obligations	-58
Other liabilities	-35
Noncontrolling interests (subject and not subject to put provisions)	-184
Total acquistion cost	**2,161**
Less, at fair value, non-cash contributions	
Investment at acquisition date	-189
Long-term Notes Receivable	-279
Total non-cash items	-468
Net Cash paid	**1,693**

It is currently estimated that amortizable intangible assets acquired in this acquisition will have weighted-average useful lives of 6–8 years.

Goodwill, in the amount of US$2,032 million was acquired as part of the Liberty Acquisition. Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill arises principally due to the fair value placed on acquiring an established stream of future cash flows versus building a similar franchise. Of the goodwill recognized in this acquisition, approximately US$436 million is expected to be deductible for tax purposes and amortized over a 15 year period.

The noncontrolling interests acquired as part of the acquisition are stated at estimated fair value, subject to finalization of the acquisition accounting, based upon utilized implied multiples used in conjunction with the Liberty Acquisition, as well as Fresenius Medical Care's overall experience and contractual multiples typical for such arrangements.

Liberty's incremental operating results, including acquisition related costs of US$16 million and a benefit from the retirement of the loan receivable discussed below, are included in Fresenius Groups's consolidated financial statements effective February 29, 2012 and consist of the following:

€ in millions	
Net revenues	69
Operating income	3
Net income attributable to shareholders of Fresenius SE & Co. KGaA	-1

The fair valuation of the Fresenius Medical Care's investment at the time of the Liberty Acquisition resulted in a non-taxable gain of approximately US$127 million and is presented in the separate line item investment gain in the consolidated statement of income. The retirement of the loan receivable resulted in a benefit of US$5.5 million which was recognized in net interest.

Divestitures

In accordance with a consent order issued by the United States Federal Trade Commission in connection with its clearance of the Liberty Acquisition, Fresenius Medical Care was required to divest 62 clinics. In March 2012, 49 clinics were sold of which 15 were legacy clinics. The remaining 13 clinics are expected to be sold during 2012 and 2013 once the necessary approvals for change of ownership by state regulatory authorities have been obtained.

Fresenius Medical Care received cash consideration of US$176 million for all centers divested. The sale of the legacy clinics resulted in a pre-tax gain of approximately US$9.3 million which is recorded in the line item selling, general and administrative expenses in the consolidated statement of income. Fresenius Medical Care incurred an income tax expense related to the sale of the legacy clinics of approximately US$6.6 million which is appropriately included in the line item income taxes in the consolidated statement of income, resulting in a net gain of US$2.7 million. The sale of 34 Acquired Clinics did not have any profit or loss impact for the Fresenius Group.

FRESENIUS HELIOS

In the first quarter of 2012, Fresenius Helios spent €543 million on acquisitions, mainly for the acquisition of 94.7% of the share capital in the Damp Holding AG (Damp), Germany, completed in March 2012. The transaction could be closed after approval by local and antitrust authorities.

The Fresenius Group has consolidated Damp as of March 31, 2012. Therefore, Damp did not yet have an influence on the net income attributable to shareholders of Fresenius SE & Co. KGaA of the first quarter of 2012.

The following table summarizes the estimated fair values of assets acquired and liabilities assumed at the date of the acquisition. This preliminary allocation of the purchase price is based upon the best information available to management at present. Due to the relatively short interval between the closing date of the acquisition and the date of the consolidated statement of financial position, this information may be incomplete. Any adjustments to the preliminary allocation, net of related income tax effects, will be recorded with a corresponding adjustment to goodwill.

The preliminary purchase price allocation is as follows:

€ in millions	
Working capital and other assets	86
Assets	274
Other liabilities	-171
Goodwill	338
Total	527

The acquisition increased the total assets of the Fresenius Group by €0.7 billion. The capitalized goodwill in an amount of €0.3 billion is not deductible for tax purposes.

CORPORATE / OTHER

In November and December 2011, Fresenius SE & Co. KGaA purchased 1,399,996 ordinary shares of Fresenius Medical Care AG & Co. KGaA. In January and February 2012, Fresenius SE & Co. KGaA purchased further 2,100,004 ordinary shares of Fresenius Medical Care AG & Co. KGaA. Therefore, the voting rights in Fresenius Medical Care AG & Co. KGaA increased to 31.4% at March 31, 2012. A total of 3.5 million shares were acquired with a total transaction volume of approximately €184 million.

NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the first quarter of 2012 in the amount of €230 million includes a special item relating to the acquisition of Liberty Dialysis by Fresenius Medical Care. This special item in an amount of €30 million (before noncontrolling interest: €97 million) is described in note 5, Investment gain. Net income attributable to shareholders of Fresenius SE & Co. KGaA before the special item was €200 million.

3. SALES

Sales by activity were as follows:

€ in millions	Q1/2012	Q1/2011
Sales of services	**2,735**	2,390
Sales of products and related goods	**1,656**	1,486
Sales from long-term production contracts	**77**	86
Other sales	**2**	–
Sales	**4,470**	3,962

4. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of €73 million (Q1 2011: €64 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 2011: €3 million).

5. INVESTMENT GAIN

Fresenius Medical Care's acquisition of the remaining 51% stake in Renal Advantage Partners, LLC, in addition to its 49% equity investment held previously, represents a business combination achieved in stages in which the previous equity investment was measured at its fair value at the date of the acquisition of Liberty Dialysis Holdings, Inc. The resultant non-taxable income of US$127 million (€97 million) is presented in the separate line item investment gain in the consolidated statement of income.

6. OTHER FINANCIAL RESULT

Until 2011, the item other financial result included the following special expenses and income with regard to the acquisition of APP Pharmaceuticals, Inc. (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.

The issued Mandatory Exchangeable Bonds matured on August 14, 2011. Due to their contractual definition, they included derivative financial instruments that were measured at fair value. This measurement resulted in an expense (before tax) of €67 million in the first quarter of 2011.

7. 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 its audit for the years 1996 and 1997. Fresenius Medical Care filed a complaint with the appropriate German court to challenge the tax authority's decision. In January 2011, Fresenius Medical Care reached an agreement with the tax authorities. The additional benefit related to the agreement has been recognized in the consolidated financial statements in 2011.

The Internal Revenue Service (IRS) tax audits of Fresenius Medical Care Holdings, Inc. for the years 2002 through 2008 have been completed. On January 23, 2012, Fresenius Medical Care executed a closing agreement with the IRS with respect to the 2007 – 2008 tax audit. The agreement reflected a full allowance of interest deductions on intercompany mandatorily redeemable preferred shares for the 2007 – 2008 tax years. In addition, on February 16, 2012, Fresenius Medical Care executed a closing agreement with IRS Appeals that reflects the full allowance of interest deductions associated with mandatorily redeemable shares for the years 2002 – 2006.

Furthermore, during the first quarter of 2012, 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, 2011 applying Section 315a HGB in accordance with IFRS.

8. EARNINGS PER SHARE

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

	Q1/2012	Q1/2011
Numerators, € in millions		
Net income attributable to shareholders of Fresenius SE & Co. KGaA	230	129
less effect from dilution due to Fresenius Medical Care shares	1	–
Income available to all classes of shares	229	129
Denominators in number of shares		
Weighted-average number of ordinary shares outstanding	163,302,717	162,450,090
Potentially dilutive ordinary shares	1,863,109	1,583,405
Weighted-average number of ordinary shares outstanding assuming dilution	165,165,826	164,033,495
Basic earnings per ordinary share in €	1.41	0.79
Fully diluted earnings per ordinary share in €	1.39	0.78

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

9. CASH AND CASH EQUIVALENTS

As of March 31, 2012 and December 31, 2011, cash and cash equivalents were as follows:

€ in millions	March 31, 2012	Dec. 31, 2011
Cash	833	627
Time deposits and securities (with a maturity of up to 90 days)	22	8
Total cash and cash equivalents	**855**	635

As of March 31, 2012 and December 31, 2011, earmarked funds of €127 million and €40 million, respectively, were included in cash and cash equivalents.

10. TRADE ACCOUNTS RECEIVABLE

As of March 31, 2012 and December 31, 2011, trade accounts receivable were as follows:

€ in millions	March 31, 2012	Dec. 31, 2011
Trade accounts receivable	3,930	3,617
less allowance for doubtful accounts	389	383
Trade accounts receivable, net	**3,541**	3,234

11. INVENTORIES

As of March 31, 2012 and December 31, 2011, inventories consisted of the following:

€ in millions	March 31, 2012	Dec. 31, 2011
Raw materials and purchased components	426	385
Work in process	354	326
Finished goods	1,081	1,076
less reserves	64	70
Inventories, net	**1,797**	1,717

12. OTHER CURRENT AND NON-CURRENT ASSETS

Investments and long-term loans comprised investments of €480 million at March 31, 2012 (December 31, 2011: €537 million), mainly regarding the joint venture between Fresenius Medical Care and Galenica Ltd., that were accounted for under the equity method. In the first quarter of 2012, income of €4 million (Q1 2011: €6 million) resulting from this valuation was included in selling, general and administrative expenses in the consolidated statement of income. Furthermore, investments and long-term loans included €181 million as of December 31, 2011 that Fresenius Medical Care loaned to Renal Advantage Partners, LLC.

13. GOODWILL AND OTHER INTANGIBLE ASSETS

As of March 31, 2012 and December 31, 2011, intangible assets, split into amortizable and non-amortizable intangible assets, consisted of the following:

AMORTIZABLE INTANGIBLE ASSETS

	March 31, 2012			Dec. 31, 2011		
€ in millions	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Patents, product and distribution rights	567	188	379	582	182	400
Technology	83	25	58	86	25	61
Non-compete agreements	231	145	86	201	144	57
Capitalized development costs	359	147	212	366	147	219
Other	614	328	286	601	322	279
Total	**1,854**	**833**	**1,021**	1,836	820	1,016

NON-AMORTIZABLE INTANGIBLE ASSETS

€ in millions	March 31, 2012 Acquisition cost	March 31, 2012 Accumulated amortization	March 31, 2012 Carrying amount	Dec. 31, 2011 Acquisition cost	Dec. 31, 2011 Accumulated amortization	Dec. 31, 2011 Carrying amount
Tradenames	**173**	**0**	**173**	178	0	178
Management contracts	**6**	**0**	**6**	6	0	6
Goodwill	**14,375**	**0**	**14,375**	12,773	0	12,773
Total	**14,554**	**0**	**14,554**	12,957	0	12,957

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

€ in millions	Q2–4/2012	2013	2014	2015	2016	Q1/2017
Estimated amortization expenses	87	110	102	94	89	25

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, 2011	**6,090**	**3,804**	**1,620**	**48**	**6**	**11,568**
Additions	821	14	95	0	0	930
Reclassification	-2	0	0	0	0	-2
Foreign currency translation	186	91	0	0	0	277
Carrying amount as of December 31, 2011	**7,095**	**3,909**	**1,715**	**48**	**6**	**12,773**
Additions	1,553	1	339	0	0	1,893
Foreign currency translation	-200	-91	0	0	0	-291
Carrying amount as of March 31, 2012	**8,448**	**3,819**	**2,054**	**48**	**6**	**14,375**

As of March 31, 2012 and December 31, 2011, the carrying amounts of the other non-amortizable intangible assets were €163 million and €168 million, respectively, for Fresenius Medical Care as well as €16 million, respectively, for Fresenius Kabi.

14. DEBT AND CAPITAL LEASE OBLIGATIONS

SHORT-TERM DEBT

The Fresenius Group had short-term debt of €218 million and €171 million at March 31, 2012 and December 31, 2011, respectively. As of March 31, 2012, 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, 2012 and December 31, 2011, long-term debt and capital lease obligations consisted of the following:

€ in millions	March 31, 2012	Dec. 31, 2011
Fresenius Medical Care 2006 Senior Credit Agreement	**2,076**	2,161
2008 Senior Credit Agreement	**1,290**	1,326
Euro Notes	**800**	800
European Investment Bank Agreements	**523**	527
Accounts receivable facility of Fresenius Medical Care	**151**	413
Capital lease obligations	**50**	53
Other	**533**	351
Subtotal	**5,423**	5,631
less current portion	**2,952**	1,854
less financing cost	**105**	98
Long-term debt and capital lease obligations, less current portion	**2,366**	3,679

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 (the Lenders) on March 31, 2006, which replaced a prior credit agreement.

Since entering into the 2006 Senior Credit Agreement, Fresenius Medical Care arranged several amendments with the Lenders and effected voluntary prepayments of the Term Loans, which led to a change in 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, 2012 and December 31, 2011:

	March 31, 2012			
	Maximum amount available		**Balance outstanding**	
	US$ in millions	€ in millions	**US$ in millions**	**€ in millions**
Revolving Credit	1,200	899	**70**	**53**
Term Loan A	1,185	887	**1,185**	**887**
Term Loan B	1,518	1,136	**1,518**	**1,136**
Total	3,903	2,922	**2,773**	**2,076**

	Dec. 31, 2011			
	Maximum amount available		**Balance outstanding**	
	US$ in millions	€ in millions	**US$ in millions**	**€ in millions**
Revolving Credit	1,200	927	**59**	**46**
Term Loan A	1,215	939	**1,215**	**939**
Term Loan B	1,522	1,176	**1,522**	**1,176**
Total	3,937	3,042	**2,796**	**2,161**

In addition, at March 31, 2012 and December 31, 2011, Fresenius Medical Care had letters of credit outstanding in the amount of US$161 million and US$181 million, respectively, which were not included above as part of the balance outstanding at those dates but which reduce available borrowings under the Revolving Credit Facility.

As of March 31, 2012, 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, 2012 and December 31, 2011:

	March 31, 2012			
	Maximum amount available	€ in millions	**Balance outstanding**	**€ in millions**
Revolving Credit Facilities	US$550 million	412	**US$0 million**	**0**
Term Loan A	US$537 million	402	**US$537 million**	**402**
Term Loan D (in US$)	US$971 million	728	**US$971 million**	**728**
Term Loan D (in €)	€160 million	160	**€160 million**	**160**
Total		1,702		**1,290**

	December 31, 2011			
	Maximum amount available	€ in millions	**Balance outstanding**	**€ in millions**
Revolving Credit Facilities	US$550 million	425	**US$0 million**	**0**
Term Loan A	US$537 million	415	**US$537 million**	**415**
Term Loan D (in US$)	US$971 million	751	**US$971 million**	**751**
Term Loan D (in €)	€160 million	160	**€160 million**	**160**
Total		1,751		**1,326**

As of March 31, 2012, the Fresenius Group was in compliance with all covenants under the 2008 Senior Credit Agreement.

Euro Notes

As of March 31, 2012 and December 31, 2011, Euro Notes (Schuldscheindarlehen) of the Fresenius Group consisted of the following:

			Book value/nominal value € in millions	
	Maturity	Interest rate	**March 31, 2012**	Dec. 31, 2011
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
Fresenius Medical Care AG & Co. KGaA 2009/2012	Oct. 27, 2012	7.41%	**36**	36
Fresenius Medical Care AG & Co. KGaA 2009/2012	Oct. 27, 2012	variable	**119**	119
Fresenius Medical Care AG & Co. KGaA 2009/2014	Oct. 27, 2014	8.38%	**15**	15
Fresenius Medical Care AG & Co. KGaA 2009/2014	Oct. 27, 2014	variable	**30**	30
Euro Notes			**800**	800

On April 2, 2012, Fresenius SE & Co. KGaA issued Euro Notes in an amount of €400 million. Proceeds were used to refinance the tranches of the Euro Notes of Fresenius Finance B.V. which were due in April 2012 and for general corporate purposes. The new Euro Notes are guaranteed by Fresenius Kabi AG and Fresenius ProServe GmbH.

The Euro Notes issued by Fresenius Finance B.V. in the amounts of €200 million, which were due on April 2, 2012 and €100 million, which are due on July 2, 2012, respectively, are shown as current portion of long-term debt and capital lease obligations in the consolidated statement of financial position. The Euro Notes issued by FMC-AG & Co. KGaA of €155 million, which are due on October 27, 2012, are also shown as current portion of long-term debt and capital lease obligations in the consolidated statement of financial position.

As of March 31, 2012, the Fresenius Group was in compliance with all of its covenants under the Euro Notes.

European Investment Bank Agreements

The following table shows the amounts outstanding under the European Investment Bank (EIB) facilities as of March 31, 2012 and December 31, 2011:

		Maximum amount available € in millions		Book value € in millions	
	Maturity	**March 31, 2012**	Dec. 31, 2011	**March 31, 2012**	Dec. 31, 2011
Fresenius SE & Co. KGaA	2013	**196**	196	**196**	196
Fresenius Medical Care AG & Co. KGaA	2013/2014	**271** [1]	271 [1]	**263** [1]	267 [1]
HELIOS Kliniken GmbH	2019	**64**	64	**64**	64
Loans from EIB		**531**	531	**523**	527

[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 amounted to US$165 million (€123 million) on March 31, 2012.

As of March 31, 2012, the Fresenius Group was in compliance with the respective covenants.

CREDIT LINES

In addition to the financial liabilities described before, the Fresenius Group maintains additional credit facilities which have not been utilized, or have only been utilized in part, as of the reporting date. At March 31, 2012, the additional financial cushion resulting from unutilized credit facilities was approximately €2 billion.

15. SENIOR NOTES

As of March 31, 2012 and December 31, 2011, Senior Notes of the Fresenius Group consisted of the following:

				Book value € in millions	
	Notional amount	Maturity	Interest rate	**March 31, 2012**	Dec. 31, 2011
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%	**637**	637
Fresenius Finance B.V. 2012/2019	€500 million	Apr. 15, 2019	4.25%	**500**	0
Fresenius US Finance II, Inc. 2009/2015	€275 million	July 15, 2015	8.75%	**265**	264
Fresenius US Finance II, Inc. 2009/2015	US$500 million	July 15, 2015	9.00%	**361**	372
FMC Finance VI S.A. 2010/2016	€250 million	July 15, 2016	5.50%	**248**	248
FMC Finance VII S.A. 2011/2021	€300 million	Feb. 15, 2021	5.25%	**294**	294
FMC Finance VIII S.A. 2011/2016	€100 million	Oct. 15, 2016	variable	**100**	100
FMC Finance VIII S.A. 2011/2018	€400 million	Sept. 15, 2018	6.50%	**395**	395
FMC Finance VIII S.A. 2012/2019	€250 million	July 31, 2019	5.25%	**243**	0
Fresenius Medical Care US Finance, Inc. 2007/2017	US$500 million	July 15, 2017	6.875%	**371**	383
Fresenius Medical Care US Finance, Inc. 2011/2021	US$650 million	Feb. 15, 2021	5.75%	**483**	498
Fresenius Medical Care US Finance II, Inc. 2011/2018	US$400 million	Sept. 15, 2018	6.50%	**296**	305
Fresenius Medical Care US Finance II, Inc. 2012/2019	US$800 million	July 31, 2019	5.625%	**599**	0
Fresenius Medical Care US Finance II, Inc. 2012/2022	US$700 million	Jan. 31, 2022	5.875%	**524**	0
Senior Notes				**5,816**	3,996

On March 28, 2012, Fresenius Finance B.V. issued unsecured Senior Notes of €500 million at par which are due in 2019. Net proceeds were used for acquisitions, including the acquisition of the Damp Group, to refinance short-term debts and for general corporate purposes.

On January 26, 2012, Fresenius Medical Care US Finance II, Inc. issued unsecured Senior Notes of US$800 million, due in 2019, and of US$700 million, due in 2022, respectively. In addition, FMC Finance VIII S.A. issued unsecured Senior Notes of €250 million which are due in 2019. Net proceeds were used for acquisitions, to refinance indebtedness and for general corporate purposes.

The Senior Notes of Fresenius Finance B.V. are guaranteed by Fresenius SE & Co. KGaA, Fresenius Kabi AG and Fresenius ProServe GmbH. The Senior Notes of Fresenius Medical Care US Finance II, Inc. and FMC Finance VIII S.A. (wholly-owned subsidiaries of FMC-AG & Co. KGaA) are guaranteed on a senior basis jointly and serverally by FMC-AG & Co. KGaA, Fresenius Medical Care Holdings, Inc. and Fresenius Medical Care Deutschland GmbH.

The Senior Notes issued by Fresenius Finance B.V. which are due on January 1, 2013 are shown as current portion of Senior Notes in the consolidated statement of financial position.

As of March 31, 2012, the Fresenius Group was in compliance with all of its covenants.

16. PENSIONS AND SIMILAR OBLIGATIONS

DEFINED BENEFIT PENSION PLANS

At March 31, 2012, the pension liability of the Fresenius Group was €363 million. The current portion of the pension liability of €13 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 €350 million is recorded as pension liability. At March 31, 2012, prepaid pension costs of €2 million related to the North American pension plan were recorded within other non-current assets.

Contributions to Fresenius Group's pension fund were €1 million in the first quarter of 2012. The Fresenius Group expects approximately €13 million contributions to the pension fund during 2012.

Defined benefit pension plans' net periodic benefit costs of €13 million (Q1 2011: €10 million) were comprised of the following components:

€ in millions	Q1/2012	Q1/2011
Service cost	5	5
Interest cost	9	9
Expected return on plan assets	-4	-4
Amortization of unrealized actuarial losses, net	3	–
Amortization of prior service costs	–	–
Net periodic benefit cost	**13**	10

17. NONCONTROLLING INTEREST

As of March 31, 2012 and December 31, 2011, noncontrolling interest in the Group was as follows:

€ in millions	March 31, 2012	Dec. 31, 2011
Noncontrolling interest in Fresenius Medical Care AG & Co. KGaA	4,338	4,306
Noncontrolling interest in VAMED AG	30	29
Noncontrolling interest in the business segments		
Fresenius Medical Care	371	243
Fresenius Kabi	70	63
Fresenius Helios	113	137
Fresenius Vamed	2	2
Total noncontrolling interest	**4,924**	4,780

From November 2011 to February 2012, Fresenius SE & Co. KGaA purchased 3,500,000 ordinary shares of Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA). Therewith, Fresenius SE & Co. KGaA's shareholding in FMC-AG & Co. KGaA amounted to 31.4% of the ordinary share capital as of March 31, 2012.

Noncontrolling interest changed as follows:

€ in millions	Q1/2012
Noncontrolling interest at January 1, 2012	**4,780**
Noncontrolling interest not subject to put provisions in profit	225
Stock options	6
Dividend payments	-24
Purchase of ordinary shares of FMC-AG & Co. KGaA	-43
Currency effects, first-time consolidations and other changes	-20
Noncontrolling interest at March 31, 2012	**4,924**

18. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

SUBSCRIBED CAPITAL

During the first quarter of 2012, 97,334 stock options were exercised. Consequently, as of March 31, 2012, the subscribed capital of Fresenius SE & Co. KGaA consisted of 163,334,670 bearer ordinary shares. The shares are issued as non-par value shares. The proportionate amount of the subscribed capital is €1.00 per share.

CONDITIONAL CAPITAL

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 24, Stock options).

The following table shows the development of the Conditional Capital:

in €	Ordinary Shares
Conditional Capital I Fresenius AG Stock Option Plan 1998	888,428
Conditional Capital II Fresenius AG Stock Option Plan 2003	2,976,630
Conditional Capital III Fresenius SE Stock Option Plan 2008	6,024,524
Total Conditional Capital as of January 1, 2012	**9,889,582**
Fresenius AG Stock Option Plan 1998 – options exercised	-7,844
Fresenius AG Stock Option Plan 2003 – options exercised	-44,164
Fresenius SE Stock Option Plan 2008 – options exercised	-45,326
Total Conditional Capital as of March 31, 2012	**9,792,248**

AUTHORIZED CAPITAL

By resolution of the Annual General Meeting on May 13, 2011, the previous Authorized Capitals I to V were revoked and a new Authorized Capital I was created.

In accordance with the new provision in 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 12, 2016, to increase Fresenius SE & Co. KGaA's subscribed capital by a total amount of up to €40,320,000 through a single issue or multiple issues of new bearer ordinary shares against cash contributions and/or contributions in kind (Authorized Capital I). A subscription right must be granted to the shareholders in principle. In defined cases, the general partner is authorized, with the consent of the Supervisory Board, to decide on the exclusion of the shareholders' subscription right (e.g. to eliminate fractional amounts). For cash contributions, the authorization can only be exercised if the issue price is not significantly below the stock exchange price of the already listed shares at the time the issue price is fixed with final effect by the general partner. Furthermore, the proportionate amount of the shares issued with exclusion of subscription rights may not exceed 10% of the subscribed capital neither at the time of the resolution on the authorization nor at the time of the utilization of the authorization. In the case of a contribution in kind, the subscription right can be excluded only in order to acquire a company, parts of a company or a participation in a company. The authorizations granted concerning the exclusion of subscription rights can be used by the general partner only to such extent that the proportional amount of the total number of shares issued with exclusion of the subscription rights does not exceed 20% of the subscribed capital, neither at the time of the resolution on the authorization nor at the time of the utilization of the authorization.

The changes to the Authorized Capital became effective upon registration of the amendments to the articles of association with the commercial register on July 11, 2011.

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 2012, the general partner and the Supervisory Board of Fresenus SE & Co. KGaA will propose a dividend of €0.95 per bearer ordinary share to the Annual General Meeting, i.e. a total dividend payment of €155 million.

OTHER NOTES

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

Further information regarding legal disputes, court proceedings and investigations can be found in detail in the consolidated financial statements as of December 31, 2011 applying Section 315a HGB in accordance with IFRS. In the following, only the changes during the first quarter ended March 31, 2012 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, 2011 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, 2011 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 and the confirmation orders were affirmed by the U.S. District Court on January 31, 2012.

BAXTER PATENT DISPUTE "TOUCHSCREEN INTERFACES" (1)

Upon the remand in 2011, the district court reduced the post verdict damages award to US$9 million. In the parallel reexamination of the last surviving patent, the U.S. Patent and Trademark Office and the Board of Patent Appeals and Interferences ruled that the remaining Baxter patent is invalid. Baxter appealed the Board's ruling to the Federal Circuit which heard the appeal in December 2011. That decision is pending and Fresenius Medical Care Holdings, Inc.'s payment obligation on the District Court damage award it stayed pending the Federal Circuit's ruling on Baxter's 2011 appeal.

BAXTER PATENT DISPUTE "LIBERTY CYCLER"

On February 13, 2012, the Federal Circuit affirmed the District Court's non-infringement verdict.

The Fresenius Group regularly analyzes current information about claims for probable losses and provides accruals for such matters, including estimated expenses for legal services, as appropriate.

20. FINANCIAL INSTRUMENTS

VALUATION OF FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and fair values as well as the fair value hierarchy levels of Fresenius Group's financial instruments as of March 31, 2012 and December 31, 2011, classified into classes:

€ in millions	Fair value hierarchy level	March 31, 2012 Carrying amount	March 31, 2012 Fair value	Dec. 31, 2011 Carrying amount	Dec. 31, 2011 Fair value
Cash and cash equivalents	1	**855**	**855**	635	635
Assets recognized at carrying amount	3	**3,558**	**3,558**	3,428	3,427
Liabilities recognized at carrying amount	2	**12,174**	**12,526**	10,531	10,778
Liabilities recognized at fair value	2	**3**	**3**	3	3
Noncontrolling interest subject to put provisions recognized at fair value	3	**330**	**330**	276	276
Derivatives for hedging purposes	2	**-102**	**-102**	-212	-212

The significant methods and assumptions used to estimate the fair values of financial instruments as well as classification of fair value measurements according to the three-tier fair value hierarchy 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 receivable and payable 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 value of Fresenius Medical Care's loan to Renal Advantage Partners, LLC was based on significant unobservable inputs of comparable instruments and thus the class assets recognized at carrying amount consisting of trade accounts receivable and this loan is classified as fair value hierarchy Level 3.

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 class liabilities recognized at carrying amount is classified as hierarchy Level 2.

The carrying amounts of derivatives embedded in the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) corresponded with their fair values. The MEB matured on August 14, 2011. The embedded derivatives were measured at fair value, which was estimated based on a Black-Scholes model which uses significant other observable inputs. Therefore, they were classified as Level 2.

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. Consequently, they were classified as Level 1. 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.

The class liabilities recognized at fair value mainly consisted of embedded derivatives and the CVR and was consequently classified in its entirety as the lower hierarchy Level 2.

The valuation of the class noncontrolling interest subject to put provisions recognized at fair value is determined using significant unobservable inputs. It is therefore classified as Level 3.

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.

For the fair value measurement of the class 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.

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.

FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

	March 31, 2012		Dec. 31, 2011	
€ in millions	**Assets**	**Liabilities**	Assets	Liabilities
Interest rate contracts (current)	**0**	**19**	0	103
Interest rate contracts (non-current)	**0**	**45**	0	60
Foreign exchange contracts (current)	**12**	**22**	9	39
Foreign exchange contracts (non-current)	**1**	**–**	1	5
Derivatives designated as hedging instruments [1]	**13**	**86**	10	207
Interest rate contracts (non-current)	**0**	**3**	0	3
Foreign exchange contracts (current) [1]	**10**	**39**	43	58
Foreign exchange contracts (non-current) [1]	**1**	**1**	1	1
Derivatives not designated as hedging instruments	**11**	**43**	44	62

[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 entered into to hedge economic business transactions and not for speculative purposes.

Derivatives for hedging purposes were recognized at gross value within other assets in an amount of €24 million and other liabilities in an amount of €126 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 were recognized within other short-term liabilities until the maturity of the MEB.

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

	Q1/2012		
€ 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	-7	-5	–
Foreign exchange contracts	17	3	0
Derivatives in cash flow hedging relationships [1]	**10**	**-2**	**–**
Foreign exchange contracts			8
Derivatives in fair value hedging relationships			**8**
Derivatives designated as hedging instruments	**10**	**-2**	**8**

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

	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.

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	**Q1/2012**	Q1/2011
Interest rate contracts	–	1
Foreign exchange contracts	**1**	44
Derivatives embedded in the MEB	**0**	-65
Derivatives not designated as hedging instruments	**1**	-20

Gains 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 losses from the underlying transactions in the corresponding amount.

The Fresenius Group expects to recognize a net amount of €14 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 €46 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. Until 2011, the position other financial result in the consolidated statement of income included gains and losses from the valuation of the derivatives embedded in the MEB, which was made until August 14, 2011 (see note 6, 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 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 entered into 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 generally implemented by means of micro hedges.

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, 2012, the notional amounts of foreign exchange contracts totaled €3,094 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 -€7 million and -€2 million, respectively.

As of March 31, 2012, the Fresenius Group was party to foreign exchange contracts with a maximum maturity of 44 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 protect against the risk of rising interest rates. These interest rate derivatives are mainly designated as cash flow hedges and have been entered into in order to convert payments based on variable interest rates into payments at a fixed interest rate and in anticipation of future debt issuances.

As of March 31, 2012, the interest rate swaps had a notional volume of US$1,200 million (€898 million) and €866 million as well as fair values of -US$47 million and -€32 million, respectively, which expire between 2012 and 2016.

21. SUPPLEMENTARY INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of March 31, 2012, the equity ratio was 39.3% and the debt ratio (debt/total assets) was 39.5%. As of March 31, 2012, the net debt/EBITDA ratio, which is measured on the basis of U.S. GAAP figures, was 3.0.

The aims of the capital management and further information can be found in the consolidated financial statements as of December 31, 2011 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	stable	stable	stable

On February 27, 2012, Standard & Poor's upgraded the company rating to BB+ from BB, the outlook is stable.

22. SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

€ in millions	Q1/2012	Q1/2011
Assets acquired	**2,419**	41
Liabilities assumed	**-284**	-4
Noncontrolling interest	**-140**	0
Notes assumed in connection with acquisitions	**-149**	-1
Cash paid	**1,846**	36
Cash acquired	**-124**	0
Cash paid for acquisitions, net	**1,722**	36

23. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

GENERAL

The consolidated segment reporting shown on pages 23 and 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, 2012.

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 253,041 patients in its 3,119 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 and 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 until 2011.

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. Therefore, the segment information is 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, 2011 applying Section 315a HGB in accordance with IFRS.

RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS

€ in millions	Q1/2012	Q1/2011
Total EBIT of reporting segments	671	588
General corporate expenses Corporate/Other (EBIT)	-11	-10
Group EBIT	660	578
Investment gain	97	0
Net interest	-147	-135
Other financial result	0	-62
Income before income taxes	610	381

RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	March 31, 2012	Dec. 31, 2011
Short-term debt	218	171
Short-term loans from related parties	3	3
Current portion of long-term debt and capital lease obligations	2,952	1,854
Current portion of Senior Notes	500	0
Long-term debt and capital lease obligations, less current portion	2,366	3,679
Senior Notes, less current portion	5,316	3,996
Debt	11,355	9,703
less cash and cash equivalents	855	635
Net debt	10,500	9,068

24. STOCK OPTIONS

FRESENIUS SE & CO. KGAA STOCK OPTION PLANS

As of March 31, 2012, 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.

Transactions during the first quarter of 2012

During the first quarter of 2012, Fresenius SE & Co. KGaA received cash of €4 million from the exercise of 97,334 stock options.

Under the 1998 Plan, 22,098 stock options were outstanding and exercisable as of March 31, 2012. No options were held by the members of the Fresenius Management SE Management Board. 1,364,789 convertible bonds were outstanding and exercisable under the 2003 Plan as of March 31, 2012. The members of the Fresenius Management SE Management Board held 291,530 convertible bonds. At March 31, 2012, out of 3,990,124 outstanding stock options issued under the 2008 Plan, 757,480 were exercisable and 758,520 were held by the members of the Fresenius Management SE Management Board.

As of March 31, 2012, 2,144,367 options for ordinary shares were outstanding and exercisable. On March 31, 2012, total unrecognized compensation cost related to non-vested options granted under the 2008 Plan was €21 million. This cost is expected to be recognized over a weighted-average period of 1.9 years.

FRESENIUS MEDICAL CARE AG & CO. KGAA STOCK OPTION PLANS

During the first quarter of 2012, 89,102 stock options for ordinary shares and 831 stock options for preference shares were exercised. Fresenius Medical Care AG & Co. KGaA received cash of €2.9 million upon exercise of these stock options and €0.4 million from a related tax benefit.

25. 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 of Roland Berger Strategy Consultants Holding GmbH. In the first quarter of 2012, no services were rendered to the Fresenius Group by the Roland Berger group.

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 2012, the Fresenius Group paid €0.7 million to Commerzbank AG for services provided in connection with the Senior Notes issuances in January and March 2012.

Dr. Franceso De Meo, a member of the Management Board of the general partner of Fresenius SE & Co. KGaA, was a member of the supervisory board of Allianz Private Krankenversicherungs-AG until July 6, 2011. In the first quarter of 2012, the Fresenius Group paid €1.2 million for insurance premiums to the Allianz group.

Dr. Dieter Schenk, deputy chairman of the Supervisory Board of Fresenius SE until January 28, 2011 and deputy chairman of the Supervisory Board of Fresenius Management SE, is a partner in the law firm Noerr LLP, which provides legal services to the Fresenius Group. In the first quarter of 2012, the Fresenius Group paid this law firm €0.6 million for services rendered.

26. SUBSEQUENT EVENTS

On April 26, 2012, Fresenius announced its intention to make a voluntary public takeover offer to Rhön-Klinikum AG shareholders of €22.50 per share in cash. The total purchase price for all outstanding shares in the company is approximately €3.1 billion. The offer is contingent upon a minimum acceptance threshold of 90% and one share of Rhön-Klinikum AG's share capital at the end of the offer period and on antitrust approval.

Rhön-Klinikum AG is one of Germany's largest private hospital operators, with reported sales of €2.6 billion and net income of €161 million in 2011. Rhön-Klinikum AG has 53 hospitals with a total of approximately 16,000 beds, as well as 39 health care centers, and treated nearly 2.3 million patients last year.

There have been no significant changes in the Fresenius Group's operating environment following the end of the first quarter of 2012. 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 2012.

27. 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 11, 2012
Payment of dividend [1]	May 14, 2012
Capital Market Day Fresenius Kabi, Bad Homburg v. d. H.	June 12, 2012
Report on 1st half 2012 Conference call Live webcast	August 1, 2012
Report on 1st – 3rd quarters 2012 Conference call Live webcast	October 31, 2012

[1] Subject to prior approval by the Annual General Meeting
Subject to change

FRESENIUS SHARE / ADR

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

	ADR
Structure	Sponsored Level 1 ADR
Trading location	OTC-market
Ratio	8 ADR : 1 ORD
Ticker symbol	FSNUY
CUSIP	35804M1053
ISIN	US35804M1053

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Chairman of the Supervisory Board: Dr. Gerd Krick

General Partner: Fresenius Management SE
Registered Office and Commercial Register: Bad Homburg v. d. H.; HRB 11673
Management Board: 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