FRESENIUS

Quarterly Financial Report of Fresenius Group

applying International Financial Reporting Standards (IFRS)

1st Quarter 2015

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This Quarterly Financial Report was published on May 8, 2015.

FRESENIUS GROUP FIGURES AT A GLANCE

Fresenius is a global health care group providing products and services for dialysis, hospitals, and outpatient medical care. In addition, Fresenius focuses on hospital operations. We also manage projects and provide services for hospitals and other health care facilities. In 2014, Group sales were €23.5 billion. As of March 31, 2015, more than 217,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

SALES, EARNINGS, AND CASH FLOW

€ in millions	Q1/2015	Q1/2014	Change
Sales	**6,578**	5,258	25%
EBIT [1]	**854**	630	36%
Net income [2]	**292**	223	31%
Earnings per share in € [2]	**0.54**	0.41	31%
Operating cash flow	**534**	142	--

BALANCE SHEET AND INVESTMENTS

€ in millions	March 31, 2014	December 31, 2014	Change
Total assets	**43,135**	39,955	8%
Non-current assets	**32,984**	30,389	9%
Equity [3]	**17,686**	15,860	12%
Net debt	**14,841**	14,173	5%
Investments [4]	**379**	1,160	-67%

RATIOS

€ in millions	Q1/2015	Q1/2014
EBITDA margin [1]	**17.1%**	16.3%
EBIT margin [1]	**13.0%**	12.0%
Depreciation and amortization in % of sales	**4.1%**	4.3%
Operating cash flow in % of sales	**8.1%**	2.7%
Equity ratio (March 31/December 31)	**41.0%**	39.7%
Net debt/EBITDA (March 31/December 31) [5]	**3.35**	3.37

[1] Before special items
[2] Net income attributable to shareholders of Fresenius SE & Co. KGaA; before special items
[3] Equity including noncontrolling interest
[4] Investments in property, plant and equipment, and intangible assets, acquisitions (Q1)
[5] Pro forma acquisitions; before special items; at LTM average exchange rates for both net debt and EBITDA: 3.07

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

INFORMATION BY BUSINESS SEGMENT

(all segment data according to U.S. GAAP)

FRESENIUS MEDICAL CARE – Dialysis products, Dialysis services

US$ in millions	Q1/2015	Q1/2014	Change
Sales	**3,960**	3,564	11%
EBIT	**504**	445	13%
Net income [1]	**210**	205	2%
Operating cash flow	**447**	112	--
Investments/Acquisitions	**270**	401	-33%
R & D expenses	**31**	30	3%
Employees, per capita on balance sheet date (March 31/December 31)	**107,593**	105,917	2%

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

€ in millions	Q1/2015	Q1/2014	Change
Sales	**1,394**	1,213	15%
EBIT [2]	**257**	201	28%
Net income [3]	**140**	106	32%
Operating cash flow	**83**	42	98%
Investments/Acquisitions	**92**	71	30%
R & D expenses [2]	**78**	59	32%
Employees, per capita on balance sheet date (March 31/December 31)	**32,899**	32,899	0%

FRESENIUS HELIOS – Hospital operations

€ in millions	Q1/2015	Q1/2014	Change
Sales	**1,391**	1,227	13%
EBIT [2]	**147**	114	29%
Net income [4]	**107**	77	39%
Operating cash flow	**114**	77	48%
Investments/Acquisitions	**49**	792	-94%
Employees, per capita on balance sheet date (March 31/December 31)	**68,669**	68,852	0%

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

€ in millions	Q1/2015	Q1/2014	Change
Sales	**208**	191	9%
EBIT	**7**	6	17%
Net income [5]	**4**	4	0%
Operating cash flow	**-37**	-54	31%
Investments/Acquisitions	**1**	3	-67%
Order intake	**192**	115	67%
Employees, per capita on balance sheet date (March 31/December 31)	**7,819**	7,746	1%

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

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

FRESENIUS SHARE

The Fresenius share started the year strongly and reached a new all-time high of €56.15 on March 16. The share price has risen 29% since the beginning of 2015. The European Central Bank's (ECB) bond buying program had an overall positive effect on European stock markets in the first quarter as did the accelerating economic recovery in the Euro zone.

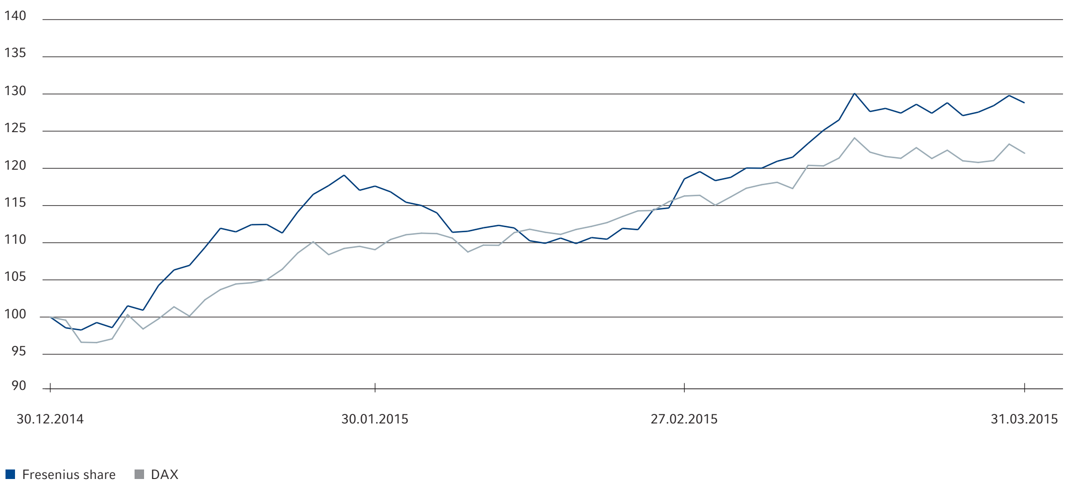
FIRST QUARTER OF 2015

Following the announcement of the bond purchase program by the ECB, stock prices in the Euro area increased significantly in the first quarter. At the same time, the Euro zone economy continued to recover and, according to current ECB estimates, will grow by 1.5% this year. Low oil prices and the weak Euro had a positive influence on the economic recovery of the Euro area. Growth of 2.3% to 2.7% is forecast by the US Federal Reserve (FED) for the US. The FED is not ruling out an interest rate increase, even though it is not expected before the end of the second quarter of 2015.

In this economic environment, the DAX reached an all-time high of 12,168 on March 16. The Fresenius share also continued its long-term upward trend, reaching a record high of €56.15 on March 16. The Fresenius share ended the first quarter of 2015 at €55.59, an increase of 29% compared with the 2014 closing price. At 11,966 points, the DAX increased 22% in the same period.

RELATIVE SHARE PRICE PERFORMANCE VS. DAX

31.12.2014 = 100



KEY DATA OF THE FRESENIUS SHARE

	Q1/2015	2014	Change
Number of shares (March 31/December 31)	**542,815,402**	541,532,600	
Quarter-end quotation in €	**55.59**	43.16	29%
High in €	**56.15**	44.12	27%
Low in €	**42.41**	35.00	21%
Ø Trading volume (number of shares per trading day)	**1,340,872**	1,153,022	16%
Market capitalization, € in millions (March 31/December 31)	**30,175**	23,373	29%

MANAGEMENT REPORT

Fresenius had an excellent start into the year, even before taking into account very favorable exchange rate effects. All four business segments contributed to the strong financial results, with Fresenius Kabi's performance in particular standing out. Fresenius expects continued momentum in sales and profit growth in the coming quarters and raises its Group earnings guidance for 2015.

STRONG START INTO THE YEAR – DOUBLE-DIGIT GROWTH IN CONSTANT CURRENCY – FRESENIUS RAISES GROUP EARNINGS GUIDANCE FOR 2015

	Q1/2015	at actual rates	in constant currency
Sales	**€6.6 bn**	+25%	+13%
EBIT [1]	**€0.9 bn**	+36%	+21%
Net income [2]	**€292 m**	+31%	+19%

HEALTH CARE INDUSTRY

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

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

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

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

RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

SALES

Group sales in the first quarter increased by 25% (13% in constant currency) to €6,578 million (Q1/2014: €5,258 million). Organic sales growth was 6%. Acquisitions contributed 8%, while divestitures reduced sales by 1%.

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

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

EARNINGS

Group EBITDA[1] increased by 31% (17% in constant currency) to €1,122 million (Q1/2014: €857 million). Group EBIT[1] increased by 36% (21% in constant currency) to €854 million (Q1/2014: €630 million). The EBIT margin was 13.0% (Q1/2014: 12.0%).

Group net interest increased to -€165 million (Q1/2014: -€138 million). Interest rate savings were more than offset by interest on incremental debt for acquisitions completed in 2014 and by currency translation effects.

The Group tax rate[1] increased to 30.2% (Q1/2014: 27.4%). In the first quarter of 2014, a one-time item at Fresenius Medical Care had positively influenced the Group tax rate.

Noncontrolling interest was €189 million (Q1/2014: €134 million), of which 95% was attributable to the noncontrolling interest in Fresenius Medical Care.

EARNINGS

€ in millions	Q1/2015	Q1/2014
EBIT[1]	**854**	**630**
Net income[3]	**292**	**223**
Net income[2]	**314**	**243**
Earnings per share in €[3]	**0.54**	**0.41**
Earnings per share in €[2]	**0.58**	**0.45**

Group net income[2] before special items increased by 31% (19% in constant currency) to €292 million (Q1/2014: €223 million). Earnings per share[3] increased by 31% (19% in constant currency) to €0.54 (Q1/2014: €0.41).

Group net income[2] including special items increased by 29% (18% in constant currency) to €314 million (Q1/2014: €243 million). Earnings per share[2] increased by 29% (18% in constant currency) to €0.58 (Q1/2014: €0.45).

SALES BY REGION

€ in millions	Q1/2015	Q1/2014	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/ divestitures	% of total sales
North America	**2,996**	2,146	40%	25%	15%	6%	9%	46%
Europe	**2,559**	2,358	9%	0%	9%	4%	5%	39%
Asia-Pacific	**619**	439	41%	18%	23%	8%	15%	9%
Latin America	**327**	247	32%	7%	25%	18%	7%	5%
Africa	**77**	68	13%	4%	9%	9%	0%	1%
Total	**6,578**	5,258	25%	12%	13%	6%	7%	100%

SALES BY BUSINESS SEGMENT

€ in millions	Q1/2015	Q1/2014	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/ divestitures	% of total sales[4]
Fresenius Medical Care	**3,516**	2,602	35%	18%	17%	7%	10%	54%
Fresenius Kabi	**1,394**	1,213	15%	10%	5%	5%	0%	21%
Fresenius Helios	**1,391**	1,227	13%	0%	13%	4%	9%	22%
Fresenius Vamed	**208**	191	9%	1%	8%	6%	2%	3%

All segment data according to U.S. GAAP

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

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

RECONCILIATION

The Group's IFRS financial results as of March 31, 2015 and March 31, 2014 comprise special items. Net income attributable to shareholders of Fresenius SE & Co. KGaA was adjusted for these special items. The table below shows the special items and the reconciliation from net income (before special items) to earnings according to IFRS.

INVESTMENTS

Spending on property, plant and equipment was €275 million (Q1/2014: €236 million), primarily for the modernization and expansion of dialysis clinics, production facilities and hospitals.

Total acquisition spending was €104 million (Q1/2014: €924 million).

CASH FLOW

Operating cash flow increased to €534 million (Q1/2014: €142 million). The cash flow margin increased to 8.1% (Q1/2014: 2.7%). Operating cash flow in the first quarter of 2014 was affected by the payment for the W.R. Grace bankruptcy settlement of US$115 million[1].

Net capital expenditure increased to €276 million (Q1/2014: €245 million). Free cash flow before acquisitions and dividends improved to €258 million (Q1/2014: -€103 million). Free cash flow after acquisitions and dividends increased to €256 million (Q1/2014: -€1,006 million).

RECONCILIATION

€ in millions	**Q1/2015 (before special items)**	efficiency program	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	**Q1/2015 according to IFRS (incl. special items)**	Q1/2014 (before special items)	Fenwal integration costs	disposal gains from two HELIOS hospitals	Q1/2014 according to IFRS (incl. special items)
Sales	**6,578**				**6,578**	**5,258**			**5,258**
EBIT	**854**	-14	-2	34	**872**	**630**	-1	22	**651**
Interest result	**-165**				**-165**	**-138**			**-138**
Net income before taxes	**689**	-14	-2	34	**707**	**492**	-1	22	**513**
Income taxes	**-208**	4			**-204**	**-135**		-1	**-136**
Net income	**481**	-10	-2	34	**503**	**357**	-1	21	**377**
Less noncontrolling interest	**-189**				**-189**	**-134**			**-134**
Net income attributable to shareholders of Fresenius SE & Co. KGaA	**292**	-10	-2	34	**314**	**223**	-1	21	**243**

INVESTMENTS BY BUSINESS SEGMENT

€ in millions	**Q1/2015**	Q1/2014	thereof property, plant and equipment	thereof acquisitions	Change	% of total
Fresenius Medical Care	**240**	293	179	61	-18%	63%
Fresenius Kabi	**92**	71	58	34	30%	24%
Fresenius Helios	**49**	792	32	17	-94%	13%
Fresenius Vamed	**1**	3	1	0	-67%	0%
Corporate/Other	**-5**	-1	3	-8	--	-1%
IFRS Reconciliation	**2**	2	2	0	0%	1%
Total	**379**	1,160	275	104	-67%	100%

All segment data according to U.S. GAAP

[1] See Annual Report 2014 according to IFRS, page 110 f.

ASSET AND LIABILITY STRUCTURE

The Group's total assets increased by 8% (0% in constant currency) to €43,135 million (Dec. 31, 2014: €39,955 million). Current assets grew by 6% (-1% in constant currency) to €10,151 million (Dec. 31, 2014: €9,566 million). Non-current assets increased by 9% (1% in constant currency) to €32,984 million (Dec. 31, 2014: €30,389 million).

Total shareholders' equity increased by 12% (3% in constant currency) to €17,686 million (Dec. 31, 2014: €15,860 million). The equity ratio increased to 41.0% (Dec. 31, 2014: 39.7%).

Group debt grew by 3% (decreased by 3% in constant currency) to €15,833 million (Dec. 31, 2014: €15,348 million).

As of March 31, 2015, the net debt/EBITDA ratio was 3.35[1] (at LTM average exchange rates for both net debt and EBITDA: 3.07[1]).

CASH FLOW STATEMENT (SUMMARY)

€ in millions	Q1/2015	Q1/2014	Change
Net income	503	377	33%
Depreciation and amortization	268	227	18%
Change in accruals for pensions	17	-4	--
Cash flow	**788**	600	31%
Change in working capital	-254	-458	45%
Operating cash flow	**534**	142	--
Property, plant and equipment	-282	-248	-14%
Proceeds from the sale of property, plant and equipment	6	3	100%
Cash flow before acquisitions and dividends	**258**	-103	--
Cash used for acquisitions, net	45	-875	105%
Dividends paid	-47	-28	-68%
Free cash flow paid after acquisitions and dividends	**256**	-1,006	125%
Cash provided by/used for financing activities	-515	976	-153%
Effect of exchange rates on change in cash and cash equivalents	76	-5	--
Net change in cash and cash equivalents	**-183**	-35	--

[1] Pro forma acquisitions; before special items

BUSINESS SEGMENTS

(all segment data according to U.S. GAAP)

FRESENIUS MEDICAL CARE

Fresenius Medical Care is the world's largest integrated provider of products and services for individuals undergoing dialysis because of chronic kidney failure. As of March 31, 2015, Fresenius Medical Care was treating 286,768 patients in 3,396 dialysis clinics.

US$ in millions	Q1/2015	Q1/2014	Change
Sales	**3,960**	3,564	11%
EBITDA	**680**	612	11%
EBIT	**504**	445	13%
Net income[1]	**210**	205	2%
Employees (March 31/Dec. 31)	**107,593**	105,917	2%

- **Excellent sales growth of 11%**
- **Strong cash flow margin of 11.3%**
- **2015 outlook confirmed**

FIRST QUARTER OF 2015

Sales increased by 11% (17% in constant currency) to US$3,960 million (Q1/2014: US$3,564 million). Organic sales growth was 7%. Acquisitions contributed 10%. Adverse currency effects reduced sales by 6%.

Health Care services sales (dialysis services and care coordination) increased by 14% (18% in constant currency) to US$3,182 million (Q1/2014: US$2,782 million). Dialysis product sales were US$778 million (Q1/2014: US$782 million), an increase by 11% in constant currency.

In North America, sales increased by 16% to US$2,771 million (Q1/2014: US$2,393 million). Health Care services sales grew by 17% to US$2,571 million (Q1/2014: US$2,201 million). Dialysis product sales increased by 4% to US$200 million (Q1/2014: US$192 million).

Sales outside North America grew by 2% (18% in constant currency) to US$1,180 million (Q1/2014: US$1,161 million). Health Care services sales increased by 5% (24% in constant currency) to US$611 million (Q1/2014: US$581 million). Dialysis product sales decreased by 2% (increased by 13% in constant currency) to US$569 million (Q1/2014: US$580 million).

EBIT increased by 13% (21% in constant currency) to US$504 million (Q1/2014: US$445 million) due to improvements in the operating business across all regions. The EBIT margin increased to 12.7% (Q1/2014: 12.5%).

Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA increased by 2% (10% in constant currency) to US$210 million (Q1/2014: US$205 million).

Operating cash flow increased to US$447 million (Q1/2014: US$112 million, affected by the payment for the W.R. Grace bankruptcy settlement of US$115 million[2]). The cash flow margin increased to 11.3% (Q1/2014: 3.2%).

Please see page 15 of the Management Report for the 2015 outlook of Fresenius Medical Care.

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

[1] Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA
[2] See Annual Report 2014 according to IFRS, page 110 f.

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	Q1/2015	Q1/2014	Change
Sales	**1,394**	1,213	15%
EBITDA [1]	**315**	253	25%
EBIT [1]	**257**	201	28%
Net income [2]	**140**	106	32%
Employees (March 31/Dec. 31)	**32,899**	32,899	0%

- **5% organic sales growth at the upper end of expected range**
- **10% EBIT growth in constant currency**
- **2015 outlook raised**

FIRST QUARTER OF 2015

Sales increased by 15% (5% in constant currency) to €1,394 million (Q1/2014: €1,213 million). Organic sales growth was 5%. Acquisitions contributed 1% while divestitures reduced sales by 1%. Positive currency translation effects (10%) were mainly related to the Euro's depreciation against the U.S. dollar and the Chinese yuan.

Sales in Europe grew by 4% (organic growth: 5%) to €518 million (Q1/2014: €500 million). Sales in North America increased by 24% (organic growth: 3%) to €473 million (Q1/2014: €382 million). Sales growth was boosted by IV drug shortages easing more slowly than expected. Asia-Pacific sales increased by 20% (organic growth: 4%) to €268 million (Q1/2014: €222 million). Sales in Latin America/Africa grew by 24% (organic growth: 8%) to €135 million (Q1/2014: €109 million).

EBIT [1] increased by 28% (10% in constant currency) to €257 million (Q1/2014: €201 million). The EBIT margin was 18.5% (Q1/2014: 16.6%).

Net income [2] increased by 32% (14% in constant currency) to €140 million (Q1/2014: €106 million).

Operating cash flow increased by 98% to €83 million (Q1/2014: €42 million) with a margin of 6.0% (Q1/2014: 3.5%).

Fresenius Kabi's initiative to increase production efficiency and streamline administrative structures is well on track. Costs of €10 million before tax were incurred in the first quarter of 2015. These costs are reported in the Group segment Corporate/Other.

Please see page 15 of the Management Report for the 2015 outlook of Fresenius Kabi.

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

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

FRESENIUS HELIOS

Fresenius Helios is Germany's largest hospital operator. HELIOS operates 111 hospitals, thereof 87 acute care clinics (including seven maximum care hospitals in Berlin-Buch, Duisburg, Erfurt, Krefeld, Schwerin, Wiesbaden and Wuppertal) and 24 post-acute care clinics. HELIOS treats approximately 4.5 million patients per year, thereof 1.2 million inpatients, and operates more than 34,000 beds.

€ in millions	Q1/2015	Q1/2014	Change
Sales	**1,391**	1,227	13%
EBITDA [1]	**192**	158	22%
EBIT [1]	**147**	114	29%
Net income [2]	**107**	77	39%
Employees (March 31/Dec. 31)	**68,669**	68,852	0%

- **4% organic sales growth fully in line with expectations**
- **200 bps EBIT margin increase in established hospital business**
- **2015 outlook fully confirmed**

FIRST QUARTER OF 2015

Sales increased by 13% to €1,391 million (Q1/2014: €1,227 million). Organic sales growth was 4% (Q1/2014: 4%). Acquisitions contributed 10% while divestitures reduced sales by 1%.

EBIT [1] grew by 29% to €147 million (Q1/2014: €114 million). The EBIT margin increased to 10.6% (Q1/2014: 9.3%).

Net income [2] increased by 39% to €107 million (Q1/2014: €77 million).

Sales of the established hospitals, including the former Rhön-Klinikum facilities consolidated for more than one year, grew by 4% to €1,263 million (Q1/2014: €1,214 million). EBIT [1] increased by 27% to €143 million (Q1/2014: €113 million).

The EBIT margin of the established hospitals increased to 11.3% (Q1/2014: 9.3%). Sales of the acquired hospitals [3] consolidated for less than one year were €128 million. EBIT [1] was €4 million with a margin of 3.1%.

The integration of the hospitals acquired from Rhön-Klinikum AG is fully on track. Total integration costs for 2014 and 2015 are confirmed at approximately €60 million. Integration costs were €2 million in Q1/2015 taking the total to date to €53 million. Amount and timing of projected near-term cost synergies (€85 million p.a.) are also confirmed.

Please see page 15 of the Management Report for the 2015 outlook of Fresenius Helios.

[1] Before special items
[2] Net income attributable to shareholders of HELIOS Kliniken GmbH; before special items
[3] Hospitals acquired from Rhön-Klinikum AG

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

FRESENIUS VAMED

Fresenius Vamed manages projects and provides services for hospitals and other health care facilities worldwide.

€ in millions	Q1/2015	Q1/2014	Change
Sales	**208**	191	9%
EBITDA	**9**	8	13%
EBIT	**7**	6	17%
Net income [1]	**4**	4	0%
Employees (March 31/Dec. 31)	**7,819**	7,746	1%

- **Service business driving organic sales growth**
- **Excellent order intake of €192 million**
- **2015 outlook confirmed**

FIRST QUARTER OF 2015

Sales increased by 9% (8% in constant currency) to €208 million (Q1/2014: €191 million). Organic sales growth was 6%. Acquisitions contributed 2%. Sales in the project business were unchanged at €80 million (Q1/2014: €80 million). Sales in the service business grew by 15% to €128 million (Q1/2014: €111 million).

EBIT grew by 17% to €7 million (Q1/2014: €6 million) with a margin of 3.4% (Q1/2014: 3.1%).

Net income [1] was unchanged at €4 million (Q1/2014: €4 million).

Order intake increased by 67% to €192 million (Q1/2014: €115 million). As of March 31, 2015, order backlog reached a new all-time high of €1,510 million (Dec. 31, 2014: €1,398 million).

Please see page 15 of the Management Report for the 2014 outlook of Fresenius Vamed.

[1] Net income attributable to shareholders of Vamed AG

EMPLOYEES

As of March 31, 2015, the number of employees increased by 1% to 217,836 (Dec. 31, 2014: 216,275).

EMPLOYEES BY BUSINESS SEGMENT

Number of employees	March 31, 2015	Dec 31, 2014	Change
Fresenius Medical Care	**107,593**	105,917	2%
Fresenius Kabi	**32,899**	32,899	0%
Fresenius Helios	**68,669**	68,852	0%
Fresenius Vamed	**7,819**	7,746	1%
Corporate/Other	**856**	861	-1%
Total	**217,836**	216,275	1%

RESEARCH AND DEVELOPMENT

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

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

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

RESEARCH AND DEVELOPMENT EXPENSES BY BUSINESS SEGMENT

€ in millions	Q1/2015	Q1/2014	Change
Fresenius Medical Care	**27**	22	23%
Fresenius Kabi	**78**	59	32%
Fresenius Helios	**–**	–	--
Fresenius Vamed	**0**	0	
Corporate/Other	**1**	0	
IFRS Reconciliation	**2**	1	100%
Total	**108**	82	32%

All segment data according to U.S. GAAP

DIALYSIS

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

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

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

OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the consolidated financial statements and the management report as of December 31, 2014 applying Section 315a HGB in accordance with IFRS, there have been no material changes in Fresenius' overall opportunities and risk situation in the first quarter of 2015.

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

In addition, we report on legal proceedings, currency and interest risks on pages 38 to 44 in the Notes of this report.

SUBSEQUENT EVENTS

There were no significant changes in the Fresenius Group's operating environment following the end of the first quarter of 2015. No other events of material importance on the assets and liabilities, financial postion, and result of operations of the Group have occured after the close of the first quarter of 2015.

RATING

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

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

	Standard & Poor's	Moody's	Fitch
Company rating	BBB-	Ba1	BB+
Outlook	stable	stable	stable

OUTLOOK 2015

(according to U.S. GAAP)

FRESENIUS GROUP

Based on the Group's excellent financial results in the first quarter of 2015 and positive prospects for the remainder of the year, Fresenius raises its 2015 earnings guidance. For 2015, Fresenius now expects net income[1] growth of 13% to 16% in constant currency. Previously, the company expected net income[1] growth of 9% to 12% in constant currency. The company fully confirms its Group sales guidance. Sales are expected to increase by 7% to 10% in constant currency.

The net debt/EBITDA[2] ratio is expected to be approximately 3.0 at the end of 2015.

FRESENIUS MEDICAL CARE

Fresenius Medical Care confirms its outlook for 2015. The company expects sales to grow at 5% to 7%, which at constant currency is a growth rate of 10% to 12%. Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA is expected to increase 0% to 5% in 2015. Savings from the global efficiency program are included, while potential acquisitions are not. The outlook reflects further operating cost investments within the Care Coordination segment. The outlook is based on exchange rates prevailing at the beginning of 2015.

FRESENIUS KABI [3]

Fresenius Kabi raises its outlook for 2015 and now expects organic sales growth of 4% to 7% and EBIT growth in constant currency in the range of 11% to 14%. The implied EBIT margin is 18.5% to 19.5%. Previously, Fresenius Kabi projected organic sales growth of 3% to 5% and an EBIT growth in constant currency in the range of 4% to 6% with an implied EBIT margin in the range of 17.5% to 18.5%.

FRESENIUS HELIOS [4]

Fresenius Helios fully confirms its outlook for 2015. Fresenius Helios projects organic sales growth of 3% to 5% and reported sales growth of 6% to 9%. EBIT is expected to increase to €630 to €650 million.

FRESENIUS VAMED

Fresenius Vamed confirms its outlook for 2015 and expects to achieve single-digit organic sales growth and EBIT growth of 5% to 10%.

INVESTMENTS

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

EMPLOYEES

The number of employees in the Group will continue to rise in the future as a result of the expected expansion. We expect the number of employees to be above 220,000 in 2015 (December 31, 2014: 216,275). The number of employees is expected to increase in all business segments.

[1] Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before integration costs (~€10 million before tax for hospitals acquired from Rhön-Klinikum AG), before costs for the efficiency program at Fresenius Kabi (~€100 million before tax), and before the disposal gains from the divestment of two HELIOS hospitals (€34 million before tax); 2014 before special items

[2] At annual average exchange rates for both net debt and EBITDA; without major acquisitions; before special items

[3] Fresenius Kabi's outlook excludes ~€100 million costs before tax for the efficiency program.

[4] Fresenius Helios' outlook excludes integration costs for the hospitals acquired from Rhön-Klinikum AG (~€10 million before tax) and disposal gains from the divestment of two HELIOS hospitals (€34 million before tax).

RESEARCH AND DEVELOPMENT

Our R & D activities will continue to play a key role in securing the Group's long-term growth through innovations and new therapies. We plan to increase the Group's R & D spending in 2015. About 4% to 5% of our product sales will be reinvested in research and development.

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

GROUP FINANCIAL OUTLOOK 2015

	Previous guidance	New guidance
Sales, growth (constant currency)	7% – 10%	confirmed
Net income[1], growth (in constant currency)	9% – 12%	13% – 16%

According to U.S. GAAP
[1] Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before integration costs (~€10 million before tax for hospitals acquired from Rhön-Klinikum AG), before costs for the efficiency program at Fresenius Kabi (~€100 million before tax), and before the disposal gains from the divestment of two HELIOS hospitals (€34 million before tax); 2014 before special items

OUTLOOK 2015 BY BUSINESS SEGMENT

		Previous guidance	New guidance
Fresenius Medical Care[1]	Sales growth	5% – 7%	confirmed
	Net income[2] growth	0% – 5%	confirmed
Fresenius Kabi[3]	Sales growth (organic)	3% – 5%	4% – 7%
	EBIT growth (in constant currency)	4% – 6%	11% – 14%
Fresenius Helios[4]	Sales growth (organic)	3% – 5%	confirmed
	EBIT	€630 – 650 m	confirmed
Fresenius Vamed	Sales growth (organic)	Single-digit %	confirmed
	EBIT, growth	5% – 10%	confirmed

According to U.S. GAAP
[1] Savings from the global efficiency program and further operating cost investments within the Care Coordination business are included, while potential acquisitions are not taken into account. The outlook is based on exchange rates prevailing at the beginning of 2015.
[2] Net income attributable to the shareholders of Fresenius Medical Care AG & Co. KGaA
[3] Fresenius Kabi's outlook excludes ~€100 million costs before tax for the efficiency program
[4] Fresenius Helios' outlook excludes integration costs for the hospitals acquired from Rhön-Klinikum AG (~€10 million before tax) and the disposal gains from the divestment of two HELIOS hospitals (€34 million before tax)

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

€ in millions	Q1/2015	Q1/2014
Sales	6,578	5,258
Cost of sales	-4,564	-3,693
Gross profit	2,014	1,565
Selling, general and administrative expenses	-1,034	-832
Research and development expenses	-108	-82
Operating income (EBIT)	872	651
Net interest	-165	-138
Income before income taxes	707	513
Income taxes	-204	-136
Net income	503	377
Noncontrolling interest	189	134
Net income attributable to shareholders of Fresenius SE & Co. KGaA	314	243
Earnings per ordinary share in € (after stock split 1 : 3)	0.58	0.45
Fully diluted earnings per ordinary share in € (after stock split 1 : 3)	0.58	0.45

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	Q1/2015	Q1/2014
Net income	503	377
Other comprehensive income (loss)		
Positions which will be reclassified into net income in subsequent years		
Foreign currency translation	1,425	-63
Cash flow hedges	-30	4
Change of fair value of available for sale financial assets	–	14
Income taxes on positions which will be reclassified	-25	-5
Positions which will not be reclassified into net income in subsequent years		
Actuarial losses on defined benefit pension plans	-49	–
Income taxes on positions which will not be reclassified	17	–
Other comprehensive income (loss), net	1,338	-50
Total comprehensive income	1,841	327
Comprehensive income attributable to noncontrolling interest	899	109
Comprehensive income attributable to shareholders of Fresenius SE & Co. KGaA	942	218

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

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

ASSETS

€ in millions	March 31, 2015	December 31, 2014
Cash and cash equivalents	992	1,175
Trade accounts receivable, less allowance for doubtful accounts	4,716	4,238
Accounts receivable from and loans to related parties	39	36
Inventories	2,648	2,333
Other current assets	1,756	1,784
I. Total current assets	**10,151**	9,566
Property, plant and equipment	7,134	6,777
Goodwill	21,818	19,977
Other intangible assets	1,801	1,635
Other non-current assets	1,393	1,284
Deferred taxes	838	716
II. Total non-current assets	**32,984**	30,389
Total assets	**43,135**	39,955

LIABILITIES AND SHAREHOLDERS' EQUITY

€ in millions	March 31, 2015	December 31, 2014
Trade accounts payable	1,136	1,052
Short-term accounts payable to related parties	4	5
Short-term accrued expenses and other short-term liabilities	4,716	4,346
Short-term debt	236	233
Short-term loans from related parties	6	3
Current portion of long-term debt and capital lease obligations	766	516
Current portion of Senior Notes	737	682
Short-term accruals for income taxes	197	161
A. Total short-term liabilities	**7,798**	6,998
Long-term debt and capital lease obligations, less current portion	5,823	6,105
Senior Notes, less current portion	7,429	6,977
Convertible bonds	836	832
Long-term accrued expenses and other long-term liabilities	1,121	945
Pension liabilities	1,137	1,094
Long-term accruals for income taxes	195	216
Deferred taxes	1,110	928
B. Total long-term liabilities	**17,651**	17,097
I. Total liabilities	**25,449**	24,095
A. Noncontrolling interest	**7,192**	6,337
Subscribed capital	543	542
Capital reserve	3,216	3,183
Other reserves	6,180	5,871
Accumulated other comprehensive income (loss)	555	-73
B. Total Fresenius SE & Co. KGaA shareholders' equity	**10,494**	9,523
II. Total shareholders' equity	**17,686**	15,860
Total liabilities and shareholders' equity	**43,135**	39,955

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	Q1/2015	Q1/2014
Operating activities		
Net income	503	377
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities		
Depreciation and amortization	268	227
Gain on sale of investments and divestitures	-36	-21
Change in deferred taxes	-41	-13
Gain on sale of fixed assets	–	–
Changes in assets and liabilities, net of amounts from businesses acquired or disposed of		
Trade accounts receivable, net	-229	-80
Inventories	-146	-120
Other current and non-current assets	53	-15
Accounts receivable from/payable to related parties	–	7
Trade accounts payable, accrued expenses and other short-term and long-term liabilities	160	-271
Accruals for income taxes	2	51
Net cash provided by operating activities	534	142
Investing activities		
Purchase of property, plant and equipment	-282	-248
Proceeds from sales of property, plant and equipment	6	3
Acquisitions and investments, net of cash acquired and net purchases of intangible assets	-90	-872
Proceeds from sale of investments and divestitures	135	-3
Net cash used in investing activities	-231	-1,120
Financing activities		
Proceeds from short-term loans	140	97
Repayments of short-term loans	-117	-2,220
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	51	1,357
Repayments of long-term debt and capital lease obligations	-487	-238
Proceeds from the issuance of Senior Notes	0	1,420
Proceeds from the issuance of Convertible Bonds	0	500
Changes of accounts receivable securitization program	-139	50
Proceeds from the exercise of stock options	39	10
Dividends paid	-47	-28
Change in noncontrolling interest	–	–
Exchange rate effect due to corporate financing	-2	–
Net cash provided by/used in financing activities	-562	948
Effect of exchange rate changes on cash and cash equivalents	76	-5
Net decrease in cash and cash equivalents	-183	-35
Cash and cash equivalents at the beginning of the reporting period	1,175	864
Cash and cash equivalents at the end of the reporting period	992	829

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

€ in millions	Q1/2015	Q1/2014
Received interest	14	14
Paid interest	-209	-197
Income taxes paid	-117	-94

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

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

	Subscribed Capital			Reserves	
	Number of ordinary shares in thousand[1]	Amount € in thousands	Amount € in millions	Capital reserve € in millions	Other reserves € in millions
As of December 31, 2013	539,085	539,085	539	3,097	5,071
Proceeds from the exercise of stock options	129	129	–	7	
Compensation expense related to stock options				6	
Dividends paid					
Purchase of noncontrolling interest					
Liabilities for noncontrolling interest subject to put provisions					-1
Comprehensive income (loss)					
Net income					243
Other comprehensive income (loss)					
Cash flow hedges					
Change of fair value of available for sale financial assets					
Foreign currency translation					
Actuarial losses on defined benefit pension plans					
Comprehensive income (loss)					243
As of March 31, 2014	539,214	539,214	539	3,110	5,313
As of December 31, 2014	541,533	541,533	542	3,183	5,871
Proceeds from the exercise of stock options	1,283	1,283	1	28	
Compensation expense related to stock options				5	
Dividends paid					
Purchase of noncontrolling interest					
Liabilities for noncontrolling interest subject to put provisions					-5
Comprehensive income (loss)					
Net income					314
Other comprehensive income (loss)					
Cash flow hedges					
Change of fair value of available for sale financial assets					
Foreign currency translation					
Actuarial losses on defined benefit pension plans					
Comprehensive income					314
As of March 31, 2015	**542,816**	**542,816**	**543**	**3,216**	**6,180**

[1] Prior year figures were adjusted due to the stock split in 2014.

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

	Accumulated other comprehensive income (loss) € in millions	Total Fresenius SE & Co. KGaA shareholders' equity € in millions	Noncontrolling interest € in millions	Total shareholders' equity € in millions
As of December 31, 2013	-324	8,383	5,212	13,595
Proceeds from the exercise of stock options		7	3	10
Compensation expense related to stock options		6	3	9
Dividends paid		0	-28	-28
Purchase of noncontrolling interest		0	11	11
Liabilities for noncontrolling interest subject to put provisions		-1	-3	-4
Comprehensive income (loss)				
Net income		243	134	377
Other comprehensive income (loss)				
Cash flow hedges	1	1	2	3
Change of fair value of available for sale financial assets	10	10	–	10
Foreign currency translation	-36	-36	-27	-63
Actuarial losses on defined benefit pension plans	–	–	–	–
Comprehensive income (loss)	-25	218	109	327
As of March 31, 2014	-349	8,613	5,307	13,920
As of December 31, 2014	-73	9,523	6,337	15,860
Proceeds from the exercise of stock options		29	10	39
Compensation expense related to stock options		5	3	8
Dividends paid		0	-47	-47
Purchase of noncontrolling interest		0	1	1
Liabilities for noncontrolling interest subject to put provisions		-5	-11	-16
Comprehensive income (loss)				
Net income		314	189	503
Other comprehensive income (loss)				
Cash flow hedges	-17	-17	-5	-22
Change of fair value of available for sale financial assets	–	–	–	–
Foreign currency translation	655	655	737	1,392
Actuarial losses on defined benefit pension plans	-10	-10	-22	-32
Comprehensive income	628	942	899	1,841
As of March 31, 2015	**555**	**10,494**	**7,192**	**17,686**

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	**2015**	2014	Change	**2015**[2]	2014[3]	Change	**2015**[4]	2014[5]	Change	**2015**	2014	Change
Sales	**3,516**	2,602	35%	**1,394**	1,213	15%	**1,391**	1,227	13%	**208**	191	9%
thereof contribution to consolidated sales	**3,511**	2,596	35%	**1,382**	1,205	15%	**1,391**	1,227	13%	**198**	183	8%
thereof intercompany sales	**5**	6	-17%	**12**	8	50%	**0**	0		**10**	8	25%
contribution to consolidated sales	**54%**	50%		**21%**	23%		**22%**	23%		**3%**	4%	
EBITDA	**604**	447	35%	**315**	253	25%	**192**	158	22%	**9**	8	13%
Depreciation and amortization	**156**	122	28%	**58**	52	12%	**45**	44	2%	**2**	2	0%
EBIT	**448**	325	38%	**257**	201	28%	**147**	114	29%	**7**	6	17%
Net interest	**-91**	-70	-30%	**-50**	-48	-4%	**-13**	-16	19%	**-1**	-1	0%
Income taxes	**-122**	-74	-65%	**-62**	-42	-48%	**-25**	-18	-39%	**-2**	-1	-100%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	**186**	150	24%	**140**	106	32%	**107**	77	39%	**4**	4	0%
Operating cash flow	**397**	82	--	**83**	42	98%	**114**	77	48%	**-37**	-54	31%
Cash flow before acquisitions and dividends	**222**	-62	--	**18**	-23	178%	**84**	46	83%	**-38**	-55	31%
Total assets[1]	**23,336**	20,960	11%	**10,560**	9,655	9%	**8,369**	8,352	0%	**879**	891	-1%
Debt[1]	**8,413**	7,851	7%	**5,601**	5,205	8%	**1,311**	1,394	-6%	**161**	159	1%
Other operating liabilities[1]	**3,965**	3,478	14%	**1,826**	1,698	8%	**1,463**	1,469	0%	**417**	426	-2%
Capital expenditure, gross	**179**	146	23%	**58**	54	7%	**32**	32	0%	**1**	2	-50%
Acquisitions, gross/investments	**61**	147	-59%	**34**	17	100%	**17**	760	-98%	**0**	1	-100%
Research and development expenses	**27**	22	23%	**78**	59	32%	**–**	–	--	**0**	0	
Employees (per capita on balance sheet date)[1]	**107,593**	105,917	2%	**32,899**	32,899	0%	**68,669**	68,852	0%	**7,819**	7,746	1%
Key figures												
EBITDA margin	**17.2%**	17.2%		**22.6%**	20.9%		**13.8%**	12.9%		**4.3%**	4.2%	
EBIT margin	**12.7%**	12.5%		**18.5%**	16.6%		**10.6%**	9.3%		**3.4%**	3.1%	
Depreciation and amortization in % of sales	**4.4%**	4.7%		**4.2%**	4.3%		**3.2%**	3.6%		**1.0%**	1.0%	
Operating cash flow in % of sales	**11.3%**	3.2%		**6.0%**	3.5%		**8.2%**	6.3%		**-17.8%**	-28.3%	
ROOA[1]	**9.8%**	9.7%		**10.6%**	10.5%		**7.4%**	7.4%		**10.8%**	11.2%	

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

	Corporate/Other			IFRS-Reconciliation			Fresenius Group		
by business segment, € in millions	**2015**[6]	2014[7]	Change	**2015**	2014	Change	**2015**	2014	Change
Sales	**-26**	-21	-24%	**95**	46	107%	**6,578**	5,258	25%
thereof contribution to consolidated sales	**1**	1	0%	**95**	46	107%	**6,578**	5,258	25%
thereof intercompany sales	**-27**	-22	-23%	**0**	0		**0**	0	
contribution to consolidated sales	**0%**	0%		**0%**	0%		**100%**	100%	
EBITDA	**17**	22	-23%	**3**	-10	130%	**1,140**	878	30%
Depreciation and amortization	**3**	4	-25%	**4**	3	33%	**268**	227	18%
EBIT	**14**	18	-22%	**-1**	-13	92%	**872**	651	34%
Net interest	**-10**	-3	--	**0**	0		**-165**	-138	-20%
Income taxes	**7**	1	--	**0**	-2	100%	**-204**	-136	-50%
Net income attributable to shareholders of Fresenius SE & Co, KGaA	**-120**	-89	-35%	**-3**	-5	40%	**314**	243	29%
Operating cash flow	**-26**	-7	--	**3**	2	50%	**534**	142	--
Cash flow before acquisitions and dividends	**-28**	-9	--	**0**	0		**258**	-103	--
Total assets[1]	**-112**	39	--	**103**	58	78%	**43,135**	39,955	8%
Debt[1]	**454**	845	-46%	**-107**	-106	-1%	**15,833**	15,348	3%
Other operating liabilities[1]	**291**	287	1%	**544**	461	18%	**8,506**	7,819	9%
Capital expenditure, gross	**3**	0		**2**	2	0%	**275**	236	17%
Acquisitions, gross/investments	**-8**	-1	--	**0**	0		**104**	924	-89%
Research and development expenses	**1**	0		**2**	1	100%	**108**	82	32%
Employees (per capita on balance sheet date)[1]	**856**	861	-1%	**0**	0		**217,836**	216,275	1%
Key figures									
EBITDA margin							**17.1%**[2,4]	16.3%[3,5]	
EBIT margin							**13.0%**[2,4]	12.0%[3,5]	
Depreciation and amortization in % of sales							**4.1%**	4.3%	
Operating cash flow in % of sales							**8.1%**	2.7%	
ROOA[1]							**9.1%**[8]	9.0%[9]	

[1] 2014: December 31
[2] Before costs for the efficiency program
[3] Before integration costs
[4] Before integration costs and disposal gains (two HELIOS hospitals)
[5] Before disposal gains (two HELIOS hospitals)
[6] After costs for the efficiency program, integration costs and disposal gains (two HELIOS hospitals)
[7] After integration costs and disposal gains (two HELIOS hospitals)
[8] The underlying pro forma EBIT does not include costs for the efficiency program, integration costs and disposal gains (two HELIOS hospitals).
[9] The underlying pro forma EBIT does not include integration costs and disposal gains (two HELIOS hospitals, Rhön stake).

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

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GENERAL NOTES

1. PRINCIPLES

I. GROUP STRUCTURE

Fresenius is a global health care group with products and services for dialysis, hospitals and outpatient medical care. In addition, the Fresenius Group focuses on hospital operations and also manages projects and provides services for hospitals and other health care facilities worldwide. Besides the activities of the parent company Fresenius SE & Co. KGaA, Bad Homburg v. d. H., the operating activities were split into the following legally independent business segments as of March 31, 2015:

- 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 accounting policies underlying these interim financial statements are mainly the same as those applied in the consolidated financial statements as of December 31, 2014.

III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The condensed consolidated financial statements and management report for the first quarter ended March 31, 2015 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, 2014 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, 2015 include all adjustments that, in the opinion of the Management Board, are of a normal and recurring nature and are necessary to provide an appropriate view of the assets and liabilities, financial position and results of operations of the Fresenius Group.

The results of operations for the first quarter ended March 31, 2015 are not necessarily indicative of the results of operations for the fiscal year 2015.

Classifications

Certain items in the consolidated financial statements for the first quarter of 2014 and for the year 2014 have been reclassified to conform with the current year's presentation.

Use of estimates

The preparation of consolidated financial statements in conformity with IFRS requires 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, 2015 in conformity with IFRS in force for interim periods on January 1, 2015.

In the first quarter of 2015, the Fresenius Group did not apply any new standard relevant for its business for the first time.

V. RECENT PRONOUNCEMENTS, NOT YET APPLIED

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

In December 2014, the IASB issued **Amendments to IAS 1, Presentation of Financial Statements**, as part of its disclosure initiative. The amendments contain different disclosure issues. Disclosures have to be made only if the content is not immaterial. This is explicitly the case when an IFRS standard requires a list of minimum-disclosure. Furthermore, aggregation and disaggregation of subtotals in the statement of financial position and in the statement of comprehensive income are explained. In addition, the amendments clarify the disclosure of significant accounting policies and the disclosure of other comprehensive income of associates, which are consolidated by using the equity method. The amendments are effective for fiscal years beginning on or after January 1, 2016. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

In September 2014, the IASB issued **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10, Consolidated Financial Statements and IAS 28, Investments in Associates and Joint Ventures (2011))**. The amendments eliminate an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28. They clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business as defined in IFRS 3, Business Combinations. In case of loss of control of a subsidiary that constitute a business as defined in IFRS 3, the full gain or loss resulting from this transaction is recognized. A partial gain or loss is recognized when a transaction involves assets that do not constitute a business. The amendments to IFRS 10 and IAS 28 are effective for fiscal years beginning on or after January 1, 2016. Earlier adoption is permitted. The Fresenius Group will apply the amendments as of January 1, 2016. The Fresenius Group does currently not expect any impact on its consolidated financial statements.

In May 2014, the IASB issued **IFRS 15, Revenue from Contracts with Customers**. Simultaneously, the Financial Accounting Standards Board (FASB) published its equivalent revenue standard, Accounting Standards Update 2014-09 (ASU 2014-09), FASB Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers. The standards are the result of a convergence project between the FASB and the IASB. This new standard specifies how and when companies reporting under IFRS will recognize revenue as well as providing users of financial statements with more informative and relevant disclosures. IFRS 15 supersedes IAS 18, Revenue, IAS 11, Construction Contracts and a number of revenue-related interpretations. This standard applies to nearly all contracts with customers, the main exceptions are leases, financial instruments and insurance contracts. This new standard is effective for fiscal years beginning on or after January 1, 2017. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

In May 2014, the IASB issued **Amendments to IFRS 11, Accounting for Acquisitions of Interests in Joint Operations**. The amendments add new guidance on accounting for the acquisition of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3, Business Combinations. In such cases, all of the principles on business combinations accounting in IFRS 3 and other IFRSs have to be applied, except for those principles that conflict with the guidance in IFRS 11. In addition, the acquirer shall disclose the information required by IFRS 3. Those amendments shall be applied prospectively for fiscal years beginning on or after January 1, 2016. Earlier adoption is permitted. The Fresenius Group does currently not expect any 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 adoption is permitted. This mandatory effective date has been cancelled in connection with another amendment which was issued in November 2013. 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 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). 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 within other comprehensive income (loss). Other current accounting guidance for financial liabilities has been maintained. In November 2013, the IASB issued **additions to IFRS 9, Financial Instruments**, by introducing a new hedge accounting model. This new model enables entities to reflect their risk management activities more flexibly. For liabilities elected to be measured at fair value, the changes to IFRS 9 introduce the possibility to recognize gains and losses, caused by a worsening in an entity's own credit risk, no longer in profit or loss. The accounting for liabilities can be changed before applying any of the other requirements in IFRS 9. Furthermore, the IASB cancelled the mandatory date of January 1, 2015. In July 2014, the IASB issued a new version of **IFRS 9, Financial Instruments**. This IFRS 9 version is considered the final and complete version, thus, mainly replacing IAS 39 as soon as IFRS 9 is applied. It includes all prior guidance on the classification and measurement of financial assets and financial liabilities as well as hedge accounting and introduces requirements for impairment of financial instruments as well as modified requirements for the measurement categories of financial assets. The impairment provisions reflect a model that relies on expected losses (expected loss model). This model comprises a two stage approach: Upon recognition an entity shall recognize losses that are expected within the next 12 months. If credit risk deteriorates significantly, from that point in time impairment losses shall amount to lifetime expected losses. The provisions for classification and measurement are amended by introducing an additional third measurement category for certain debt instruments. Such instruments shall be measured at fair value with changes recognized in other comprehensive income (fair value through other comprehensive income). The standard is accompanied by additional disclosure requirements and is effective for fiscal years beginning on or after January 1, 2018. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

The EU Commission's endorsements of IFRS 9, IFRS 15 and of the amendments to IAS 1, IFRS 10, IAS 28 and IFRS 11 are still outstanding.

In the Fresenius Group's view, all other pronouncements issued by the IASB do not have a material impact on the consolidated financial statements, as expected.

2. ACQUISITIONS, DIVESTITURES AND INVESTMENTS

The Fresenius Group made acquisitions, investments and purchases of intangible assets of €104 million and €924 million in the first quarter of 2015 and 2014, respectively. Of this amount, €90 million was paid in cash and €14 million was assumed obligations in the first quarter of 2015.

FRESENIUS MEDICAL CARE

In the first quarter of 2015, Fresenius Medical Care spent €61 million on acquisitions, mainly for dialysis care services.

FRESENIUS KABI

In the first quarter of 2015, Fresenius Kabi spent €34 million on acquisitions, which mainly related to the purchase of 100% of the shares in medi1one medical gmbh, Germany, and the purchase of further shares in Fresenius Kabi Bidiphar JSC, Vietnam. Furthermore, on February 16, 2015, Fresenius Kabi sold its German subsidiary CFL GmbH to NewCo Pharma GmbH. The transaction did not result in a material book gain or loss.

FRESENIUS HELIOS

In the first quarter of 2015, Fresenius Helios spent €17 million on acquisitions, mainly for subsequent purchase price payments and the acquisition of outpatient facilities.

CORPORATE / OTHER

The segment Corporate / Other includes the consolidation of an intercompany transaction in the amount of €8 million.

NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

3. SPECIAL ITEMS

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the first quarter of 2015 in the amount of €314 million includes special items relating to Fresenius Kabi's efficiency program and the integration of the acquired Rhön hospitals. The divestment of two HELIOS hospitals in the fiscal year 2014 led to an additional disposal gain in the first quarter of 2015.

The special items had the following impact on the consolidated statement of income:

€ in millions	EBIT	Net income attributable to shareholders of Fresenius SE & Co. KGaA
Earnings Q1/2015, adjusted	854	292
Costs for Fresenius Kabi's efficiency program	-14	-10
Integration costs for the acquired Rhön hospitals	-2	-2
Disposal gains from the divestment of two HELIOS hospitals	34	34
Earnings Q1/2015 according to IFRS	**872**	**314**

4. SALES

Sales by activity were as follows:

€ in millions	Q1/2015	Q1/2014
Sales of services	**4,437**	3,414
Sales of products and related goods	**2,057**	1,761
Sales from long-term production contracts	**81**	81
Other sales	**3**	2
Sales	**6,578**	5,258

5. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of €108 million (Q1/2014: €82 million) included expenditures for research and non-capitalizable development costs as well as depreciation and amortization expenses relating to capitalized development costs of €4 million (Q1/2014: €3 million).

6. TAXES

During the first quarter of 2015, there were no further 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, 2014 applying Section 315a HGB in accordance with IFRS.

7. EARNINGS PER SHARE

The following table shows the earnings per share including and excluding the dilutive effect from stock options issued after registration of the capital increase from company's funds (stock split 1 : 3) with the commercial register on August 1, 2014:

	Q1/2015	Q1/2014 [1]
Numerators, € in millions		
Net income attributable to shareholders of Fresenius SE & Co. KGaA	**314**	243
less effect from dilution due to Fresenius Medical Care shares	**–**	–
Income available to all ordinary shares	**314**	243
Denominators in number of shares		
Weighted-average number of ordinary shares outstanding	**542,247,910**	539,410,536
Potentially dilutive ordinary shares	**4,704,407**	5,001,822
Weighted-average number of ordinary shares outstanding assuming dilution	**546,952,317**	544,412,358
Basic earnings per ordinary share in €	**0.58**	0.45
Fully diluted earnings per ordinary share in €	**0.58**	0.45

[1] Prior year figures were adjusted accordingly.

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8. CASH AND CASH EQUIVALENTS

As of March 31, 2015 and December 31, 2014, cash and cash equivalents were as follows:

€ in millions	March 31, 2015	Dec. 31, 2014
Cash	**984**	1,127
Time deposits and securities (with a maturity of up to 90 days)	**8**	48
Total cash and cash equivalents	**992**	1,175

As of March 31, 2015 and December 31, 2014, earmarked funds of €44 million and €52 million, respectively, were included in cash and cash equivalents.

9. TRADE ACCOUNTS RECEIVABLE

As of March 31, 2015 and December 31, 2014, trade accounts receivable were as follows:

€ in millions	March 31, 2015	Dec. 31, 2014
Trade accounts receivable	**5,330**	4,783
less allowance for doubtful accounts	**614**	545
Trade accounts receivable, net	**4,716**	4,238

10. INVENTORIES

As of March 31, 2015 and December 31, 2014, inventories consisted of the following:

€ in millions	March 31, 2015	Dec. 31, 2014
Raw materials and purchased components	**582**	527
Work in process	**473**	451
Finished goods	**1,686**	1,440
less reserves	**93**	85
Inventories, net	**2,648**	2,333

11. OTHER CURRENT AND NON-CURRENT ASSETS

As of March 31, 2015, investments were comprised of investments of €524 million (December 31, 2014: €512 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 2015, income of €6 million (Q1/2014: €9 million) resulting from this valuation was included in selling, general and administrative expenses in the consolidated statement of income. Securities and long-term loans included €169 million financial assets available for sale as of March 31, 2015 (December 31, 2014: €148 million) mainly relating to shares in funds. Furthermore, securities and long-term loans included €168 million as of March 31, 2015 that Fresenius Medical Care loaned to a middle-market dialysis provider.

12. GOODWILL AND OTHER INTANGIBLE ASSETS

As of March 31, 2015 and December 31, 2014, intangible assets, split into amortizable and non-amortizable intangible assets, consisted of the following:

AMORTIZABLE INTANGIBLE ASSETS

	March 31, 2015			December 31, 2014		
€ in millions	**Acquisition cost**	**Accumulated amortization**	**Carrying amount**	Acquisition cost	Accumulated amortization	Carrying amount
Patents, product and distribution rights	**704**	**327**	**377**	633	288	345
Technology	**388**	**92**	**296**	349	77	272
Non-compete agreements	**319**	**240**	**79**	281	212	69
Capitalized development costs	**479**	**272**	**207**	433	244	189
Other	**1,118**	**508**	**610**	1,005	453	552
Total	**3,008**	**1,439**	**1,569**	2,701	1,274	1,427

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

€ in millions	Q2–4/2015	2016	2017	2018	2019	Q1/2020
Estimated amortization expenses	147	187	181	175	172	44

NON-AMORTIZABLE INTANGIBLE ASSETS

	March 31, 2015			December 31, 2014		
€ in millions	**Acquisition cost**	**Accumulated amortization**	**Carrying amount**	Acquisition cost	Accumulated amortization	Carrying amount
Tradenames	**225**	**0**	**225**	202	0	202
Management contracts	**7**	**0**	**7**	6	0	6
Goodwill	**21,818**	**0**	**21,818**	19,977	0	19,977
Total	**22,050**	**0**	**22,050**	20,185	0	20,185

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, 2014	**8,446**	**4,226**	**2,158**	**85**	**6**	**14,921**
Additions	1,287	99	2,250	14	0	3,650
Disposals	0	-3	-28	0	0	-31
Reclassifications	0	–	0	0	0	–
Foreign currency translation	1,034	403	0	0	0	1,437
Carrying amount as of December 31, 2014	**10,767**	**4,725**	**4,380**	**99**	**6**	**19,977**
Additions	35	16	9	0	0	60
Foreign currency translation	1,290	491	0	0	0	1,781
Carrying amount as of March 31, 2015	**12,092**	**5,232**	**4,389**	**99**	**6**	**21,818**

As of March 31, 2015 and December 31, 2014, the carrying amounts of the other non-amortizable intangible assets were €202 million and €179 million, respectively, for Fresenius Medical Care as well as €30 million and €29 million, respectively, for Fresenius Kabi.

13. DEBT AND CAPITAL LEASE OBLIGATIONS

SHORT-TERM DEBT

The Fresenius Group had short-term debt of €236 million and €233 million at March 31, 2015 and December 31, 2014, respectively. This debt consisted of borrowings by certain entities of the Fresenius Group under lines of credit with commercial banks.

LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

As of March 31, 2015 and December 31, 2014, long-term debt and capital lease obligations consisted of the following:

€ in millions	**March 31, 2015**	Dec. 31, 2014
Fresenius Medical Care 2012 Credit Agreement	**2,615**	2,389
2013 Senior Credit Agreement	**2,398**	2,561
Euro Notes	**1,025**	1,025
Accounts receivable facility of Fresenius Medical Care	**172**	281
Capital lease obligations	**154**	151
Other	**335**	323
Subtotal	**6,699**	6,730
less current portion	**766**	516
less financing cost	**110**	109
Long-term debt and capital lease obligations, less current portion	**5,823**	6,105

Fresenius Medical Care 2012 Credit Agreement

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

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

The following tables show the available and outstanding amounts under the Fresenius Medical Care 2012 Credit Agreement after scheduled amortization payments at March 31, 2015 and at December 31, 2014:

	March 31, 2015			
	Maximum amount available		**Balance outstanding**	
		€ in millions		**€ in millions**
Revolving Credit (in US$)	US$1,000 million	930	**US$47 million**	**44**
Revolving Credit (in €)	€400 million	400	**€0 million**	**0**
US$ Term Loan	US$2,450 million	2,277	**US$2,450 million**	**2,277**
€ Term Loan	€294 million	294	**€294 million**	**294**
Total		3,901		**2,615**

	December 31, 2014			
	Maximum amount available		**Balance outstanding**	
		€ in millions		**€ in millions**
Revolving Credit (in US$)	US$1,000 million	824	**US$36 million**	**30**
Revolving Credit (in €)	€400 million	400	**€0 million**	**0**
US$ Term Loan	US$2,500 million	2,059	**US$2,500 million**	**2,059**
€ Term Loan	€300 million	300	**€300 million**	**300**
Total		3,583		**2,389**

In addition, at March 31, 2015 and December 31, 2014, Fresenius Medical Care had letters of credit outstanding in the amount of US$7 million, 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, 2015, FMC-AG & Co. KGaA and its subsidiaries were in compliance with all covenants under the Fresenius Medical Care 2012 Credit Agreement.

2013 Senior Credit Agreement

On December 20, 2012, Fresenius SE & Co. KGaA and various subsidiaries entered into a delayed draw syndicated credit agreement (2013 Senior Credit Agreement) in the original amount of US$1,300 million and €1,250 million. Since the initial funding of the 2013 Senior Credit Agreement in June 2013, additional tranches were added and scheduled amortization payments have been made. Furthermore, on January 29, 2015, a term loan B tranche of €297 million was voluntarily prepaid.

On February 12, 2015, the revolving credit facilities and the term loan A tranches were extended ahead of time by two years to a new maturity date on June 28, 2020. These tranches would have otherwise matured in June 2018.

The following tables show the available and outstanding amounts under the 2013 Senior Credit Agreement at March 31, 2015 and at December 31, 2014:

	March 31, 2015			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facilities (in €)	€900 million	900	**€0 million**	**0**
Revolving Credit Facilities (in US$)	US$300 million	279	**US$0 million**	**0**
Term Loan A (in €)	€1,150 million	1,150	**€1,150 million**	**1,150**
Term Loan A (in US$)	US$850 million	790	**US$850 million**	**790**
Term Loan B (in US$)	US$493 million	458	**US$493 million**	**458**
Total		3,577		**2,398**

	December 31, 2014			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facilities (in €)	€900 million	900	**€0 million**	**0**
Revolving Credit Facilities (in US$)	US$300 million	247	**US$0 million**	**0**
Term Loan A (in €)	€1,125 million	1,125	**€1,125 million**	**1,125**
Term Loan A (in US$)	US$890 million	733	**US$890 million**	**733**
Term Loan B (in €)	€297 million	297	**€297 million**	**297**
Term Loan B (in US$)	US$494 million	406	**US$494 million**	**406**
Total		3,708		**2,561**

As of March 31, 2015, the Fresenius Group was in compliance with all covenants under the 2013 Senior Credit Agreement.

Euro Notes

As of March 31, 2015 and December 31, 2014, Euro Notes (Schuldscheindarlehen) of the Fresenius Group consisted of the following:

			Book value/nominal value € in millions	
	Maturity	Interest rate	March 31, 2015	Dec. 31, 2014
Fresenius SE & Co. KGaA 2012/2016	April 4, 2016	3.36%	**156**	156
Fresenius SE & Co. KGaA 2012/2016	April 4, 2016	variable	**129**	129
Fresenius SE & Co. KGaA 2013/2017	Aug. 22, 2017	2.65%	**51**	51
Fresenius SE & Co. KGaA 2013/2017	Aug. 22, 2017	variable	**74**	74
Fresenius SE & Co. KGaA 2014/2018	April 2, 2018	2.09%	**97**	97
Fresenius SE & Co. KGaA 2014/2018	April 2, 2018	variable	**76**	76
Fresenius SE & Co. KGaA 2014/2018	April 2, 2018	variable	**65**	65
Fresenius SE & Co. KGaA 2012/2018	April 4, 2018	4.09%	**72**	72
Fresenius SE & Co. KGaA 2012/2018	April 4, 2018	variable	**43**	43
Fresenius SE & Co. KGaA 2014/2020	April 2, 2020	2.67%	**106**	106
Fresenius SE & Co. KGaA 2014/2020	April 2, 2020	variable	**55**	55
Fresenius SE & Co. KGaA 2014/2020	April 2, 2020	variable	**101**	101
Euro Notes			**1,025**	1,025

In March 2015, Fresenius SE & Co. KGaA voluntarily terminated floating rate tranches of Euro Notes due in 2016 and 2018 in the amount of €172 million ahead of time. Furthermore, the Company made a termination offer to investors of its fixed rate €156 million Euro Notes maturing in April 2016 which was accepted for €48 million. These Euro Notes were shown as current portion of long-term debt and capital lease obligations in the consolidated statement of financial position. The respective repayments were made on April 7, 2015. At the same time, new Euro Notes with maturities in 2018 and 2022 were issued in a total amount of €112 million.

As of March 31, 2015, the Fresenius Group was in compliance with all of its covenants under the Euro Notes.

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, 2015, the additional financial cushion resulting from unutilized credit facilities was approximately €3.4 billion. Thereof €2.4 billion accounted for syndicated credit facilities.

14. SENIOR NOTES

As of March 31, 2015 and December 31, 2014, Senior Notes of the Fresenius Group consisted of the following:

				Book value € in millions	
	Notional amount	Maturity	Interest rate	**March 31, 2015**	Dec. 31, 2014
Fresenius Finance B.V. 2014/2019	€300 million	Feb. 1, 2019	2.375%	**299**	299
Fresenius Finance B.V. 2012/2019	€500 million	Apr. 15, 2019	4.25%	**500**	500
Fresenius Finance B.V. 2013/2020	€500 million	July 15, 2020	2.875%	**500**	500
Fresenius Finance B.V. 2014/2021	€450 million	Feb. 1, 2021	3.00%	**445**	445
Fresenius Finance B.V. 2014/2024	€450 million	Feb. 1, 2024	4.00%	**453**	453
Fresenius US Finance II, Inc. 2009/2015	€275 million	July 15, 2015	8.75%	**274**	273
Fresenius US Finance II, Inc. 2009/2015	US$500 million	July 15, 2015	9.00%	**463**	409
Fresenius US Finance II, Inc. 2014/2021	US$300 million	Feb. 1, 2021	4.25%	**279**	247
FMC Finance VI S.A. 2010/2016	€250 million	July 15, 2016	5.50%	**249**	249
FMC Finance VII S.A. 2011/2021	€300 million	Feb. 15, 2021	5.25%	**297**	297
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%	**397**	397
FMC Finance VIII S.A. 2012/2019	€250 million	July 31, 2019	5.25%	**245**	245
Fresenius Medical Care US Finance, Inc. 2007/2017	US$500 million	July 15, 2017	6.875%	**463**	410
Fresenius Medical Care US Finance, Inc. 2011/2021	US$650 million	Feb. 15, 2021	5.75%	**601**	532
Fresenius Medical Care US Finance II, Inc. 2011/2018	US$400 million	Sept. 15, 2018	6.50%	**369**	327
Fresenius Medical Care US Finance II, Inc. 2012/2019	US$800 million	July 31, 2019	5.625%	**744**	659
Fresenius Medical Care US Finance II, Inc. 2014/2020	US$500 million	Oct. 15, 2020	4.125%	**465**	411
Fresenius Medical Care US Finance II, Inc. 2012/2022	US$700 million	Jan. 31, 2022	5.875%	**651**	577
Fresenius Medical Care US Finance II, Inc. 2014/2024	US$400 million	Oct. 15, 2024	4.75%	**372**	329
Senior Notes				**8,166**	7,659

All Senior Notes included in the table are unsecured.

The Senior Notes issued by Fresenius US Finance II, Inc. which are due on July 15, 2015 are shown as current portion of Senior Notes in the consolidated statement of financial position.

As of March 31, 2015, the Fresenius Group was in compliance with all of its covenants.

15. CONVERTIBLE BONDS

As of March 31, 2015 and December 31, 2014, the convertible bonds of the Fresenius Group consisted of the following:

	Notional amount	Maturity	Coupon	Current conversion price	Book value € in millions March 31, 2015	Book value € in millions Dec. 31, 2014
Fresenius SE & Co. KGaA 2014/2019	€500 million	Sept. 24, 2019	0.000%	€49.7249	**463**	460
Fresenius Medical Care AG & Co. KGaA 2014/2020	€400 million	Jan. 31, 2020	1.125%	€73.6448	**373**	372
Convertible bonds					**836**	832

The fair value of the derivative embedded in the convertible bonds of Fresenius SE & Co. KGaA was €123 million at March 31, 2015. The derivative embedded in the convertible bonds of FMC-AG & Co. KGaA was recognized with a fair value of €96 million at March 31, 2015. Fresenius SE & Co. KGaA and FMC-AG & Co. KGaA have purchased stock options (call options) to secure against future fair value fluctuations of these derivatives. The call options also had an aggregate fair value of €123 million and €96 million, respectively at March 31, 2015.

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

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

16. PENSIONS AND SIMILAR OBLIGATIONS

DEFINED BENEFIT PENSION PLANS

At March 31, 2015, the pension liability of the Fresenius Group was €1,155 million. The current portion of the pension liability of €18 million is recognized in the consolidated statement of financial position within short-term accrued expenses and other short-term liabilities. The non-current portion of €1,137 million is recorded as pension liability.

Contributions to Fresenius Group's pension fund were €5 million in the first quarter of 2015. The Fresenius Group expects approximately €26 million contributions to the pension fund during 2015.

Defined benefit pension plans' net periodic benefit costs of €18 million (Q1/2014: €15 million) were comprised of the following components:

€ in millions	Q1/2015	Q1/2014
Service cost	**11**	8
Net interest cost	**7**	7
Net periodic benefit cost	**18**	15

17. NONCONTROLLING INTEREST

As of March 31, 2015 and December 31, 2014, noncontrolling interest in the Fresenius Group was as follows:

€ in millions	March 31, 2015	Dec. 31, 2014
Noncontrolling interest in Fresenius Medical Care AG & Co. KGaA	**5,973**	5,227
Noncontrolling interest in VAMED AG	**41**	43
Noncontrolling interest in the business segments		
Fresenius Medical Care	**900**	803
Fresenius Kabi	**134**	124
Fresenius Helios	**137**	134
Fresenius Vamed	**7**	6
Total noncontrolling interest	**7,192**	6,337

Noncontrolling interest changed as follows:

€ in millions	Q1/2015
Noncontrolling interest as of January 1, 2015	**6,337**
Noncontrolling interest in profit	189
Stock options	13
Purchase of noncontrolling interest	1
Dividend payments	-47
Currency effects and other changes	699
Noncontrolling interest as of March 31, 2015	**7,192**

18. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

SUBSCRIBED CAPITAL

During the first quarter of 2015, 1,282,802 stock options were exercised. Consequently, as of March 31, 2015, the subscribed capital of Fresenius SE & Co. KGaA consisted of 542,815,402 bearer ordinary shares. The shares are issued as non-par value shares. The proportionate amount of the subscribed capital is €1.00 per share.

CONDITIONAL CAPITAL

The following Conditional Capitals exist in order to fulfill the subscription rights under the stock option plans of Fresenius SE & Co. KGaA: Conditional Capital I (Stock Option Plan 2003), Conditional Capital II (Stock Option Plan 2008) and Conditional Capital IV (Stock Option Plan 2013) (see note 25, Stock options). Another Conditional Capital III exists for the authorization to issue option bearer bonds and / or convertible bonds.

The following table shows the development of the Conditional Capital:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003	5,773,056
Conditional Capital II Fresenius SE Stock Option Plan 2008	10,901,188
Conditional Capital III, approved on May 16, 2014	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	25,200,000
Total Conditional Capital as of January 1, 2015	**90,845,446**
Fresenius AG Stock Option Plan 2003 – options exercised	-239,550
Fresenius SE Stock Option Plan 2008 – options exercised	-1,043,252
Total Conditional Capital as of March 31, 2015	**89,562,644**

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 2015, the general partner and the Supervisory Board of Fresenius SE & Co. KGaA propose a dividend of €0.44 per bearer ordinary share to the Annual General Meeting, i. e. a total dividend payment of €238 million.

19. OTHER COMPREHENSIVE INCOME (LOSS)

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

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

€ in millions	Cash flow hedges	Change of fair value of available for sale financial assets	Foreign currency translation	Actuarial gains/losses on defined benefit pension plans	Total, before non-controlling interest	Non-controlling interest	Total, after non-controlling interest
Balance as of December 31, 2013	-105	17	-105	-131	-324	-256	-580
Other comprehensive income (loss) before reclassifications	-3	10	-36	–	-29	-28	-57
Amounts reclassified from accumulated other comprehensive income (loss)	4	0	–	0	4	3	7
Other comprehensive income (loss), net	1	10	-36	–	-25	-25	-50
Balance as of March 31, 2014	**-104**	**27**	**-141**	**-131**	**-349**	**-281**	**-630**
Balance as of December 31, 2014	-107	1	314	-281	-73	148	75
Other comprehensive income (loss) before reclassifications	-21	–	655	-10	624	704	1,328
Amounts reclassified from accumulated other comprehensive income (loss)	4	0	–	0	4	6	10
Other comprehensive income (loss), net	-17	–	655	-10	628	710	1,338
Balance as of March 31, 2015	**-124**	**1**	**969**	**-291**	**555**	**858**	**1,413**

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

€ in millions	Amount of gain or loss reclassified from accumulated other comprehensive (income) loss		Affected line item in the consolidated statement of income
	Q1/2015	Q1/2014	
Details about accumulated other comprehensive (income) loss components			
Cash flow hedges			
Interest rate contracts	**9**	8	Interest income/expense
Foreign exchange contracts	**5**	1	Cost of sales
Foreign exchange contracts	**-1**	–	Selling, general and administrative expenses
Foreign exchange contracts	**–**	0	Interest income/expense
Other comprehensive income (loss)	**13**	9	
Tax expense or benefit	**-3**	-2	
Other comprehensive income (loss), net	**10**	7	
Total reclassifications for the period	**10**	7	

OTHER NOTES

20. LEGAL AND REGULATORY MATTERS

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

Further information regarding legal disputes, court proceedings and investigations can be found in detail in the consolidated financial statements as of December 31, 2014 applying Section 315a HGB in accordance with IFRS. In the following, only the changes during the first quarter ended March 31, 2015 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, 2014 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, 2014 applying Section 315a HGB in accordance with IFRS.

BAXTER PATENT DISPUTE "LIBERTY CYCLER"

The parties have resolved this patent dispute and will jointly file a motion to dismiss and irrevocably terminate this litigation.

SUBPOENAS "MASSACHUSETTS AND LOUISIANA"

In December 2012, Fresenius Medical Care Holdings, Inc. (FMCH) received a subpoena from the United States Attorney for the District of Massachusetts requesting production of a broad range of documents related to two products manufactured by FMCH, electron-beam sterilization of dialyzers and the Liberty peritoneal dialysis cycler. FMCH has cooperated fully in the government's investigation. In December 2014, FMCH was advised that the government's investigation was precipitated by a whistleblower, who first filed a complaint under seal in June 2013. In September 2014, the government declined to intervene in the whistleblower's actions. On March 31, 2015, the relator served his complaint styled Reihanifam v. Fresenius USA, Inc., 2013 Civ. 11486 (D. Mass.). FMCH will vigorously defend against the relator's action.

In January 2013 and April 2015, respectively, FMCH received subpoenas from the United States Attorney for the Western District of Louisiana and the Attorney General for the Commonwealth of Massachusetts requesting discovery responses relating to the Granuflo® and Naturalyte® acid concentrate products that are also the subject of personal injury litigation described above. FMCH has cooperated fully in the government's investigations.

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

The Fresenius Group, like other health care providers, conducts its operations under intense government regulation and scrutiny. It must comply with regulations which relate to or govern the safety and efficacy of medical products and supplies, the marketing and distribution of such products, the operation of manufacturing facilities, laboratories and dialysis clinics, and environmental and occupational health and safety. With respect to its development, manufacture, marketing and distribution of medical products, if such compliance is not maintained, the Fresenius Group could be subject to significant adverse regulatory actions by the U.S. Food and Drug Administration (FDA) and comparable regulatory authorities outside the United States. These regulatory actions could include warning letters or other enforcement notices from the FDA and/or comparable foreign regulatory authority, which may require the Fresenius Group to expend significant time and resources in order to implement appropriate corrective actions. If the Fresenius Group does not address matters raised in warning letters or other enforcement notices to the satisfaction of the FDA and/or comparable regulatory authorities outside the United States, these regulatory authorities could take additional actions, including product recalls, injunctions against the distribution of products or operation of manufacturing plants, civil penalties, seizures of Fresenius Group's products and/or criminal prosecution. FMCH is currently engaged in remediation efforts with respect to three pending FDA warning letters, Fresenius Kabi with respect to two pending FDA warning letters. The Fresenius Group must also comply with the laws of the United States, including the federal Anti-Kickback Statute, the federal False Claims Act, the federal Stark Law and the federal Foreign Corrupt Practices Act as well as other federal and state fraud and abuse laws. Applicable laws or regulations may be amended, or enforcement agencies or courts may make interpretations that differ from Fresenius Group's interpretations or the manner in which it conducts its business. Enforcement has become a high priority for the federal government and some states. In addition, the provisions of the False Claims Act authorizing payment of a portion of any recovery to the party bringing the suit encourage private plaintiffs to commence whistleblower actions. By virtue of this regulatory environment, Fresenius Group's business activities and practices are subject to extensive review by regulatory authorities and private parties, and continuing audits, subpoenas, other inquiries, claims and litigation relating to Fresenius Group's compliance with applicable laws and regulations. The Fresenius Group may not always be aware that an inquiry or action has begun, particularly in the case of "whistleblower" actions, which are initially filed under court seal.

21. 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, 2015 and December 31, 2014, classified into classes:

€ in millions	Fair value hierarchy level	**March 31, 2015** Carrying amount	**March 31, 2015** Fair value	December 31, 2014 Carrying amount	December 31, 2014 Fair value
Cash and cash equivalents	1	**992**	**992**	1,175	1,175
Assets recognized at carrying amount	3	**4,923**	**4,927**	4,422	4,423
Assets recognized at fair value	1	**169**	**169**	148	148
Liabilities recognized at carrying amount	2	**16,973**	**18,006**	16,405	17,250
Liabilities recognized at fair value	2	**220**	**220**	146	146
Noncontrolling interest subject to put provisions recognized at fair value	3	**652**	**652**	568	568
Derivatives for hedging purposes	2	**77**	**77**	90	90

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 for these instruments.

The fair values of 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 assets recognized at carrying amount consists of trade accounts receivable and a loan which Fresenius Medical Care granted to a middle-market dialysis provider. The fair value of the loan is based on significant unobservable inputs of comparable instruments and thus the class is classified as fair value hierarchy Level 3.

The class assets recognized at fair value was comprised of shares in funds. The fair values of these assets are calculated on the basis of market information. The fair value of available for sale financial assets quoted in an active market is based on price quotations at the period-end date (Level 1). Therefore, this class is classified as Level 1.

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

The derivatives embedded in the convertible bonds are included in the class liabilities recognized at fair value. The fair value of the embedded derivatives is calculated using the difference between the market value of the convertible bond and the market value of an adequate straight bond discounted with the market interest rates as of the reporting date. The class was classified as 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.

Following is a roll forward of noncontrolling interest subject to put provisions:

€ in millions	Q1/2015
Noncontrolling interest subject to put provisions as of January 1, 2015	**568**
Noncontrolling interest subject to put provisions in profit	27
Purchase of noncontrolling interest subject to put provisions	9
Dividend payments	-41
Currency effects and other changes	89
Noncontrolling interest subject to put provisions as of March 31, 2015	**652**

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. The Fresenius Group monitors and analyses the credit risk from derivative financial instruments on a regular basis. For the valuation of derivative financial instruments, the credit risk is considered in the fair value of every individual instrument. The basis for the default probability are Credit Default Swap Spreads of each counterparty appropriate for the duration. The calculation of the credit risk considered in the valuation is done by multiplying the default probability appropriate for the duration with the expected discounted cash flows of the derivative financial instrument.

The class of derivatives for hedging purposes includes the call options which have been purchased to hedge the convertible bonds. The fair values of these call options are derived from market quotes. For the fair value measurement of the class derivatives for hedging purposes, significant other observable inputs are used. Therefore, the class is 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, 2015		December 31, 2014	
€ in millions	**Assets**	**Liabilities**	Assets	Liabilities
Interest rate contracts (non-current)	**0**	**13**	1	6
Foreign exchange contracts (current)	**6**	**88**	9	43
Foreign exchange contracts (non-current)	**–**	**–**	0	–
Derivatives designated as hedging instruments [1]	**6**	**101**	10	49
Interest rate contracts (non-current)	**0**	**1**	0	1
Foreign exchange contracts (current) [1]	**27**	**74**	21	37
Foreign exchange contracts (non-current) [1]	**–**	**0**	–	–
Derivatives embedded in the convertible bonds	**0**	**219**	0	145
Stock options to secure the convertible bonds [1]	**219**	**0**	145	0
Derivatives not designated as hedging instruments	**246**	**294**	166	183

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

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

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

Derivatives for hedging purposes as well as the derivatives embedded in the convertible bonds were recognized at gross value within other assets in an amount of €252 million and other liabilities in an amount of €394 million.

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

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

	Q1/2015		
€ in millions	Gain or loss recognized in other comprehensive income (loss) (effective portion)	Gain or loss reclassified from accumulated other comprehensive income (loss) (effective portion)	Gain or loss recognized in the consolidated statement of income
Interest rate contracts	-8	9	0
Foreign exchange contracts	-35	4	0
Derivatives in cash flow hedging relationships[1]	**-43**	**13**	**0**
Foreign exchange contracts			-14
Derivatives in fair value hedging relationships			**-14**
Derivatives designated as hedging instruments	**-43**	**13**	**-14**

	Q1/2014		
€ 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	1	8	1
Foreign exchange contracts	-6	1	–
Derivatives in cash flow hedging relationships[1]	**-5**	**9**	**1**
Foreign exchange contracts			–
Derivatives in fair value hedging relationships			**–**
Derivatives designated as hedging instruments	**-5**	**9**	**1**

[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	**Q1/2015**	Q1/2014
Interest rate contracts	–	–
Foreign exchange contracts	5	6
Derivatives not designated as hedging instruments	**5**	6

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

The Fresenius Group expects to recognize a net amount of €20 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 €34 million of losses in the course of normal business during the next 12 months in interest expense.

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

In the first quarter of 2015, no gains (Q1/2014: €10 million) for available for sale financial assets were recognized in other comprehensive income (loss).

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

Classification

To reduce the credit risk arising from derivatives, the Fresenius Group concluded master netting agreements with banks. Through such agreements, positive and negative fair values of the derivative contracts could be offset against one another if a partner becomes insolvent. This offsetting is valid for transactions where the aggregate amount of obligations owed to and receivable from are not equal. If insolvency occurs, the party which owes the larger amount is obliged to pay the other party the difference between the amounts owed in the form of one net payment.

These master netting agreements do not provide a basis for offsetting the fair values of derivative financial instruments in the consolidated statement of financial position as the offsetting criteria under International Financial Reporting Standards are not satisfied.

At March 31, 2015 and December 31, 2014, the Fresenius Group had €32 million and €30 million of derivative financial assets subject to netting arrangements and €161 million and €77 million of derivative financial liabilities subject to netting arrangements. Offsetting these derivative financial instruments would have resulted in net assets of €8 million and €15 million as well as net liabilities of €137 million and €62 million at March 31, 2015 and December 31, 2014, respectively.

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, 2015, the notional amounts of foreign exchange contracts totaled €2,071 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 -€79 million and -€3 million, respectively.

As of March 31, 2015, the Fresenius Group was party to foreign exchange contracts with a maximum maturity of 15 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 (pre-hedges).

As of March 31, 2015, the U.S. dollar interest rate swaps had a notional volume of US$500 million (€465 million) as well as a fair value of -US$7 million (-€6 million) and expire in 2022. The euro interest rate swaps had a notional volume of €607 million and a fair value of -€8 million. The euro interest rate swaps expire in the years 2016 to 2022.

The pre-hedges are used to hedge interest rate exposures with regard to interest rates which are relevant for the future debt issuance and which could rise until the respective debt is actually issued. These pre-hedges are settled at the issuance date of the corresponding debt with the settlement amount recorded in accumulated other comprehensive income (loss) amortized to interest expense over the life of the pre-hedges.

At March 31, 2015 and December 31, 2014, the Fresenius Group had €86 million and €89 million, respectively, related to such settlements of pre-hedges deferred in accumulated other comprehensive income (loss), net of tax.

22. SUPPLEMENTARY INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of March 31, 2015, the equity ratio was 41.0% and the debt ratio (debt/total assets) was 36.7%. As of March 31, 2015, the leverage ratio (pro forma, before special items) on the basis of net debt/EBITDA, which is measured on the basis of U.S. GAAP figures, was 3.4.

The aims of the capital management and further information can be found in the consolidated financial statements as of December 31, 2014 applying Section 315a HGB in accordance with IFRS.

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

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

	March 31, 2015	Dec. 31, 2014
Standard & Poor's		
Corporate Credit Rating	**BBB-**	BB+
Outlook	**stable**	positive
Moody's		
Corporate Credit Rating	**Ba1**	Ba1
Outlook	**stable**	negative
Fitch		
Corporate Credit Rating	**BB+**	BB+
Outlook	**stable**	positive

23. SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

€ in millions	**Q1/2015**	Q1/2014
Assets acquired	**103**	1,244
Liabilities assumed	**-6**	-362
Noncontrolling interest	**2**	-14
Notes assumed in connection with acquisitions	**-15**	-11
Cash paid	**84**	857
Cash acquired	**-1**	-69
Cash paid for acquisitions, net	**83**	788
Cash paid for investments, net of cash acquired	**4**	82
Cash paid for intangible assets, net	**3**	2
Total cash paid for acquisitions and investments, net of cash acquired, and net purchases of intangible assets	**90**	872

24. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

GENERAL

The consolidated segment reporting shown on pages 22 and 23 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, 2015.

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 largest integrated provider of products and services for individuals with chronic kidney failure. As of March 31, 2015, Fresenius Medical Care was treating 286,768 patients in 3,396 dialysis clinics.

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.

Fresenius Helios is Germany's largest hospital operator. On March 31, 2015, the HELIOS Group operated 110 hospitals: 86 acute care hospitals, including 7 maximum care clinics in Berlin-Buch, Duisburg, Erfurt, Krefeld, Schwerin, Wiesbaden and Wuppertal as well as 24 post-acute care hospitals. Fresenius Helios has more than 34,000 beds and treats approximately 4.5 million patients – including more than 1.2 million inpatients – each year.

Fresenius Vamed manages projects and provides services for hospitals and other health care facilities worldwide.

The segment Corporate/Other is mainly comprised of the holding functions of Fresenius SE & Co. KGaA as well as Fresenius Netcare GmbH, which provides services in the field of information technology. In addition, the segment Corporate/Other includes intersegment consolidation adjustments as well as special items (see note 3, Special items).

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, the different classification of certain bad debt expenses, gains from sale and leaseback transactions with an operating lease agreement, development costs, cumulative actuarial gains and losses for pensions and contingent considerations.

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, 2014 applying Section 315a HGB in accordance with IFRS.

RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS

€ in millions	Q1/2015	Q1/2014
Total EBIT of reporting segments	863	632
General corporate expenses Corporate/Other (EBIT)	9	19
Group EBIT	872	651
Net interest	-165	-138
Income before income taxes	707	513

RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	March 31, 2015	Dec. 31, 2014
Short-term debt	236	233
Short-term loans from related parties	6	3
Current portion of long-term debt and capital lease obligations	766	516
Current portion of Senior Notes	737	682
Long-term debt and capital lease obligations, less current portion	5,823	6,105
Senior Notes, less current portion	7,429	6,977
Convertible bonds	836	832
Debt	15,833	15,348
less cash and cash equivalents	992	1,175
Net debt	14,841	14,173

25. STOCK OPTIONS

FRESENIUS SE & CO. KGAA STOCK OPTION PLANS

As of March 31, 2015, Fresenius SE & Co. KGaA had three stock option plans in place: the Fresenius AG Stock Option Plan 2003 (2003 Plan) which is based on convertible bonds, the stock option based Fresenius SE Stock Option Plan 2008 (2008 Plan) and the Fresenius SE & Co. KGaA Long Term Incentive Program 2013 (2013 LTIP) which is based on stock options and phantom stocks. The 2013 LTIP is the only program under which stock options can be granted.

Transactions during the first quarter of 2015

During the first quarter of 2015, Fresenius SE & Co. KGaA received cash of €24 million from the exercise of 1,282,802 stock options.

808,863 convertible bonds were outstanding and exercisable under the 2003 Plan at March 31, 2015. The members of the Fresenius Management SE Management Board held 40,434 convertible bonds. At March 31, 2015, out of 6,503,099 outstanding stock options issued under the 2008 Plan, 3,233,339 were exercisable and 1,144,820 were held by the members of the Fresenius Management SE Management Board. 4,224,627 stock options issued under the 2013 LTIP were outstanding at March 31, 2015. The members of the Fresenius Management SE Management Board held 630,000 stock options. 641,466 phantom stocks issued under the 2013 LTIP were outstanding at March 31, 2015. The members of the Fresenius Management SE Management Board held 163,422 phantom stocks.

As of March 31, 2015, 4,042,202 options for ordinary shares were outstanding and exercisable. On March 31, 2015, total unrecognized compensation cost related to non-vested options granted under the 2008 Plan and the 2013 LTIP was €26 million. This cost is expected to be recognized over a weighted-average period of 2.7 years.

FRESENIUS MEDICAL CARE AG & CO. KGAA STOCK OPTION PLANS

During the first quarter of 2015, 333,941 stock options were exercised. Fresenius Medical Care AG & Co. KGaA received cash of €12.0 million upon exercise of these stock options and €2.6 million from a related tax benefit.

26. 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 University Hospital Carl Gustav Carus Dresden and a member of the supervisory board of the University Hospital Aachen. The Fresenius Group maintains business relations with these hospitals in the ordinary course and under customary conditions.

Prof. Dr. h. c. Roland Berger, a member of the Supervisory Board of Fresenius Management SE and of Fresenius SE & Co. KGaA, is a partner of Roland Berger Strategy Consultants Holding GmbH. In the first quarter of 2015, after discussion and approval by the Supervisory Board of Fresenius Management SE and the Supervisory Board of Fresenius SE & Co. KGaA, the Fresenius Group paid €0.05 million to affiliated companies of the Roland Berger group for consulting services rendered.

Klaus-Peter Müller, a member of the Supervisory Board of Fresenius Management SE and 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.

On May 20, 2015, at the Annual General Meeting of Fresenius SE & Co. KGaA, Michael Diekmann, chairman of the management board of Allianz SE until May 6, 2015, will be proposed for election to the Supervisory Board. In the first quarter of 2015, the Fresenius Group paid €1.4 million for insurance premiums to the Allianz group under customary conditions.

Dr. Dieter Schenk, deputy chairman of the Supervisory Board of Fresenius Management SE, is a partner in the international law firm Noerr LLP, which provides legal services to the Fresenius Group. In the first quarter of 2015, after discussion and approval of each mandate by the Supervisory Board of Fresenius Management SE, the Fresenius Group paid €0.6 million to this law firm for legal services rendered.

The payments mentioned in this note are net amounts. In addition, VAT and insurance tax were paid.

27. SUBSEQUENT EVENTS

There have been no significant changes in the Fresenius Group's operating environment following the end of the first quarter of 2015. 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 2015.

28. 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), and of Fresenius Medical Care AG & Co. KGaA (www.freseniusmedicalcare.com).

FINANCIAL CALENDAR

Annual General Meeting, Frankfurt am Main Live webcast of the speech of the Chairman of the Management Board	May 20, 2015
Payment of dividend [1]	May 21, 2015
Report on 1st half 2015 Conference call, Live webcast	July 30, 2015
Report on 1st – 3rd quarter 2015 Conference call, Live webcast	October 29, 2015

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

Corporate Headquarters
Else-Kröner-Straße 1
Bad Homburg v. d. H.
Germany

Postal address
Fresenius SE & Co. KGaA
61346 Bad Homburg v. d. H.
Germany

Contact for shareholders
Investor Relations
Telephone: ++49 61 72 6 08-24 64
Telefax: ++49 61 72 6 08-24 88
E-mail: ir-fre@fresenius.com

Contact for journalists
Corporate Communications
Telefon: ++49 61 72 6 08-23 02
Telefax: ++49 61 72 6 08-22 94
E-mail: pr-fre@fresenius.com

Commercial Register: Bad Homburg v. d. H.; HRB 11852
Chairman of the Supervisory Board: Dr. Gerd Krick

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