FRESENIUS

Quarterly Financial Report of Fresenius Group

applying International Financial Reporting Standards (IFRS)

1st Half and 2nd Quarter 2011

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AMENDED REPORT

This Quarterly Financial Report amends the Quarterly Financial Report as filed by Fresenius SE & Co. KGaA on August 10, 2011.

The amendment is filed due to a reclassification within Fresenius Medical Care AG & Co. KGaA´s balance sheet at June 30, 2011 in an amount of €260 million from „Long-term debt and capital lease obligations, less current portion“ to „Current portion of long-term debt and capital lease obligations“.

The Amended Report provides disclosures as of June 30, 2011 and does not reflect events or disclosures after the submission of the Original Report, other than the reclassification described above.

Amendments are included on the following pages:

21 Fresenius SE & Co. KGaA Consolidated Statement of Financial Position (unaudited)
38 Long-Term Debt And Capital Lease Obligations
49 Reconciliation of Net Debt with the Consolidated Statement of Financial Position

This Quarterly Financial Report was published on August 19, 2011.

FRESENIUS GROUP FIGURES AT A GLANCE

Fresenius is a health care group providing products and services for dialysis, hospitals and the medical care of patients at home. In addition, Fresenius focuses on hospital operation, as well as on engineering and services for hospitals and other health care facilities. In 2010, group sales were approximately €16.0 billion. On June 30, 2011, more than 140,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

SALES, EARNINGS, AND CASH FLOW

€ in millions	Q2/2011	Q2/2010	Change	H1/2011	H1/2010	Change
Sales	**4,042**	4,043	0%	**8,004**	7,686	4%
EBIT	**633**	616	3%	**1,211**	1,111	9%
Net income [1]	**193**	182	6%	**364**	297	23%
Earnings per ordinary share in € [1]	**1.19**	1.12	6%	**2.24**	1.83	22%
Operating cash flow	**374**	371	1%	**654**	810	-19%

BALANCE SHEET AND INVESTMENTS

€ in millions	June 30, 2011	Dec. 31, 2010	Change
Total assets	**24,088**	23,831	1%
Non-current assets	**17,755**	17,726	0%
Equity	**9,062**	9,219	-2%
Net debt	**8,309**	7,908	5%
Investments [2]	**1,146**	474	142%

RATIOS

€ in millions	Q2/2011	Q2/2010	H1/2011	H1/2010
EBITDA margin	**19.6%**	19.3%	**19.2%**	18.7%
EBIT margin	**15.7%**	15.2%	**15.1%**	14.5%
Depreciation and amortization in % of sales	**4.0**	4.1	**4.1**	4.2
Operating cash flow in % of sales	**9.3**	9.2	**8.2**	10.5
Equity ratio (June 30/December 31)			**37.6 %**	38.7%
Net debt/EBITDA (June 30/December 31)			**2.6**	2.6

[1] Net income attributable to Fresenius SE & Co. KGaA; adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) relating to the acquisition of APP Pharmaceuticals. These effects are not cash relevant.
[2] Investments in property, plant and equipment and intangible assets, acquisitions (H1). Does not include a €100 million cash out for a short-term bank deposit by Fresenius Medical Care in Q2 2010.

INFORMATION ON THE BUSINESS SEGMENTS[1]

FRESENIUS MEDICAL CARE – Dialysis products, Dialysis care

US$ in millions	H1/2011	H1/2010	Change
Sales	**6,230**	5,828	7%
EBIT	**955**	892	7%
Net income[2]	**481**	459	5%
Operating cash flow	**487**	643	-24%
Investments/Acquisitions[6]	**1,368**	396	--
R & D expenses	**53**	44	19%
Employees, per capita on balance sheet date (June 30/December 31)	**81,357**	77,442	5%

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

€ in millions	H1/2011	H1/2010	Change
Sales	**1,971**	1,745	13%
EBIT	**411**	347	18%
Net income[3]	**181**	136	33%
Operating cash flow	**205**	189	8%
Investments/Acquisitions	**76**	80	-5%
R & D expenses	**80**	65	23%
Employees, per capita on balance sheet date (June 30/December 31)	**23,670**	22,851	4%

FRESENIUS HELIOS – Hospital operation

€ in millions	H1/2011	H1/2010	Change
Sales	**1,293**	1,223	6%
EBIT	**123**	110	12%
Net income[4]	**72**	62	16%
Operating cash flow	**121**	133	-9%
Investments/Acquisitions	**45**	83	-46%
Employees, per capita on balance sheet date (June 30/December 31)	**33,931**	33,321	2%

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

€ in millions	H1/2011	H1/2010	Change
Sales	**313**	338	-7%
EBIT	**12**	15	-20%
Net income[5]	**9**	12	-25%
Operating cash flow	**7**	35	-80%
Investments/Acquisitions	**4**	4	0%
Order intake	**164**	328	-50%
Employees, per capita on balance sheet date (June 30/December 31)	**3,170**	3,110	2%

[1] All segment data according to U.S. GAAP
[2] Net income attributable to Fresenius Medical Care AG & Co. KGaA
[3] Net income attributable to Fresenius Kabi AG
[4] Net income attributable to HELIOS Kliniken GmbH
[5] Net income attributable to VAMED AG
[6] Does not include a US$133 million cash out for a short-term bank deposit in Q2 2010.

FRESENIUS SHARE

In the second quarter of 2011, the Fresenius share continued its upswing and reached a new all-time high. With an increase of 15% compared to the year-end quotation of 2010, the ordinary shares significantly outperformed the DAX.

FIRST HALF OF 2011

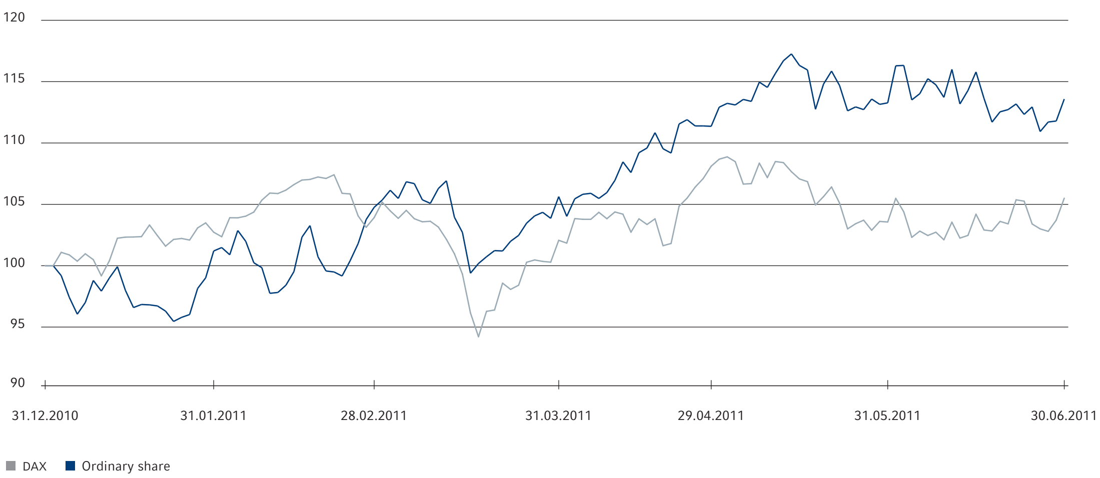
An upwind considerably supported the Fresenius ordinary share price from the end of January onwards, after a reluctant start into 2011. But the positive development at the capital markets was impacted by the catastrophe in Japan in March. In the second quarter of 2011, the share price continued to climb again, driven by the strong earnings development of the first quarter of 2011 and the raised guidance, reaching a new all-time-high of €73.58 on May 12, 2011.

The Fresenius share increased by 15% to €71.98 as of June 30, 2011, compared with the year-end quotation of 2010. In the same period, the DAX grew by 7%.

In the first half of 2011, the Fresenius shares improved the average daily trading volume by 3% compared to the average daily trading volume of 2010[2].

RELATIVE SHARE PRICE PERFORMANCE VS. DAX

31.12.2010 = 100



KEY DATA OF THE FRESENIUS SHARE

	H1/2011	2010	Change
Number of shares (June 30/December 31)	**162,788,889**	162,450,090[1]	
Quarter-end quotation in €	**71.98**	62.75	15%
High in €	**73.58**	67.59	9%
Low in €	**59.90**	41.80	43%
Ø Trading volume (number of shares per trading day)	**446,011**	431,460[2]	3%
Market capitalization, € in millions (June 30/December 31)	**11,718**	10,301[3]	14%

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

MANAGEMENT REPORT

Fresenius achieved excellent financial results in the first half. We are very pleased with Fresenius Kabi's growth in North America and in emerging markets, in particular in China. Based on the results of the first half of 2011, we raise our 2011 earnings guidance [1]. Fresenius Medical Care's significant M & A activity this year shows that our Group's double-barreled growth strategy combining organic growth and acquisitions remains fully intact.

EXCELLENT SALES AND EARNINGS GROWTH – FRESENIUS RAISES EARNINGS OUTLOOK

- Group earnings [1,2] outlook raised to 15% – 18%
- Fresenius Medical Care fully confirms guidance
- Fresenius Kabi posts excellent growth, raises sales and earnings guidance
- Fresenius Helios raises earnings guidance
- Fresenius Vamed revises guidance due to project delays

	H1/2011	at actual rates	in constant currency
Sales	€8.0 bn	+4%	+6%
EBIT	€1.2 bn	+9%	+12%
Net income [2]	€364 m	+23%	+24%

HEALTH CARE INDUSTRY

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

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

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

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

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

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

[1] According to U.S. GAAP

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

RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

SALES

Group sales increased by 4% (6% in constant currency) to €8,004 million (H1 2010: €7,686 million). Organic sales growth was 5%. Acquisitions contributed a further 1%. Currency translation had a negative effect of 2%. This is mainly attributable to the average U.S. dollar rate decreasing 5% against the euro in the first half of 2011.

Organic sales growth was 3% in both, North America and Europe. Prior year sales in Europe were positively influenced by Fresenius Vamed's large medical supply contract to the Ukraine. Organic sales growth reached 15% in Latin America, 19% in Asia-Pacific and 23% in Africa.

EARNINGS

Group EBITDA grew by 7% (10% in constant currency) to €1,536 million (H1 2010: €1,435 million). Group EBIT increased by 9% (12% in constant currency) to €1,211 million (H1 2010: €1,111 million). The EBIT margin improved by 60 basis points to 15.1% (H1 2010: 14.5%).

Group net interest was -€276 million (H1 2010: -€281 million).

The other financial result was -€151 million and includes valuation changes of the fair redemption value of the Mandatory Exchangeable Bonds (MEB) of -€156 million and the Contingent Value Rights (CVR) of €5 million. Both are non-cash items. As the CVR were delisted in March 2011, the effect relates solely to the first quarter of 2011. The MEB will come to maturity on August 14, 2011.

The Group tax rate[1] was 30.7% (H1 2010: 31.3%).

Noncontrolling interest increased to €284 million (H1 2010: €273 million), of which 93% was attributable to the noncontrolling interest in Fresenius Medical Care.

Group net income[2] increased by 23% (24% in constant currency) to €364 million (H1 2010: €297million). Earnings per ordinary share increased by 22% to €2.24.

SALES BY REGION

€ in millions	**H1/2011**	H1/2010	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/ Divestitures	Total sales
North America	**3,325**	3,409	-2%	-5%	3%	3%	0%	42%
Europe	**3,330**	3,176	5%	0%	5%	3%	2%	42%
Asia-Pacific	**754**	590	28%	1%	27%	19%	8%	9%
Latin America	**430**	379	13%	-2%	15%	15%	0%	5%
Africa	**165**	132	25%	3%	22%	23%	-1%	2%
Total	**8,004**	7,686	4%	-2%	6%	5%	1%	100%

SALES BY BUSINESS SEGMENT

€ in millions	**H1/2011**	H1/2010	Change at actual rates	Currency translations effects	Change at constant rates	Organic Growth	Acquisitions/ Divestitures	Total sales
Fresenius Medical Care	**4,440**	4,392	1%	-4%	5%	3%	2%	55%
Fresenius Kabi	**1,971**	1,745	13%	-1%	14%	13%	1%	25%
Fresenius Helios	**1,293**	1,223	6%	0%	6%	4%	2%	16%
Fresenius Vamed	**313**	338	-7%	0%	-7%	-6%	-1%	4%

All segment data according to U.S. GAAP

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

EARNINGS

€ in millions	Q2/2011	Q2/2010	H1/2011	H1/2010
EBIT	**633**	616	**1,211**	1,111
Net income [1]	**193**	182	**364**	297
Net income [2]	**129**	151	**258**	235
Earnings per ordinary share in € [1]	**1.19**	1.12	**2.24**	1.83
Earnings per ordinary share in € [2]	**0.80**	0.93	**1.59**	1.45

RECONCILIATION TO GROUP NET INCOME

The Group's U.S. GAAP financial results as of June 30, 2011 and as of June 30, 2010 include the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) related to the acquisition of APP Pharmaceuticals. Those special items are recognized in the financial result of the "Corporate/Other" segment. Adjusted earnings represent the Group's business operations in the reporting period.

The table reconciles adjusted net income to net income according to U.S. GAAP in the first half and the second quarter.

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

Group net income [2] (including special items) reached €258 million or €1.59 per ordinary share.

INVESTMENTS

The Fresenius Group spent €290 million on property, plant and equipment (H1 2010: €324 million). Acquisition spending was €856 million (H1 2010: €150 million), mainly due to the

RECONCILIATION

€ in millions	Q2/2011	Q2/2010	H1/2011	H1/2010
Earnings [1]	**193**	182	**364**	297
Other financial result:				
Mandatory Exchangeable Bonds (MEB) (mark-to-market)	**-64**	-34	**-111**	-83
Contingent Value Rights (CVR) (mark-to-market)	**—**	3	**5**	21
Earnings according to U.S. GAAP [2]	**129**	151	**258**	235

INVESTMENTS BY BUSINESS SEGMENT

€ in millions	H1/2011	H1/2010	thereof property, plant and equipment	thereof acquisitions	Change	% of total
Fresenius Medical Care [3]	**960**	299	170	790	--	84%
Fresenius Kabi	**76**	80	70	6	-5%	7%
Fresenius Helios	**45**	83	40	5	-46%	4%
Fresenius Vamed	**4**	4	2	2	0%	0%
Corporate/Other	**58**	5	4	54	--	5%
IFRS Reconciliation	**3**	3	4	-1	0%	0%
Total	**1,146**	474	290	856	142%	100%

All segment data according to U.S. GAAP

[1] Net income attributable to Fresenius SE & Co. KGaA; adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) relating to the acquisition of APP Pharmaceuticals. Both are non-cash items.
[2] Net income attributable to Fresenius SE & Co. KGaA
[3] Does not include a €100 million cash out for a short-term bank deposit by Fresenius Medical Care in Q2 2010.

acquisitions of Euromedic's dialysis service business as well as a minority stake in Renal Advantage, Inc., both by Fresenius Medical Care.

CASH FLOW

Operating cash flow was €654 million (H1 2010: €810 million). Strong earnings growth was more than offset by increased DSOs (days sales outstanding), primarily related to the introduction of the new Medicare end-stage renal disease prospective payment system in the U.S. dialysis service business, and raised inventory levels. The cash flow margin was 8.2% (H1 2010: 10.5%). Net capital expenditure was €296 million (H1 2010: €325 million). Free cash flow before acquisitions and dividends was €358 million (H1 2010: €485 million). Free cash flow after acquisitions and dividends was -€791 million (H1 2010[1]: €59 million).

ASSET AND LIABILITY STRUCTURE

The Group's total assets increased slightly to €24,088 million (Dec. 31, 2010: €23,831 million). In constant currency, the increase was 6%. Current assets increased by 4% (8% in constant currency) to €6,333 million (Dec. 31, 2010: €6,105 million). Non-current assets were €17,755 million (Dec. 31, 2010: €17,726 million). In constant currency, the increase was 5%.

Total shareholders' equity decreased by 2% to €9,062 million (Dec. 31, 2010: €9,219 million). In constant currency, however, shareholders' equity increased by 4%. The equity ratio was 37.6% (Dec. 31, 2010: 38.7%).

Group debt grew by 3% (8% in constant currency) to €8,917 million (Dec. 31, 2010: €8,677 million) primarily resulting from acquisition financing. Net debt increased by 5% (10% in constant currency) to €8,309 million (Dec. 31, 2010: €7,908 million).

The net debt/EBITDA ratio increased slightly to 2.62 as of June 30, 2011 (Dec. 31, 2010: 2.57).

CASH FLOW STATEMENT (SUMMARY)

€ in millions	H1/2011	H1/2010	Change
Net income	542	508	7%
Depreciation and amortization	325	324	0%
Change in accruals for pensions	-1	12	-108%
Cash flow	**866**	844	3%
Change in working capital	-318	-96	--
Changes in mark-to-market evaluation of the MEB and the CVR	106	62	71%
Operating cash flow	**654**	810	-19%
Property, plant and equipment	-305	-335	9%
Proceeds from the sale of property, plant and equipment	9	10	-10%
Cash flow before acquisitions and dividends	**358**	485	-26%
Cash used for acquisitions/proceeds from disposals	-846	-130	--
Dividends	-303	-296	-2%
Free cash flow after acquisitions and dividends	**-791**	59	--
Financial investments	0	-100	100%
Cash provided by/used for financing activities	655	182	--
Effect of exchange rates on change in cash and cash equivalents	-25	47	-153%
Net change in cash and cash equivalents	**-161**	188	-186%

[1] Does not include a €100 million cash out for a short-term bank deposit by Fresenius Medical Care in Q2 2010.

SECOND QUARTER OF 2011

Group sales were €4,042 million at actual rates (Q2 2010: €4,043 million). In constant currency, sales increased by 6%. Organic sales growth was 4%.

EBIT increased by 3% at actual rates to €633 million (Q2 2010: €616 million). In constant currency, EBIT increased by 9%. Group net income [1] rose by 6% to €193 million (Q2 2010 [1]: €182 million). In constant currency, growth of 11% was achieved. Earnings per share [1] increased by 6% to €1.19 per ordinary share (Q2 2010 [1]: €1.12). In constant currency, earnings per share improved by 11%.

Group net income [2] including special items was €129 million (Q2 2010 [2]: €151 million). Earnings per ordinary share [2] including special items was €0.80.

Investments in property, plant and equipment were €152 million (Q2 2010: €198 million). Acquisition spending increased to €545 million (Q2 2010: €69 million). More than 98% of the acquisition spending relates to the business segment Fresenius Medical Care.

ANNUAL GENERAL MEETING 2011

At the Annual General Meeting 2011, the shareholders of Fresenius SE & Co. KGaA approved all agenda items with an overwhelming majority. Shareholders received €0.86 per share (2009: €0.75). This is an increase of 15%. A shareholder majority of over 99% approved the actions of both the Management and Supervisory Boards for the 2010 fiscal year.

The voting results are as follows:

		Yes votes	No votes
Item no. 1	Resolution on the Approval of the Annual Financial Statements of Fresenius SE & Co. KGaA (previously Fresenius SE) for the Financial Year 2010	99.98%	0.02%
Item no. 2	Resolution on the Allocation of the Distributable Profit	99.99%	0.01%
Item no. 3	Resolution on the Approval of the Actions of the Then Management Board for the Financial Year 2010	99.64%	0.36%
Item no. 4	Resolution on the Approval of the Actions of the Then Supervisory Board for the Financial Year 2010	99.63%	0.37%
Item no. 5	Election of the Auditor and Group Auditor for the Financial Year 2011	99.76%	0.24%
Item no. 6	Resolution on the Cancellation of the Existing Authorized Capitals I to V and the Creation of New Authorized Capital I as well as a Corresponding Amendment to the Articles of Association	96.07%	3.93%
Item no. 7	Resolution on the Amendment to the Articles of Association	99.87%	0.13%
Item no. 8	Elections to the Joint Committee		
	Dr. Gerd Krick	99.51%	0.49%
	Dr. Gerhard Rupprecht	99.32%	0.68%

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

BUSINESS SEGMENTS [1]

FRESENIUS MEDICAL CARE

Fresenius Medical Care is the world's leading provider of services and products for patients with chronic kidney failure. As of June 30, 2011, Fresenius Medical Care was treating 225,909 patients in 2,838 dialysis clinics.

US$ in millions	**Q2/2011**	Q2/2010	Change	**H1/2011**	H1/2010	Change
Sales	**3,194**	2,946	8%	**6,230**	5,828	7%
EBITDA	**646**	588	10%	**1,227**	1,138	8%
EBIT	**510**	467	9%	**955**	892	7%
Net income [2]	**261**	248	5%	**481**	459	5%
Employees (June 30/December 31)				**81,357**	77,442	5%

FIRST HALF OF 2011

- Acquisitions with a total annual sales volume of more than US$1 billion
- 2011 outlook fully confirmed

Fresenius Medical Care achieved sales growth of 7% to US$6,230 million (H1 2010: US$5,828 million). Organic sales growth was 3%, acquisitions contributed a further 2%.

Sales in dialysis services increased by 6% to US$4,647 million (H1 2010: US$4,395 million). Dialysis product sales grew by 10% to US$1,583 million (H1 2010: US$1,433 million).

In North America sales were US$4,005 million (H1 2010: US$3,986 million). Dialysis services sales increased by 1% to US$3,610 million. Average sales per treatment for U.S. clinics was US$348 in the second quarter of 2011 compared to US$356 for the corresponding quarter in 2010. This is a result of the targeted implementation of the new Medicare end-stage renal disease prospective payment system. Dialysis product sales decreased to US$395 million (H1 2010: US$408 million) as increased sales of dialysis products could not entirely offset lower pricing of renal drugs.

Sales outside North America ("International" segment) grew by 20% to US$2,218 million (H1 2010: US$1,842 million). Sales in dialysis services increased by 27% to US$1,037 million. Dialysis product sales increased by 15% to US$1,181 million.

EBIT increased by 7% to US$955 million (H1 2010: US$892 million). The EBIT margin of 15.3% remained at previous year's level.

In North America, the EBIT margin increased to 16.5% (H1 2010: 16.1%). This increase was mainly favorably influenced by the development of pharmaceutical costs and higher income from the joint venture with Vifor Pharma.

In the International segment, the EBIT margin was 16.9% (H1 2010: 17.6%), primarily driven by unfavorable currency effects.

Net income [2] increased by 5% to US$481 million (H1 2010: US$459 million).

Acquisitions of Liberty Dialysis Holdings, Inc., and of American Access Care Holdings, LLC

Fresenius Medical Care has executed a merger agreement with Liberty Dialysis Holdings, Inc., the holding company for Liberty Dialysis and Renal Advantage. The investment including assumed debt will be approximately US$1.7 billion. In addition, Fresenius Medical Care previously invested approximately US$300 million in Renal Advantage. The transaction is expected to close in early 2012. Liberty Dialysis Holdings, Inc., has annual sales of approximately US$1 billion and operates approximately 260 dialysis clinics. Fresenius Medical

[1] All segment data according to U.S. GAAP
[2] Net income attributable to Fresenius Medical Care AG & Co. KGaA

Care anticipates that facilities may need to be divested to secure regulatory clearance of the transaction.

Furthermore, Fresenius Medical Care has executed an agreement to acquire the U.S. based company American Access Care Holdings, LLC (AAC) for US$385 million. AAC operates 28 freestanding out-patient interventional radiology centers primarily dedicated to serving the vascular access needs of dialysis patients. The transaction is expected to close in the fourth quarter of 2011. On completion, the acquired operations would add approximately US$175 million in annual sales.

Both acquisitions will be financed from cash flow and debt and are expected to be accretive to earnings in the first year after closing of the transactions. Both transactions remain subject to clearance under the Hart–Scott–Rodino Antitrust Improvements Act.

SECOND QUARTER OF 2011

Fresenius Medical Care increased sales by 8% to US$3,194 million (Q2 2010: US$2,946 million). Organic sales growth was 3%. EBIT improved by 9% to US$510 million (Q2 2010: US$467 million). Net income[1] for the second quarter of 2011 was US$261 million, an increase of 5% (Q2 2010: US$248 million).

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

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

FRESENIUS KABI

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

€ in millions	**Q2/2011**	Q2/2010	Change	**H1/2011**	H1/2010	Change
Sales	**1,011**	945	7%	**1,971**	1,745	13%
EBITDA	**249**	239	4%	**483**	419	15%
EBIT	**214**	202	6%	**411**	347	18%
Net income [1]	**94**	90	4%	**181**	136	33%
Employees (June 30/December 31)				**23,670**	22,851	4%

FIRST HALF OF 2011

- Strong organic sales growth of 13%, EBIT margin increase to 20.9%
- 2011 outlook raised – Organic sales growth ~8% on challenging 2010 base – EBIT margin ~20%

Fresenius Kabi achieved excellent financial results. Growth in North America was driven by new product launches as well as continued supply constraints in the injectable drug market. Ongoing high demand from emerging markets contributed strongly to Fresenius Kabi's excellent organic sales growth.

Sales increased both organically and at actual rates by 13% to €1,971 million (H1 2010: €1,745 million). Acquisitions contributed 1%. Currency translation had a negative effect of 1%. U.S. dollar weakness was largely offset by the strength of the currencies in Switzerland, Brazil and Australia against the euro.

In Europe, sales grew by 9% to €909 million (H1 2010: €836 million), driven by organic sales growth of 7%. In North America, sales increased by 17% to €519 million (H1 2010: €445 million) with excellent organic sales growth of 22%. In Asia-Pacific, all-organic growth of 19% drove sales to €332 million (H1 2010: €279 million). Sales in Latin America and Africa increased by 14% to €211 million (H1 2010: €185 million) with organic sales growth contributing 12%.

EBIT grew by 18% to €411 million (H1 2010: €347 million). The EBIT margin improved to 20.9% (H1 2010: 19.9%), mainly attributable to the strong development in North America.

Net interest was -€143 million (H1 2010: -€141 million).

Net income [1] increased by 33% to €181 million (H1 2010: €136 million).

Fresenius Kabi's operating cash flow increased by 8% to €205 million (H1 2010: €189 million). The cash flow margin was 10.4% (H1 2010: 10.8%). Given increased capital expenditures, cash flow before acquisitions and dividends of €124 million remained unchanged from previous year's level.

SECOND QUARTER OF 2011

In the second quarter of 2011, Fresenius Kabi increased sales by 7% at actual rates and by 11% in constant currency to €1,011 million (Q2 2010: €945 million). Organic sales growth was also 11%. EBIT grew by 6% to €214 million (Q2 2010: €202 million). EBIT margin was 21,2% (Q2 2010: 21,4%). Fresenius Kabi's net income [1] improved to €94 million (Q2 2010: €90 million).

In the second quarter of 2011, Fresenius Kabi announced the expansion of its Grand Island, New York, manufacturing facility. A total of US$38 million will be invested over the next two years, adding six additional production lines for I.V. drugs in order to secure the future growth of the business.

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

[1] Net income attributable to Fresenius Kabi AG

FRESENIUS HELIOS

Fresenius Helios is one of the largest private hospital operators in Germany. Helios owns 64 hospitals, including five maximum care hospitals in Berlin-Buch, Erfurt, Krefeld, Schwerin and Wuppertal. Helios treats more than 2 million patients per year, thereof approximately 650,000 inpatients, and operates approximately 19,000 beds.

€ in millions	**Q2/2011**	Q2/2010	Change	**H1/2011**	H1/2010	Change
Sales	**645**	615	5%	**1,293**	1,223	6%
EBITDA	**87**	78	12%	**166**	150	11%
EBIT	**65**	58	12%	**123**	110	12%
Net income [1]	**39**	34	15%	**72**	62	16%
Employees (June 30/December 31)				**33,931**	33,321	2%

FIRST HALF OF 2011

- Solid organic sales growth at 4%, 50 basis points EBIT margin increase to 9.5%
- 2011 earnings outlook raised – EBIT of ~€260 million expected

Sales increased by 6% to €1,293 million (H1 2010: €1,223 million), mainly driven by solid organic sales growth of 4%. Acquisitions contributed 2% to growth due to the consolidation of the St. Marienberg hospital in Helmstedt/Lower Saxony.

EBIT grew by 12% to €123 million (H1 2010: €110 million). The EBIT margin improved to 9.5% (H1 2010: 9.0%).

The established clinics increased sales by 4% to €1,276 million. EBIT improved by 13% to €124 million. The EBIT margin was 9.7%.

Net income [1] increased by 16% to €72 million (H1 2010: €62 million).

SECOND QUARTER OF 2011

In the second quarter of 2011, Fresenius Helios reported sales growth of 5% to €645 million (Q2 2010: €615 million). Organic sales growth was 4%, aquisitions contributed 1% to growth. EBIT increased by 12% to €65 million (Q2 2010: €58 million). EBIT margin improved to excellent 10.1% (Q2 2010: 9.4%). Net income [1] increased by 15% to €39 million (Q2 2010: €34 million).

The acquisition of the municipal hospital in Rottweil, Southwestern Germany, was successfully completed in the second quarter of 2011. The hospital was consolidated as from July 1, 2011.

[1] Net income attributable to HELIOS Kliniken GmbH

FRESENIUS VAMED

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

€ in millions	Q2/2011	Q2/2010	Change	H1/2011	H1/2010	Change
Sales	**173**	182	-5%	**313**	338	-7%
EBITDA	**8**	10	-20%	**15**	19	-21%
EBIT	**7**	8	-13%	**12**	15	-20%
Net income[1]	**5**	6	-17%	**9**	12	-25%
Employees (June 30/December 31)				**3,170**	3,110	2%

FIRST HALF OF 2011

- Sales and EBIT in line with expectations for the first half of 2011 – order backlog close to all-time high
- 2011 outlook revised due to expected project delays in H2 – Sales and EBIT growth of 0% to 5% expected

Fresenius Vamed's sales reached €313 million (H1 2010: €338 million). Sales in the project business were €202 million (H1 2010: €230 million). Prior year sales included a substantial medical supply contract with the Ukraine. Sales in the service business increased by 3% to €111 million (H1 2010: €108 million).

EBIT was €12 million (H1 2010: €15 million). The EBIT margin was 3.8% (H1 2010: 4.4%). Net income[1] was €9 million (H1 2010: €12 million).

Order backlog of €762 million as of June 30, 2011, remained close to its all-time high (Dec. 31, 2010: €801 million). Order intake of €164 million (H1 2010: €328 million) was impacted by the postponement of orders to the second half of 2011.

SECOND QUARTER OF 2011

Sales in the second quarter of 2011 were €173 million (Q2 2010: €182 million). EBIT was €7 million (Q2 2010: €8 million). EBIT margin was 4.0% (Q2 2010: 4.4%). Net income[1] was €5 million (Q2 2010: €6 million).

[1] Net income attributable to VAMED AG

EMPLOYEES

As of June 30, 2011, Fresenius Group increased the number of its employees by 4% to 142,933 (Dec. 31, 2010: 137,552).

EMPLOYEES BY BUSINESS SEGMENT

Number of employees	June 30, 2011	Dec 31, 2010	Change
Fresenius Medical Care	**81,357**	77,442	5%
Fresenius Kabi	**23,670**	22,851	4%
Fresenius Helios	**33,931**	33,321	2%
Fresenius Vamed	**3,170**	3,110	2%
Corporate/Other	**805**	828	-3%
Total	**142,933**	137,552	4%

RESEARCH AND DEVELOPMENT

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

RESEARCH AND DEVELOPMENT EXPENSES BY BUSINESS SEGMENT

€ in millions	H1/2011	H1/2010	Change
Fresenius Medical Care	**38**	34	12%
Fresenius Kabi	**80**	65	23%
Fresenius Helios	—	—	--
Fresenius Vamed	**0**	0	
Corporate/Other	**10**	15	-33%
IFRS Reconciliation	**2**	12	-83%
Total	**130**	126	3%

All segment data according to U.S. GAAP

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

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

DIALYSIS

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

INFUSION THERAPIES, GENERIC IV DRUGS, AND MEDICAL DEVICES

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

Our R & D strategy is aligned with this focus:

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

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

ANTIBODY THERAPIES

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

Fresenius Biotech sales[1] increased by 11% to €14.6 million in the first half of 2011 (H1 2010: €13.1 million). ATG sales increased by 9% to €12.8 million and Removab sales by 29% to €1.8 million.

In the second quarter of 2011, Fresenius Biotech received approval from the Austrian Federal Office for Safety in Health Care for the use of ATG-Fresenius S in stem cell transplantations. Austria is the fifth country to approve the immunosuppressive agent in this indication, following Germany, Portugal, Argentina and Thailand.

In June 2011, the Italian Medicines Agency, AIFA, has added Fresenius Biotech's trifunctional antibody Removab to its list of reimbursable medications.

In July 2011, the European Medicines Agency's (EMA) Committee for Medicinal Products for Human Use (CHMP) recommended a variation of the existing approval of Removab. The infusion time of currently 6 hours can now be reduced to 3 hours, which facilitates the use of Removab in an out-patient setting. Moreover, the CHMP recommendation allows marketing of follow-up results for the pivotal study in patients with malignant ascites showing that the 1-year survival rate in Removab-treated patients was more than four times higher than in the control group (11.4% Removab group vs. 2.6% control group).

In the first half of 2011, Fresenius Biotech's EBIT[1] was -€13 million (H1 2010: -€15 million).

OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the consolidated financial statements and the management report as of December 31, 2010, applying Section 315a HGB in accordance with IFRS, there have been no material changes in Fresenius' overall opportunities and risk situation. In the ordinary course of Fresenius Group's operations, the Fresenius Group is subject to litigation, arbitration and investigations relating to various aspects of its business. The Fresenius Group regularly analyzes current information about such claims for probable losses and provides accruals for such matters, including estimated expenses for legal services, as appropriate.

In addition, we report on legal proceedings, currency and interest risks on pages 44 to 48 in the Notes of this report.

SUBSEQUENT EVENTS

On August 2, 2011, Fresenius Medical Care announced its plans to acquire 100% of Liberty Dialysis Holdings, Inc., and to acquire the U.S. based company American Access Care Holdings, LLC. Further information on the acquisitions can be found on pages 11 f. of the Group Management Report.

Other than that, there were no significant changes in the Group position or environment sector since the end of the first half of 2011.

OUTLOOK 2011[1]

FRESENIUS GROUP

Fresenius now expects 2011 net income[2] to increase by 15% to 18% in constant currency. Previously, the Company expected net income[2] growth of 12% to 16% in constant currency. Fresenius confirms its sales guidance. Sales are expected to increase by 7% to 8% in constant currency.

In 2011, the net debt/EBITDA ratio is expected to stay in the range of 2.5 to 3.0. Also for calendar year 2012, Fresenius Medical Care's announced and entirely debt-financed acquisitions are not expected to cause Group leverage to exceed that target range.

FRESENIUS MEDICAL CARE

Fresenius Medical Care fully confirms the outlook for 2011. The company projects sales of more than US$13 billion. Net income[3] is expected between US$1,070 million and US$1,090 million.

FRESENIUS KABI

Fresenius Kabi further raises its outlook for 2011. The company now forecasts organic sales growth of ~8%. Previously, Fresenius Kabi targeted organic sales growth of >5%. The EBIT margin is now expected to be ~20% with net income clearly surpassing 2010 earnings[4]. The previous guidance was 19% to 20%.

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

FRESENIUS HELIOS

Fresenius Helios raises its EBIT outlook to ~€260 million. Previously, the company expected to reach the upper half of a range from €250 million to €260 million. Fresenius Helios fully confirms its sales outlook and projects organic sales growth of 3% to 5%.

FRESENIUS VAMED

Fresenius Vamed revises its full-year guidance as a consequence of project delays in Middle East/North Africa due to the unrest in the region. The company now projects sales and EBIT growth of 0% to 5%. Previously, the company expected sales and EBIT growth between 5% and 10%. Fresenius Vamed expects a significant increase in order intake in the second half of 2011 and continued sales and earnings growth following the temporary project delays.

FRESENIUS BIOTECH

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

INVESTMENTS

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

EMPLOYEES

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

RESEARCH AND DEVELOPMENT

Our R&D activities will continue to play a key role in securing the Group's long-term growth through innovations and new therapies.

Given the continued cost-containment efforts in the health care sector, cost efficiency combined with a strong quality focus is acquiring ever greater importance in product development and the improvement of treatment concepts. We are concentrating our R&D activities on products and therapies for the treatment of patients with chronic kidney failure. Another focus is infusion and nutrition therapies and the development of generic IV drugs. In Biotechnology research, we will be focusing on the further clinical development of the antibody Removab.

GROUP FINANCIAL OUTLOOK 2011

	Previous guidance	New guidance
Sales, growth (in constant currency)	7% – 8%	confirmed
Net income [1], growth (in constant currency)	12% – 16%	15% – 18%

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

OUTLOOK 2011 BY BUSINESS SEGMENT

		Previous guidance	New guidance
Fresenius Medical Care	Sales	>US$13.0 bn	confirmed
	Net income [1]	US$1,070 m – US$1,090 m	confirmed
Fresenius Kabi	Sales, growth (organic)	>5%	~ 8%
	EBIT-margin	19% – 20%	~20%
Fresenius Helios	Sales, growth (organic)	3% – 5%	confirmed
	EBIT	€250 m – €260 m [2]	~€260 m
Fresenius Vamed	Sales, growth	5% – 10%	0% – 5%
	EBIT, growth	5% – 10%	0% – 5%
Fresenius Biotech	EBIT	~-€30 m	confirmed

According to U.S. GAAP
[1] Net income attributable to Fresenius Medical Care AG & Co. KGaA
[2] Upper half of range

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

€ in millions	Q2/2011	Q2/2010	H1/2011	H1/2010
Sales	**4,042**	4,043	**8,004**	7,686
Cost of sales	**-2,657**	-2,683	**-5,289**	-5,152
Gross profit	**1,385**	1,360	**2,715**	2,534
Selling, general and administrative expenses	**-686**	-683	**-1,374**	-1,297
Research and development expenses	**-66**	-61	**-130**	-126
Operating income (EBIT)	**633**	616	**1,211**	1,111
Net interest	**-141**	-138	**-276**	-281
Other financial result	**-89**	-45	**-151**	-96
Financial result	**-230**	-183	**-427**	-377
Income before income taxes	**403**	433	**784**	734
Income taxes	**-127**	-130	**-242**	-226
Net income	**276**	303	**542**	508
Noncontrolling interest	**147**	152	**284**	273
Net income attributable to Fresenius SE & Co. KGaA	**129**	151	**258**	235
Earnings per ordinary share in €	**0.80**	0.93	**1.59**	1.45
Fully diluted earnings per ordinary share in €	**0.78**	0.91	**1.56**	1.43
Earnings per preference share in €	**n/a**	0.94	**n/a**	1.46
Fully diluted earnings per preference share in €	**n/a**	0.92	**n/a**	1.44

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

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

€ in millions	Q2/2011	Q2/2010	H1/2011	H1/2010
Net income	**276**	303	**542**	508
Other comprehensive income (loss)				
Foreign currency translation	**-99**	485	**-456**	844
Cash flow hedges	**0**	-78	**34**	-113
Income taxes related to components of other comprehensive income (loss)	**-3**	13	**-7**	16
Other comprehensive income (loss)	**-102**	420	**-429**	747
Total comprehensive income	**174**	723	**113**	1,255
Comprehensive income attributable to noncontrolling interest	**90**	375	**51**	647
Comprehensive income attributable to Fresenius SE & Co. KGaA	**84**	348	**62**	608

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

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

€ in millions	June 30, 2011	Dec. 31, 2010
Cash and cash equivalents	608	769
Trade accounts receivable, less allowance for doubtful accounts	3,086	2,935
Accounts receivable from and loans to related parties	11	15
Inventories	1,548	1,411
Other current assets	1,080	975
I. Total current assets	6,333	6,105
Property, plant and equipment	3,881	3,955
Goodwill	11,494	11,568
Other intangible assets	1,133	1,227
Other non-current assets	763	538
Deferred taxes	484	438
II. Total non-current assets	17,755	17,726
Total assets	24,088	23,831
Trade accounts payable	694	691
Short-term accounts payable to related parties	2	2
Short-term accrued expenses and other short-term liabilities	3,073	2,855
Short-term debt	646	606
Short-term loans from related parties	2	2
Current portion of long-term debt and capital lease obligations	867	421
Mandatory Exchangeable Bonds	554	554
Trust preferred securities of Fresenius Medical Care Capital Trusts	0	468
Short-term accruals for income taxes	135	163
A. Total short-term liabilities	5,973	5,762
Long-term debt and capital lease obligations, less current portion	4,347	4,811
Senior Notes	3,055	2,369
Long-term accrued expenses and other long-term liabilities	462	507
Pension liabilities	330	319
Long-term accruals for income taxes	174	196
Deferred taxes	685	648
B. Total long-term liabilities	9,053	8,850
I. Total liabilities	15,026	14,612
A. Noncontrolling interest	3,886	3,979
Subscribed capital	163	162
Capital reserve	2,205	2,186
Other reserves	2,906	2,794
Accumulated other comprehensive income (loss)	-98	98
B. Total Fresenius SE & Co. KGaA shareholders' equity	5,176	5,240
II. Total shareholders' equity	9,062	9,219
Total liabilities and shareholders' equity	24,088	23,831

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

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

€ in millions	H1/2011	H1/2010
Operating activities		
Net income	542	508
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities		
Depreciation and amortization	325	324
Change in deferred taxes	6	-38
Gain on sale of fixed assets	-3	-2
Changes in assets and liabilities, net of amounts from businesses acquired or disposed of		
Trade accounts receivable, net	-233	-139
Inventories	-180	-141
Other current and non-current assets	-81	-32
Accounts receivable from/payable to related parties	6	7
Trade accounts payable, accrued expenses and other short-term and long-term liabilities	310	319
Accruals for income taxes	-38	4
Net cash provided by operating activities	654	810
Investing activities		
Purchase of property, plant and equipment	-305	-335
Proceeds from sales of property, plant and equipment	9	10
Acquisitions and investments, net of cash acquired and net purchases of intangible assets	-851	-236
Proceeds from divestitures	5	6
Net cash used in investing activities	-1,142	-555
Financing activities		
Proceeds from short-term loans	76	835
Repayments of short-term loans	-82	-788
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	467	388
Repayments of long-term debt and capital lease obligations	-217	-592
Redemption of trust preferred securities of Fresenius Medical Care Capital Trusts	-466	0
Proceeds from the issuance of Senior Notes	753	242
Changes of accounts receivable securitization program	93	65
Proceeds from the exercise of stock options	32	35
Dividends paid	-303	-296
Change in noncontrolling interest	–	-2
Exchange rate effect due to corporate financing	-1	-1
Net cash provided by/used in financing activities	352	-114
Effect of exchange rate changes on cash and cash equivalents	-25	47
Net decrease/increase in cash and cash equivalents	-161	188
Cash and cash equivalents at the beginning of the reporting period	769	420
Cash and cash equivalents at the end of the reporting period	608	608

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

€ in millions	H1/2011	H1/2010
Received interest	14	23
Paid interest	-212	-251
Income taxes paid	-277	-248

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

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

	Ordinary shares		Preference shares		Subscribed Capital	
	Number of shares in thousand	Amount € in thousands	Number of shares in thousand	Amount € in thousands	Amount € in thousands	Amount € in millions
As of December 31, 2009	80,658	80,658	80,658	80,658	161,316	161
Proceeds from the exercise of stock options	216	216	216	216	432	1
Compensation expense related to stock options						
Dividends paid						
Purchase of noncontrolling interest						
Comprehensive income (loss)						
Net income						
Other comprehensive income (loss)						
Cash flow hedges						
Foreign currency translation						
Comprehensive income						
As of June 30, 2010	80,874	80,874	80,874	80,874	161,748	162
As of December 31, 2010	81,225	81,225	81,225	81,225	162,450	162
Conversion of the preference shares into ordinary shares	81,225	81,225	-81,225	-81,225	0	0
Proceeds from the exercise of stock options	339	339	0	0	339	1
Compensation expense related to stock options						
Dividends paid						
Purchase of noncontrolling interest						
Liabilities for noncontrolling interest subject to put provisions						
Comprehensive income (loss)						
Net income						
Other comprehensive income (loss)						
Cash flow hedges						
Foreign currency translation						
Comprehensive income (loss)						
As of June 30, 2011	**162,789**	**162,789**	**0**	**0**	**162,789**	**163**

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

	Reserves					
	Capital reserve € in millions	Other reserves € in millions	Accumulated other comprehensive income (loss) € in millions	Total Fresenius SE & Co. KGaA shareholders' equity € in millions	Noncontrolling interest € in millions	Total shareholders' equity € in millions
As of December 31, 2009	2,120	2,360	-133	4,508	3,400	7,908
Proceeds from the exercise of stock options	13			14	21	35
Compensation expense related to stock options	9			9	7	16
Dividends paid		-122		-122	-174	-296
Purchase of noncontrolling interest				0	19	19
Comprehensive income (loss)						
Net income		235		235	273	508
Other comprehensive income (loss)						
Cash flow hedges			-79	-79	0	-79
Foreign currency translation			452	452	374	826
Comprehensive income		235	373	608	647	1,255
As of June 30, 2010	2,142	2,473	240	5,017	3,920	8,937
As of December 31, 2010	2,186	2,794	98	5,240	3,979	9,219
Conversion of the preference shares into ordinary shares				0	0	0
Proceeds from the exercise of stock options	9			10	22	32
Compensation expense related to stock options	10			10	7	17
Dividends paid		-140		-140	-163	-303
Purchase of noncontrolling interest				0	2	2
Liabilities for noncontrolling interest subject to put provisions		-6		-6	-12	-18
Comprehensive income (loss)						
Net income		258		258	284	542
Other comprehensive income (loss)						
Cash flow hedges			19	19	0	19
Foreign currency translation			-215	-215	-233	-448
Comprehensive income (loss)		258	-196	62	51	113
As of June 30, 2011	**2,205**	**2,906**	**-98**	**5,176**	**3,886**	**9,062**

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

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

	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed		
by business segment, € in millions	**2011**	2010	Change	**2011**	2010	Change	**2011**	2010	Change	**2011**	2010	Change
Sales	**4,440**	4,392	1%	**1,971**	1,745	13%	**1,293**	1,223	6%	**313**	338	-7%
thereof contribution to consolidated sales	**4,438**	4,391	1%	**1,948**	1,723	13%	**1,293**	1,223	6%	**313**	338	-7%
thereof intercompany sales	**2**	1	100%	**23**	22	5%	**0**	0		**–**	–	--
contribution to consolidated sales	**55%**	57%		**25%**	23%		**16%**	16%		**4%**	4%	
EBITDA	**874**	857	2%	**483**	419	15%	**166**	150	11%	**15**	19	-21%
Depreciation and amortization	**194**	185	5%	**72**	72	0%	**43**	40	8%	**3**	4	-25%
EBIT	**680**	672	1%	**411**	347	18%	**123**	110	12%	**12**	15	-20%
Net interest	**-104**	-102	-2%	**-143**	-141	-1%	**-26**	-27	4%	**1**	1	0%
Income taxes	**-195**	-193	-1%	**-76**	-60	-27%	**-18**	-17	-6%	**-3**	-4	25%
Net income attributable to Fresenius SE & Co. KGaA	**343**	346	-1%	**181**	136	33%	**72**	62	16%	**9**	12	-25%
Operating cash flow	**347**	485	-28%	**205**	189	8%	**121**	133	-9%	**7**	35	-80%
Cash flow before acquisitions and dividends	**183**	321	-43%	**124**	124	0%	**82**	50	64%	**5**	31	-84%
Total assets [1]	**13,182**	12,793	3%	**6,754**	6,860	-2%	**3,275**	3,270	0%	**576**	549	5%
Debt [1]	**4,922**	4,400	12%	**4,146**	4,298	-4%	**1,056**	1,096	-4%	**29**	16	81%
Other operating liabilities [1]	**2,145**	2,157	-1%	**1,134**	1,102	3%	**759**	760	0%	**341**	326	5%
Capital expenditure, gross	**170**	171	-1%	**70**	57	23%	**40**	83	-52%	**2**	4	-50%
Acquisitions, gross/investments [2]	**790**	228	--	**6**	23	-74%	**5**	–	--	**2**	–	--
Research and development expenses	**38**	34	12%	**80**	65	23%	**–**	–	--	**0**	0	
Employees (per capita on balance sheet date) [1]	**81,357**	77,442	5%	**23,670**	22,851	4%	**33,931**	33,321	2%	**3,170**	3,110	2%
Key figures												
EBITDA margin	**19.7%**	19.5%		**24.5%**	24.0%		**12.8%**	12.3%		**4.8%**	5.6%	
EBIT margin	**15.3%**	15.3%		**20.9%**	19.9%		**9.5%**	9.0%		**3.8%**	4.4%	
Depreciation and amortization in % of sales	**4.4%**	4.2%		**3.7%**	4.1%		**3.3%**	3.3%		**1.0%**	1.2%	
Operating cash flow in % of sales	**7.8%**	11.0%		**10.4%**	10.8%		**9.4%**	10.9%		**2.2%**	10.4%	
ROOA [1]	**12.0%**	12.5%		**12.3%**	11.9%		**8.1%**	7.8%		**15.6%**	22.2%	

[1] 2010: December 31
[2] Includes a €100 million cash out for a short-term bank deposit by Fresenius Medical Care in the second quarter of 2010

FRESENIUS SE & CO. KGAA

CONSOLIDATED SEGMENT REPORTING FIRST HALF (UNAUDITED)

	Corporate/Other[2]			IFRS-Reconciliation			Fresenius Group		
by business segment, € in millions	**2011**	2010	Change	**2011**	2010	Change	**2011**	2010	Change
Sales	**-13**	-12	-8%	**0**	0		**8,004**	7,686	4%
thereof contribution to consolidated sales	**12**	11	9%	**0**	0		**8,004**	7,686	4%
thereof intercompany sales	**-25**	-23	-9%	**0**	0		**0**	0	
contribution to consolidated sales	**0%**	0%		**0%**	0%		**100%**	100%	
EBITDA	**-12**	-17	29%	**10**	7	43%	**1,536**	1,435	7%
Depreciation and amortization	**7**	6	17%	**6**	17	-65%	**325**	324	0%
EBIT	**-19**	-23	17%	**4**	-10	140%	**1,211**	1,111	9%
Net interest	**-4**	-12	67%	**0**	0		**-276**	-281	2%
Income taxes	**49**	40	23%	**1**	8	-88%	**-242**	-226	-7%
Net income attributable to Fresenius SE & Co. KGaA	**-348**	-316	-10%	**1**	-5	120%	**258**	235	10%
Operating cash flow	**-30**	-37	19%	**4**	5	-20%	**654**	810	-19%
Cash flow before acquisitions and dividends	**-36**	-41	12%	**0**	0		**358**	485	-26%
Total assets[1]	**122**	105	16%	**179**	254	-30%	**24,088**	23,831	1%
Debt[1]	**-1,141**	-1,026	-11%	**-95**	-107	11%	**8,917**	8,677	3%
Other operating liabilities[1]	**989**	833	19%	**56**	109	-49%	**5,424**	5,287	3%
Capital expenditure, gross	**4**	5	-20%	**4**	4	0%	**290**	324	-10%
Acquisitions, gross/investments[3]	**54**	0		**-1**	-1	0%	**856**	250	--
Research and development expenses	**10**	15	-33%	**2**	12	-83%	**130**	126	3%
Employees (per capita on balance sheet date)[1]	**805**	828	-3%	**0**	0		**142,933**	137,552	4%
Key figures									
EBITDA margin							**19.2%**	18.7%	
EBIT margin							**15.1%**	14.5%	
Depreciation and amortization in % of sales							**4.1%**	4.2%	
Operating cash flow in % of sales							**8.2%**	10.5%	
ROOA[1]							**11.1%**	11.4%	

[1] 2010: December 31
[2] Including special items from the acquisition of APP Pharmaceuticals, Inc.
[3] Includes a €100 million cash out for a short-term bank deposit by Fresenius Medical Care in the second quarter of 2010

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

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

	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed		
by business segment, € in millions	**2011**	2010	Change	**2011**	2010	Change	**2011**	2010	Change	**2011**	2010	Change
Sales	**2,220**	2,308	-4%	**1,011**	945	7%	**645**	615	5%	**173**	182	-5%
thereof contribution to consolidated sales	**2,219**	2,307	-4%	**999**	933	7%	**645**	615	5%	**173**	182	-5%
thereof intercompany sales	**1**	1	0%	**12**	12	0%	**0**	0		**–**	–	--
contribution to consolidated sales	**55%**	57%		**25%**	23%		**16%**	15%		**4%**	5%	
EBITDA	**449**	460	-2%	**249**	239	4%	**87**	78	12%	**8**	10	-20%
Depreciation and amortization	**94**	95	-1%	**35**	37	-5%	**22**	20	10%	**1**	2	-50%
EBIT	**355**	365	-3%	**214**	202	6%	**65**	58	12%	**7**	8	-13%
Net interest	**-52**	-53	2%	**-75**	-67	-12%	**-13**	-14	7%	**1**	0	
Income taxes	**-104**	-101	-3%	**-39**	-39	0%	**-10**	-9	-11%	**-2**	-2	0%
Net income attributable to Fresenius SE & Co. KGaA	**182**	193	-6%	**94**	90	4%	**39**	34	15%	**5**	6	-17%
Operating cash flow	**219**	233	-6%	**138**	115	20%	**53**	97	-45%	**-19**	-54	65%
Cash flow before acquisitions and dividends	**138**	140	-1%	**102**	82	24%	**31**	36	-14%	**-20**	-57	65%
Capital expenditure, gross	**84**	94	-11%	**39**	36	8%	**23**	60	-62%	**1**	3	-67%
Acquisitions, gross/investments[1]	**537**	160	--	**5**	10	-50%	**1**	–	--	**2**	0	
Research and development expenses	**19**	17	12%	**42**	32	31%	**–**	–	--	**0**	–	--
Key figures												
EBITDA margin	**20.2%**	19.9%		**24.6%**	25.3%		**13.5%**	12.7%		**4.6%**	5.5%	
EBIT margin	**16.0%**	15.8%		**21.2%**	21.4%		**10.1%**	9.4%		**4.0%**	4.4%	
Depreciation and amortization in % of sales	**4.3%**	4.1%		**3.5%**	3.9%		**3.4%**	3.3%		**0.6%**	1.1%	
Operating cash flow in % of sales	**9.7%**	10.0%		**13.6%**	12.2%		**8.2%**	15.8%		**-11.0%**	-29.7%	

[1] Includes a €100 million cash out for a short-term bank deposit by Fresenius Medical Care in the second quarter of 2010

FRESENIUS SE & CO. KGAA

CONSOLIDATED SEGMENT REPORTING SECOND QUARTER (UNAUDITED)

	Corporate/Other[1]			IFRS-Reconciliation			Fresenius Group		
by business segment, € in millions	2011	2010	Change	2011	2010	Change	2011	2010	Change
Sales	**-7**	-7	0%	**0**	0		**4,042**	4,043	0%
thereof contribution to consolidated sales	**6**	6	0%	**0**	0		**4,042**	4,043	0%
thereof intercompany sales	**-13**	-13	0%	**0**	0		**0**	0	
contribution to consolidated sales	**0%**	0%		**0%**	0%		**100%**	100%	
EBITDA	**-4**	-9	56%	**4**	3	33%	**793**	781	2%
Depreciation and amortization	**5**	4	25%	**3**	7	-57%	**160**	165	-3%
EBIT	**-9**	-13	31%	**1**	-4	125%	**633**	616	3%
Net interest	**-2**	-4	50%	**0**	0		**-141**	-138	-2%
Income taxes	**27**	16	69%	**1**	5	-80%	**-127**	-130	2%
Net income attributable to Fresenius SE & Co. KGaA	**-191**	-171	-12%	**0**	-1	100%	**129**	151	-15%
Operating cash flow	**-19**	-24	21%	**2**	4	-50%	**374**	371	1%
Cash flow before acquisitions and dividends	**-24**	-24	0%	**0**	0		**227**	177	28%
Capital expenditure, gross	**3**	3	0%	**2**	2	0%	**152**	198	-23%
Acquisitions, gross/investments[2]	**1**	0		**-1**	-1	0%	**545**	169	--
Research and development expenses	**4**	8	-50%	**1**	4	-75%	**66**	61	8%
Key figures									
EBITDA margin							**19.6%**	19.3%	
EBIT margin							**15.7%**	15.2%	
Depreciation and amortization in % of sales							**4.0%**	4.1%	
Operating cash flow in % of sales							**9.3%**	9.2%	

[1] Including special items from the acquisition of APP Pharmaceuticals, Inc.
[2] Includes a €100 million cash out for a short-term bank deposit by Fresenius Medical Care in the second quarter of 2010

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

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GENERAL NOTES

1. PRINCIPLES

I. GROUP STRUCTURE

Fresenius is a worldwide operating health care group with products and services for dialysis, the hospital and the medical care of patients at home. Further areas of activity are hospital operations as well as engineering and services for hospitals and other health care facilities. In addition to the activities of the parent company Fresenius SE & Co. KGaA, Bad Homburg v. d. Höhe, the operating activities were split into the following legally-independent business segments (subgroups) as of June 30, 2011:

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

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

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

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

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

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

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

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

III. BASIS OF PRESENTATION

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

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

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

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The condensed consolidated financial statements and management report for the first half and the second quarter ended June 30, 2011 have not been audited nor reviewed and should be read in conjunction with the notes included and published in the consolidated financial statements as of December 31, 2010 applying Section 315a HGB in accordance with IFRS.

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

The consolidated financial statements for the first half and the second quarter ended June 30, 2011 include all adjustments that, in the opinion of the Management Board, are of a normal and recurring nature, necessary to provide an appropriate view of the assets and liabilities, financial position and results of operations of the Fresenius Group.

The results of operations for the first half ended June 30, 2011 are not necessarily indicative of the results of operations for the fiscal year 2011.

Classifications

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

Use of estimates

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

V. RECENT PRONOUNCEMENTS, APPLIED

The Fresenius Group has prepared its consolidated financial statements at June 30, 2011 in conformity with IFRS in force for interim periods on January 1, 2011.

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

VI. RECENT PRONOUNCEMENTS, NOT YET APPLIED

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

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

In June 2011, the IASB issued an amended version of **IAS 19**, Employee Benefits. Among other changes, this version eliminates the corridor approach to account for actuarial gains and losses, requires to recognize them in Other Comprehensive Income (OCI) without recycling to profit and loss and stipulates that plan assets shall be discounted instead of calculating their expected return. Moreover, several new disclosures are required. The amended version of IAS 19 is effective retrospectively for fiscal years beginning on or after January 1, 2013 with a few simplifications to retrospective implementation. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

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

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

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

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

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

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

In October 2010, the IASB issued additions to **IFRS 9**, Financial Instruments for the accounting of financial liabilities. These additions complete the classification and measurement of financial instruments phase of the project to replace IAS 39, Financial Instruments: Recognition and Measurement. The new guidance requires entities that choose to measure financial liabilities at fair value to generally present changes in the entity's own credit risk in other comprehensive income (loss). Other current accounting guidance for financial liabilities has been maintained. In November 2009, the IASB issued IFRS 9, Financial Instruments for the accounting of financial assets, which replaces the IAS 39 financial asset categories with two categories. Financial assets that have basic loan features and are managed on a contractual yield basis must be measured at amortized cost. All other financial assets are measured at fair value through profit and loss, whereby for strategic equity investments there is an option to record changes in fair value through other comprehensive income (loss). IFRS 9 is effective for fiscal years beginning on or after January 1, 2013. Earlier adoption is permitted. Entities shall only apply the changes to financial liabilities in earlier periods if the guidance on financial assets is also applied. In August 2011, the IASB published an Exposure Draft that proposes delaying the mandatory effective date of IFRS 9 to January 1, 2015. The Fresenius Group is currently evaluating the impact on its consolidated financial statements and considering the most appropriate implementation date.

The EU Commission's endorsement of IAS 19 (as amended in 2011), IAS 1 (as amended in 2011), IFRS 10, IFRS 11, IFRS 12, IFRS 13, IAS 28 (as amended in 2011) and IFRS 9 is still outstanding.

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

2. ACQUISITIONS AND INVESTMENTS

The Fresenius Group made acquisitions and investments of €856 million and €250 million in the first half of 2011 and 2010, respectively. Of this amount, €851 million was paid in cash and €5 million was assumed obligations in the first half of 2011.

In the first half of 2011, Fresenius Medical Care spent €790 million on acquisitions, that consisted of the following:

During the first quarter of 2011, Fresenius Medical Care loaned US$294 million (€203 million) to Renal Advantage Partners LLC, the parent company of Renal Advantage, Inc., a provider of dialysis services, which included a US$60 million (€41 million) conversion right for a 49% minority equity interest in Renal Advantage Partners LLC. The conversion right was exercised and became effective May 1, 2011. The remaining loan and the participation received resulting from the exercise of the conversion right are classified within other non-current assets in the consolidated statement of financial position. Additionally, Fresenius Medical Care has entered into agreements to provide renal products and pharmaceutical supplies as well as other services to Renal Advantage Partners LLC and Liberty Dialysis, Inc. On August 2, 2011, Fresenius Medical Care announced its plans to acquire 100% of Liberty Dialysis Holdings, Inc., the owner of all of the business of Liberty Dialysis and owner of the remaining 51% stake in Renal Advantage, Inc. (see note 25, Subsequent events).

In January 2011, Fresenius Medical Care announced the signing of a purchase agreement to acquire International Dialysis Centers (IDC), Euromedic International's dialysis service business, for €529 million. The increase over the original purchase price of €485 million reflects adjustments for the seller's final cash and debt positions at closing and the effects of the delay in closing resulting from the regulatory approval process. IDC treats over 8,200 hemodialysis patients predominantly in Central and Eastern Europe and operates a total of 70 clinics in 9 countries. With the exception of Portugal, where the review is still ongoing, closing occurred on June 30, 2011 following final regulatory approvals by the relevant anti-trust authorities which includes a mandate for the divestiture of five of the acquired clinics. Fresenius Medical Care recorded the acquired assets and liabilities at book value as of June 30, 2011, as it was unable to perform a preliminary review to determine an initial purchase price allocation due to the late date of the closing. The difference of approximately €456 million between the purchase price and the seller's book values of its assets and liabilities has been recorded by Fresenius Medical Care as goodwill. Fresenius Medical Care expects to complete the purchase price allocation by the end of 2011. Further acquisition spending related mainly to the purchase of dialysis clinics.

Fresenius Kabi spent €6 million on acquisitions in the first half of 2011.

Fresenius Helios spent €5 million on acquisitions, mainly for an additional purchase price payment for the HELIOS St. Marienberg Klinik Helmstedt GmbH, Germany, in the first half of 2011. Furthermore, Fresenius Helios completed the acquisition of the Gesundheitszentren Landkreis Rottweil GmbH, Germany, in May 2011.

Fresenius Vamed spent €2 million on acquisitions in the first half on 2011.

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

NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

Net income attributable to Fresenius SE & Co. KGaA for the first half of 2011 in the amount of €258 million includes several special items relating to the acquisition of APP Pharmaceuticals, Inc. (APP) in 2008. These special items in a total amount of -€106 million (before tax: -€151 million) are described in note 5, Other financial result. Net income attributable to Fresenius SE & Co. KGaA before special items was €364 million (H1 2010: €297 million).

3. SALES

Sales by activity were as follows:

€ in millions	H1/2011	H1/2010
Sales of services	**4,739**	4,664
Sales of products and related goods	**3,062**	2,790
Sales from long-term production contracts	**203**	232
Other sales	**–**	–
Sales	**8,004**	7,686

4. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of €130 million (H1 2010: €126 million) included expenditure for research and non-capitalizable development costs as well as depreciation and amortization expenses relating to capitalized development costs of €6 million (H1 2010: €17 million). In the first half of 2011, research and development expenses did not include impairments on capitalized development expenses (H1 2010: €13 million). In the first half of 2010, these related to in-process R & D of product approval projects, which were acquired through the APP acquisition.

5. OTHER FINANCIAL RESULT

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

The Contingent Value Rights (CVR) awarded to the APP shareholders were traded on the NASDAQ Stock Exchange in the United States. Following a request to the U.S. Securities and Exchange Commission, in the first quarter of 2011, the CVR were deregistered and delisted from the NASDAQ due to the expiration of the underlying agreement and became valueless. As a result, an income of €5 million was recognized in the first half of 2011 (H1 2010: income of €21 million resulting from the valuation of the liability).

Due to their contractual definition, the issued Mandatory Exchangeable Bonds (MEB) include derivative financial instruments that have to be measured at fair value. This measurement resulted in an expense (before tax) of €156 million in the first half of 2011 (H1 2010: expense before tax of €117 million).

6. TAXES

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

Furthermore, during the first half of 2011, there were no material changes relating to tax audits, accruals for income taxes as well as recognized and accrued payments for interest and penalties. Explanations regarding the tax audits and further information can be found in the consolidated financial statements as of December 31, 2010 applying Section 315a HGB in accordance with IFRS.

7. EARNINGS PER SHARE

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

	H1/2011	H1/2010
Numerators, € in millions		
Net income attributable to Fresenius SE Co. KGaA	**258**	235
less preference on preference shares	**n/a**	1
less effect from dilution due to Fresenius Medical Care shares and MEB	**2**	2
Income available to all classes of shares	**256**	232
Denominators in number of shares		
Weighted-average number of ordinary shares outstanding	**162,548,436**	80,721,481
Weighted-average number of preference shares outstanding	**0**	80,721,481
Weighted-average number of shares outstanding of all classes	**162,548,436**	161,442,962
Potentially dilutive ordinary shares	**1,587,687**	569,006
Potentially dilutive preference shares	**0**	569,006
Weighted-average number of ordinary shares outstanding assuming dilution	**164,136,123**	81,290,487
Weighted-average number of preference shares outstanding assuming dilution	**0**	81,290,487
Weighted-average number of shares outstanding of all classes assuming dilution	**164,136,123**	162,580,974
Basic earnings per ordinary share in €	**1.59**	1.45
Preference per preference share in € [1]	**n/a**	0.01
Basic earnings per preference share in €	**n/a**	1.46
Fully diluted earnings per ordinary share in €	**1.56**	1.43
Preference per preference share in € [1]	**n/a**	0.01
Fully diluted earnings per preference share in €	**n/a**	1.44

[1] Until December 31, 2010

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

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8. CASH AND CASH EQUIVALENTS

As of June 30, 2011 and December 31, 2010, cash and cash equivalents were as follows:

€ in millions	June 30, 2011	Dec. 31, 2010
Cash	**594**	650
Time deposits and securities (with a maturity of up to 90 days)	**14**	119
Total cash and cash equivalents	**608**	769

As of June 30, 2011 and December 31, 2010, earmarked funds of €130 million and €65 million, respectively, were included in cash and cash equivalents.

9. TRADE ACCOUNTS RECEIVABLE

As of June 30, 2011 and December 31, 2010, trade accounts receivable were as follows:

€ in millions	June 30, 2011	Dec. 31, 2010
Trade accounts receivable	**3,418**	3,252
less allowance for doubtful accounts	**332**	317
Trade accounts receivable, net	**3,086**	2,935

10. INVENTORIES

As of June 30, 2011 and December 31, 2010, inventories consisted of the following:

€ in millions	June 30, 2011	Dec. 31, 2010
Raw materials and purchased components	**353**	350
Work in process	**281**	255
Finished goods	**979**	874
less reserves	**65**	68
Inventories, net	**1,548**	1,411

11. OTHER CURRENT AND NON-CURRENT ASSETS

The investments and long-term loans comprised investments in an amount of €241 million as of June 30, 2011 (December 31, 2010: €190 million), that were accounted for under the equity method. In the first half of 2011, income of €12 million (H1 2010: €2 million) resulting from this valuation was included in general and administrative expenses in the consolidated statement of income. Furthermore, other non-current assets include €162 million which Fresenius Medical Care loaned to Renal Advantage Partners LLC.

12. GOODWILL AND OTHER INTANGIBLE ASSETS

As of June 30, 2011 and December 31, 2010, intangible assets, split into amortizable and non-amortizable intangible assets, consisted of the following:

AMORTIZABLE INTANGIBLE ASSETS

	June 30, 2011			Dec. 31, 2010		
€ in millions	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Patents, product and distribution rights	**582**	**152**	**430**	617	139	478
Technology	**79**	**21**	**58**	83	19	64
Non-compete agreements	**173**	**123**	**50**	184	125	59
Capitalized development costs	**327**	**102**	**225**	344	101	243
Other	**489**	**287**	**202**	489	283	206
Total	**1,650**	**685**	**965**	1,717	667	1,050

NON-AMORTIZABLE INTANGIBLE ASSETS

€ in millions	June 30, 2011 Acquisition cost	June 30, 2011 Accumulated amortization	June 30, 2011 Carrying amount	Dec. 31, 2010 Acquisition cost	Dec. 31, 2010 Accumulated amortization	Dec. 31, 2010 Carrying amount
Tradenames	**161**	**0**	**161**	173	0	173
Management contracts	**7**	**0**	**7**	4	0	4
Goodwill	**11,494**	**0**	**11,494**	11,568	0	11,568
Total	**11,662**	**0**	**11,662**	11,745	0	11,745

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

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

€ in millions	Q3–4/2011	2012	2013	2014	2015	Q1–2/2016
Estimated amortization expenses	55	106	100	93	86	42

The carrying amount of goodwill has developed as follows:

€ in millions	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate/ Other	**Fresenius Group**
Carrying amount as of January 1, 2010	**5,213**	**3,571**	**1,619**	**44**	**6**	**10,453**
Additions	323	30	1	4	0	358
Reclassifications	162	0	0	0	0	162
Foreign currency translation	392	203	0	0	0	595
Carrying amount as of December 31, 2010	**6,090**	**3,804**	**1,620**	**48**	**6**	**11,568**
Additions	490	2	74	0	0	566
Foreign currency translation	-423	-217	0	0	0	-640
Carrying amount as of June 30, 2011	**6,157**	**3,589**	**1,694**	**48**	**6**	**11,494**

As of June 30, 2011 and December 31, 2010, the carrying amounts of the other non-amortizable intangible assets were €152 million and €161 million, respectively, for Fresenius Medical Care as well as €16 million, respectively, for Fresenius Kabi.

13. DEBT AND CAPITAL LEASE OBLIGATIONS

SHORT-TERM DEBT

The Fresenius Group had short-term debt of €646 million and €606 million at June 30, 2011 and December 31, 2010, respectively. As of June 30, 2011, this consisted of €203 million borrowed by certain subsidiaries of the Fresenius Group under lines of credit with commercial banks and US$640 million (€443 million) outstanding short-term borrowings under the accounts receivable facility of Fresenius Medical Care.

LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

As of June 30, 2011 and December 31, 2010, long-term debt and capital lease obligations consisted of the following:

€ in millions	June 30, 2011	Dec. 31, 2010
Fresenius Medical Care 2006 Senior Credit Agreement	**2,404**	2,211
2008 Senior Credit Agreement	**1,313**	1,484
Euro Notes	**600**	800
European Investment Bank Agreements	**518**	531
Capital lease obligations	**50**	54
Other	**427**	262
Subtotal	**5,312**	5,342
less current portion	**867**	421
less financing cost	**98**	110
Long-term debt and capital lease obligations, less current portion	**4,347**	4,811

Fresenius Medical Care 2006 Senior Credit Agreement

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

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

The following tables show the available and outstanding amounts under the Fresenius Medical Care 2006 Senior Credit Agreement at June 30, 2011 and December 31, 2010:

	June 30, 2011			
	Maximum amount available		Balance outstanding	
	US$ in millions	€ in millions	US$ in millions	€ in millions
Revolving Credit	1,200	830	**669**	**463**
Term Loan A	1,275	882	**1,275**	**882**
Term Loan B	1,530	1,059	**1,530**	**1,059**
Total	4,005	2,771	**3,474**	**2,404**

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

In addition, at June 30, 2011 and December 31, 2010, US$181 million and US$122 million, respectively, were utilized as letters of credit which were not included as part of the above mentioned balances outstanding at those dates.

As of June 30, 2011, FMC-AG & Co. KGaA and its subsidiaries were in compliance with all covenants under the Fresenius Medical Care 2006 Senior Credit Agreement.

2008 Senior Credit Agreement

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

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

The following tables show the available and outstanding amounts under the 2008 Senior Credit Agreement at June 30, 2011 and December 31, 2010:

	June 30, 2011			
	Maximum amount available		**Balance outstanding**	
		€ in millions		**€ in millions**
Revolving Credit Facilities	US$550 million	381	**US$0 million**	**0**
Term Loan A	US$687 million	476	**US$687 million**	**476**
Term Loan D (in US$)	US$977 million	676	**US$977 million**	**676**
Term Loan D (in €)	€161 million	161	**€161 million**	**161**
Total		1,694		**1,313**

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

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

As of June 30, 2011, the Fresenius Group was in compliance with all covenants under the 2008 Senior Credit Agreement.

Euro Notes

As of June 30, 2011 and December 31, 2010, Euro Notes (Schuldscheindarlehen) of the Fresenius Group consisted of the following:

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

The Euro Notes issued by Fresenius Finance B.V. in the amount of €200 million, which are due on April 2, 2012, are shown as current portion of long-term debt and capital lease obligations in the consolidated statement of financial position.

European Investment Bank Agreements

The following table shows the amounts outstanding under the European Investment Bank (EIB) facilities as of June 30, 2011 and December 31, 2010:

		Maximum amount available € in millions		Book value € in millions	
	Maturity	**June 30, 2011**	Dec. 31, 2010	**June 30, 2011**	Dec. 31, 2010
Fresenius SE & Co. KGaA	2013	**196**	196	**196**	196
FMC-AG & Co. KGaA	2013/2014	**271** [1]	271 [1]	**254** [1]	263 [1]
HELIOS Kliniken GmbH	2019	**68**	72	**68**	72
Loans from EIB		**535**	539	**518**	531

[1] Difference due to foreign currency translation

The majority of the loans are denominated in euros. The U.S. dollar denominated borrowings of FMC-AG & Co. KGaA amount to US$165 million (€114 million).

CREDIT LINES

In addition to the financial liabilities described before, the Fresenius Group maintains additional credit facilities which have not been utilized, or have only been utilized in part as of the reporting date. As of June 30, 2011, the additional financial cushion resulting from unutilized credit facilities was approximately €1.4 billion.

14. SENIOR NOTES

As of June 30, 2011 and December 31, 2010, Senior Notes of the Fresenius Group consisted of the following:

	Notional amount	Maturity	Interest rate	Book value € in millions June 30, 2011	Book value € in millions Dec. 31, 2010
Fresenius Finance B.V. 2006/2013	€500 million	Jan. 31, 2013	5.00%	**500**	500
Fresenius Finance B.V. 2006/2016	€650 million	Jan. 31, 2016	5.50%	**636**	635
Fresenius US Finance II, Inc. 2009/2015	€275 million	July 15, 2015	8 3/4%	**263**	261
Fresenius US Finance II, Inc. 2009/2015	US$500 million	July 15, 2015	9.00%	**331**	356
Fresenius Medical Care US Finance, Inc. 2007/2017	US$500 million	July 15, 2017	6 7/8%	**342**	370
FMC Finance VI S.A. 2010/2016	€250 million	July 15, 2016	5.50%	**247**	247
FMC Finance VII S.A. 2011/2021	€300 million	Feb. 15, 2021	5.25%	**291**	0
Fresenius Medical Care US Finance, Inc. 2011/2021	US$650 million	Feb. 15, 2021	5.75%	**445**	0
Senior Notes				**3,055**	2,369

On June 20, 2011, Fresenius Medical Care US Finance, Inc. acquired substantially all of the assets of FMC Finance III S.A. and assumed the obligations of FMC Finance III S.A. under its US$500 million 6 7/8% Senior Notes due 2017 and the related indenture. The guarantees of FMC-AG & Co. KGaA, Fresenius Medical Care Holdings, Inc. and Fresenius Medical Care Deutschland GmbH for these Senior Notes have not been amended and remain in full force and effect.

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

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

As of June 30, 2011, the Fresenius Group was in compliance with all of its covenants.

15. TRUST PREFERRED SECURITIES

On June 15, 2011, Fresenius Medical Care redeemed the trust preferred securities that became due on that date and that were issued in 2001 by Fresenius Medical Care Capital Trust IV and V in the amount of US$225 million and €300 million, respectively, primarily with funds obtained under existing credit facilities.

16. PENSIONS AND SIMILAR OBLIGATIONS

DEFINED BENEFIT PENSION PLANS

At June 30, 2011, the pension liability of the Fresenius Group was €342 million. The current portion of the pension liability in an amount of €12 million is recognized in the consolidated statement of financial position within short-term accrued expenses and other short-term liabilities. The non-current portion of €330 million is recorded as pension liability. As of June 30, 2011, prepaid pension costs of €7 million related to the North American pension plan are recorded within other non-current assets.

Contributions to Fresenius Group's pension fund were €2 million in the first half of 2011. The Fresenius Group expects approximately €5 million contributions to the pension fund during 2011.

Defined benefit pension plans' net periodic benefit costs of €20 million were comprised of the following components:

€ in millions	H1/2011	H1/2010
Service cost	**9**	7
Interest cost	**17**	16
Expected return on plan assets	**-8**	-8
Amortization of unrealized actuarial losses, net	**2**	1
Amortization of prior service costs	**–**	–
Settlement loss	**0**	–
Net periodic benefit cost	**20**	16

17. NONCONTROLLING INTEREST

As of June 30, 2011 and December 31, 2010, noncontrolling interest in the Group was as follows:

€ in millions	June 30, 2011	Dec. 31, 2010
Noncontrolling interest in Fresenius Medical Care AG & Co. KGaA	**3,502**	3,591
Noncontrolling interest in HELIOS Kliniken GmbH	**0**	4
Noncontrolling interest in VAMED AG	**24**	24
Noncontrolling interest in the business segments		
Fresenius Medical Care	**188**	192
Fresenius Kabi	**44**	47
Fresenius Helios	**126**	119
Fresenius Vamed	**2**	2
Total noncontrolling interest	**3,886**	3,979

In the first half of 2011, noncontrolling interest decreased by €93 million to €3,886 million. The change resulted from the noncontrolling interest in profit of €284 million, less dividend payments of €163 million as well as a reduction of noncontrolling interest in stock options, currency effects and first-time consolidations in a total amount of €214 million.

18. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

SUBSCRIBED CAPITAL

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

During the first half of 2011, 338,799 stock options were exercised. Consequently, at June 30, 2011, the subscribed capital of Fresenius SE & Co. KGaA consisted of 162,788,889 bearer ordinary shares. The shares are issued as non-par value shares. The proportionate amount of the subscribed capital is €1.00 per share.

CONDITIONAL CAPITAL

Corresponding to the stock option plans, the Conditional Capital of Fresenius SE & Co. KGaA is divided into Conditional Capital I, Conditional Capital II and Conditional Capital III. These are used to satisfy the subscription rights in connection with previously issued stock options or convertible bonds, as the case may be, for bearer ordinary shares under the stock option plans of 1998, 2003 and 2008 (see note 23, Stock options).

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

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

The following table shows the development of the Conditional Capital:

in €	Ordinary shares	Preference shares	Total
Conditional Capital I Fresenius AG Stock Option Plan 1998	495,255	495,255	990,510
Conditional Capital II Fresenius AG Stock Option Plan 2003	1,743,159	1,743,159	3,486,318
Conditional Capital III Fresenius SE Stock Option Plan 2008	3,100,000	3,100,000	6,200,000
Total Conditional Capital as of January 1, 2011	**5,338,414**	**5,338,414**	**10,676,828**
Conversion of the preference shares into ordinary shares in combination with the change of legal form	5,337,526	-5,337,526	0
Fresenius AG Stock Option Plan 1998 – options exercised	-76,020	0	-76,020
Fresenius AG Stock Option Plan 2003 – options exercised	-261,891	-888	-262,779
Total Conditional Capital as of June 30, 2011	**10,338,029**	**0**	**10,338,029**

AUTHORIZED CAPITAL

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

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

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

DIVIDENDS

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

In May 2011, a dividend of €0.86 per bearer ordinary share was approved by Fresenius SE & Co. KGaA's shareholders at the Annual General Meeting and paid. The total dividend payment was €140 million.

OTHER NOTES

19. LEGAL PROCEEDINGS

The Fresenius Group is routinely involved in numerous claims, lawsuits, regulatory and tax audits, investigations and other legal matters arising, for the most part, in the ordinary course of its business of providing healthcare services and products. The outcome of litigation and other legal matters is always difficult to accurately predict and outcomes that are not consistent with Fresenius Group's view of the merits can occur. The Fresenius Group believes that it has valid defenses to the legal matters pending against it and is defending itself vigorously. Nevertheless, it is possible that the resolution of one or more of the legal matters currently pending or threatened could have a material adverse effect on its business, results of operations and financial condition.

Further information regarding legal disputes, court proceedings and investigations can be found in detail in the consolidated financial statements as of December 31, 2010 applying Section 315a HGB in accordance with IFRS. In the following, only the changes during the first half ended June 30, 2011 compared to the information provided in the consolidated financial statements are described. These changes should be read in conjunction with the overall information in the consolidated financial statements as of December 31, 2010 applying Section 315a HGB in accordance with IFRS; defined terms or abbreviations having the same meaning as in the consolidated financial statements as of December 31, 2010 applying Section 315a HGB in accordance with IFRS.

W.R. GRACE & CO. LAWSUIT

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

BAXTER PATENT DISPUTE "LIBERTY CYCLER"

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

RENAL CARE GROUP – COMPLAINT "METHOD II"

On June 17, 2011, the District Court entered summary judgment against Renal Care Group, Inc. (RCG) for US$83 million on one of the False Claims Act counts of the complaint. On June 23, 2011, Fresenius Medical Care appealed to the United States Court of Appeals for the Sixth Circuit. Fresenius Medical Care believes that RCG's operation of its Method II supply company was in compliance with applicable law, that no relief is due to the United States, that the decisions made by the District Court on March 22, 2010 and June 17, 2011 will be reversed, and that its position in the litigation will ultimately be sustained.

FRESENIUS MEDICAL CARE HOLDINGS – QUI TAM COMPLAINT (MASSACHUSETTS)

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

SUBPOENA "NEW YORK"

On June 29, 2011, FMCH received a subpoena from the United States Attorney for the Eastern District of New York. The subpoena is part of a criminal and civil investigation into relationships between retail pharmacies and outpatient dialysis facilities in the State of New York and into the reimbursement under government payer programs in New York for medications provided to patients with end-stage renal disease. Among the issues encompassed by the investigation is whether retail pharmacies may have received compensation from the New

York Medicaid program for pharmaceutical products subsumed in the Medicaid payment to the dialysis facilities. FMCH intends to cooperate in the investigation.

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.

20. FINANCIAL INSTRUMENTS

VALUATION OF FINANCIAL INSTRUMENTS

Estimation of fair values of financial instruments

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

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

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

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

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

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

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

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

Fair value of financial instruments

The following table presents the carrying amounts and fair values of Fresenius Group's financial instruments as of June 30, 2011 and December 31, 2010, respectively:

	June 30, 2011		Dec. 31, 2010	
€ in millions	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Cash and cash equivalents	**608**	**608**	769	769
Assets recognized at carrying amount	**3,259**	**3,263**	2,950	2,950
Liabilities recognized at carrying amount	**10,167**	**10,365**	9,924	10,152
Liabilities recognized at fair value	**264**	**264**	118	118
Noncontrolling interest subject to put provisions recognized at fair value	**197**	**197**	192	192
Derivatives for hedging purposes	**-17**	**-17**	-225	-225

Derivative and non-derivative financial instruments recognized at fair value are classified according to the three-tier fair value hierarchy. For the fair value measurement of derivatives for hedging purposes, significant other observable inputs are used. Therefore, they are classified as Level 2 in accordance with the defined fair value hierarchy levels. The derivatives embedded in the MEB are also classified as Level 2. Until December 31, 2010, the valuation of the CVR was based on the current stock exchange price, they were therefore classified as Level 1. The liabilities recognized at fair value consisted of embedded derivatives and the CVR and were consequently classified in their entirety as the lower hierarchy Level 2. As of June 30, 2011, the liabilities recognized at fair value are comprised only of derivatives embedded in the MEB due to the expiration of the CVR. The valuation of the noncontrolling interests subject to put provisions is determined using significant unobservable inputs, they are therefore classified as Level 3.

FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

	June 30, 2011		Dec. 31, 2010	
€ in millions	Assets	Liabilities	Assets	Liabilities
Interest rate contracts (current)	0	27	–	43
Interest rate contracts (non-current)	0	68	1	115
Foreign exchange contracts (current)	80	8	8	49
Foreign exchange contracts (non-current)	1	1	5	2
Derivatives designated as hedging instruments [1]	**81**	**104**	14	209
Interest rate contracts (current)	0	1	0	2
Foreign exchange contracts (current) [1]	25	18	10	34
Foreign exchange contracts (non-current) [1]	6	7	1	7
Derivatives embedded in the MEB (current)	0	263	0	111
Derivatives not designated as hedging instruments	**31**	**289**	11	154

[1] Derivatives designated as hedging instruments and foreign exchange contracts not designated as hedging instruments are classified as derivatives for hedging purposes.

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

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

Derivatives for hedging purposes as well as derivatives embedded in the MEB were recognized at gross value within other assets in an amount of €112 million and other liabilities in an amount of €392 million.

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

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

	H1/2011		
€ in millions	Gain or loss recognized in other comprehensive income (loss) (effective portion)	Gain or loss reclassified from accumulated other comprehensive income (loss) (effective portion)	Gain or loss recognized in the consolidated statement of income
Interest rate contracts	28	-3	-4
Foreign exchange contracts	3	–	–
Derivatives in cash flow hedging relationships[1]	**31**	**-3**	**-4**
Foreign exchange contracts			22
Derivatives in fair value hedging relationships			**22**
Derivatives designated as hedging instruments	**31**	**-3**	**18**

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

	H1/2010		
€ in millions	Gain or loss recognized in other comprehensive income (loss) (effective portion)	Gain or loss reclassified from accumulated other comprehensive income (loss) (effective portion)	Gain or loss recognized in the consolidated statement of income
Interest rate contracts	-73	-3	-1
Foreign exchange contracts	-48	-5	–
Derivatives in cash flow hedging relationships[1]	**-121**	**-8**	**-1**
Foreign exchange contracts			-48
Derivatives in fair value hedging relationships			**-48**
Derivatives designated as hedging instruments	**-121**	**-8**	**-49**

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

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

	Gain or loss recognized in the consolidated statement of income	
€ in millions	**H1/2011**	H1/2010
Interest rate contracts	**1**	0
Foreign exchange contracts	**51**	-102
Derivatives embedded in the MEB	**-152**	-113
Derivatives not designated as hedging instruments	**-100**	-215

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 €3 million of the existing gains 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 €63 million of losses in the course of normal business during the next 12 months in interest expense.

Gains and losses from foreign exchange contracts and the corresponding underlying transactions are accounted for as cost of sales, selling, general and administrative expenses and net interest. Gains and losses resulting from interest rate contracts are recognized as net interest in the consolidated statement of income. The position other financial result in the consolidated statement of income includes gains and losses from the valuation of the derivatives embedded in the MEB (see note 5, Other financial result).

MARKET RISK

General

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

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

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

Derivative financial instruments

Foreign exchange risk management

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

As of June 30, 2011, the notional amounts of foreign exchange contracts totaled €3,546 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 €58 million and €14 million, respectively.

As of June 30, 2011, the Fresenius Group was party to foreign exchange contracts with a maximum maturity of 53 months.

Interest rate risk management

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

The Fresenius Group enters into interest rate swaps that are mainly designated as cash flow hedges with a notional volume of US$3,025 million (€2,093 million) and €406 million as well as a fair value of -US$120 million and -€13 million, respectively, which expire between 2011 and 2016.

21. SUPPLEMENTARY INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of June 30, 2011, the equity ratio was 37.6% and the debt ratio (debt/total assets) was 37.0%. As of June 30, 2011, the net debt/EBITDA ratio, which is measured on the basis of U.S. GAAP figures, was 2.7.

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

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

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

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

On August 2, 2011, Fitch has upgraded the company rating to BB+ from BB, the outlook is stable.

22. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

GENERAL

The consolidated segment reporting shown on pages 25 to 28 of this interim report is an integral part of the notes.

The Fresenius Group has identified the business segments Fresenius Medical Care, Fresenius Kabi, Fresenius Helios and Fresenius Vamed which corresponds to the internal organizational and reporting structures (Management Approach) at June 30, 2011.

The business segments were identified in accordance with IFRS 8, Operating Segments, which defines the segment reporting requirements in the annual financial statements and interim reports with regard to the operating business, product and service businesses and regions. The business segments of the Fresenius Group are as follows:

Fresenius Medical Care is the world's leading provider of dialysis products and dialysis care for the life-saving treatment of patients with chronic kidney failure. Fresenius Medical Care treats 225,909 patients in its 2,838 own dialysis clinics.

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

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

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

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

The key data used by the Management Board of Fresenius Management SE (the general partner of Fresenius SE & Co. KGaA) to control the segments are based on U.S. GAAP. The segment information is therefore given in accordance with U.S. GAAP. The column IFRS-Reconciliation provides a reconciliation from the U.S. GAAP segment data to the IFRS key data. The differences between the U.S. GAAP and the IFRS key data are mainly due to the differing recognition of in-process R & D, gains from sale and leaseback transactions with an operating lease agreement, development costs and cumulative actuarial gains and losses for pensions.

NOTES ON THE BUSINESS SEGMENTS

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

RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS

€ in millions	H1/2011	H1/2010
Total EBIT of reporting segments	**1,230**	1,134
General corporate expenses Corporate/Other (EBIT)	**-19**	-23
Group EBIT	**1,211**	1,111
Net interest	**-276**	-281
Other financial result	**-151**	-96
Income before income taxes	**784**	734

RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	June 30, 2011	Dec. 31, 2010
Short-term debt	**646**	606
Short-term loans from related parties	**2**	2
Current portion of long-term debt and capital lease obligations	**867**	421
Trust preferred securities of Fresenius Medical Care Capital Trusts (current)	**0**	468
Long-term debt and capital lease obligations, less current portion	**4,347**	4,811
Senior Notes	**3,055**	2,369
Debt	**8,917**	8,677
less cash and cash equivalents	**608**	769
Net debt	**8,309**	7,908

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

23. STOCK OPTIONS

FRESENIUS SE & CO. KGAA STOCK OPTION PLANS

On June 30, 2011, Fresenius SE & Co. KGaA had three stock option plans in place: the Fresenius AG stock option based plan of 1998 (1998 Plan), the Fresenius AG Stock Option Plan 2003 (2003 Plan) which is based on convertible bonds and the stock option based Fresenius SE Stock Option Plan 2008 (2008 Plan). Currently, stock options can only be granted under the 2008 Plan.

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

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

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

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

Transactions during the first half of 2011

During the first half of 2011, Fresenius SE & Co. KGaA received cash of €10 million from the exercise of 338,799 stock options.

Under the 1998 Plan, 56,004 stock options were outstanding and exercisable at June 30, 2011. No options were held by the members of the Fresenius Management SE Management Board. 1,665,819 convertible bonds were outstanding under the 2003 Plan, of which 1,387,441 were exercisable. The members of the Fresenius Management SE Management Board held 331,380 convertible bonds. Out of 3,084,086 outstanding stock options issued under the 2008 Plan, 559,860 were held by the members of the Fresenius Management SE Management Board.

At June 30, 2011, 1,443,445 options for ordinary shares were outstanding and exercisable. As of June 30, 2011, total unrecognized compensation costs related to non-vested options granted under the 2003 Plan and the 2008 Plan were €12 million. These costs are expected to be recognized over a weighted-average period of 1.7 years.

FRESENIUS MEDICAL CARE AG & CO. KGAA STOCK OPTION PLANS

Stock Option Plan 2011

On May 12, 2011, the Fresenius Medical Care AG & Co. KGaA Stock Option Plan 2011 (2011 Plan) was established by resolution of Fresenius Medical Care AG & Co. KGaA's (FMC-AG & Co. KGaA) Annual General Meeting with a conditional capital increase up to €12 million subject to the issue of up to 12 million non-par value bearer ordinary shares with a nominal value of €1.00 each. Under the 2011 Plan, up to 12 million options can be issued, each of which can be exercised to obtain one ordinary share, with up to 2 million options designated for members of the Management Board of Fresenius Medical Care Management AG (FMC Management AG), the general partner, up to 2.5 million options designated for members of management boards of direct or indirect subsidiaries of FMC-AG & Co. KGaA and up to 7.5 million options designated for managerial staff members of FMC-AG & Co. KGaA and such subsidiaries. FMC-AG & Co. KGaA may issue new shares to fulfill the stock option obligations, or FMC-AG & Co. KGaA may issue shares that it has acquired or which FMC-AG & Co. KGaA itself has in its own possession. With respect to participants who are members of the Management Board of FMC Management AG, its Supervisory Board has sole authority to grant stock options and exercise other decision making powers under the 2011 Plan (including decisions regarding certain adjustments and forfeitures). FMC Management AG has such authority with respect to all other participants in the 2011 Plan.

Options under the 2011 Plan can be granted on the last Monday in July and/or the first Monday in December during the life of the plan. The exercise price of options granted under the 2011 Plan shall be the average stock exchange price on the Frankfurt Stock Exchange of FMC-AG & Co. KGaA's ordinary shares during the 30 calendar days immediately prior to each grant date. Options granted under the 2011 Plan have an eight-year term and can be exercised only after a four-year vesting period. The vesting of options granted is subject to achievement of performance targets measured over a four-year period beginning with the first day of the year of the grant. For each such year, the performance target is achieved if FMC-AG & Co. KGaA's adjusted basic income per ordinary share (Adjusted EPS), as calculated in accordance with the 2011 Plan, increases by at least 8% year over year during the vesting period or, if this is not the case, the compounded annual growth rate of the Adjusted EPS reflects an increase of at least 8% per year of the Adjusted EPS during the four-year vesting period beginning with the Adjusted EPS for the year of grant as compared to the Adjusted EPS for the year preceding such grant. At the end of the vesting period, one-fourth of the options granted are forfeited for each year in which the performance target is not met or exceeded. Vesting of the portion or portions of a grant for a year or years in which the performance target is met does not occur until completion of the four-year vesting period.

Options granted under the 2011 Plan to U.S. participants are non-qualified stock options under the United States Internal Revenue Code of 1986, as amended. Options under the 2011 Plan are not transferable by a participant or a participant's heirs, and may not be pledged, assigned, or disposed of otherwise.

Phantom Stock Plan 2011

The Fresenius Medical Care AG & Co. KGaA Phantom Stock Plan 2011 (2011 Phantom Stock Plan) was established in the second quarter of 2011. Awards of phantom stock under the 2011 Phantom Stock Plan can be granted on the last Monday in July and/or the first Monday in December. Phantom stock awards under the 2011 Phantom Stock Plan entitles the holders to receive payment in Euro from FMC-AG & Co. KGaA upon exercise of the phantom stock. The payment per Phantom Stock share in lieu of the issuance of such stock shall be based upon the stock exchange price on the Frankfurt Stock Exchange of one of FMC-AG & Co. KGaA's ordinary shares on the exercise date. Phantom stock will be granted over a five year period of time and all phantom stock will have a five-year term but can be exercised only after a four-year vesting period, or as otherwise expressly stated in the plan, beginning with the first day of the year of the grant. The vesting of the phantom stock granted is subject to achievement of performance targets measured over a four-year period. For each such year, the performance target is achieved if FMC-AG & Co. KGaA's adjusted EPS, as calculated in accordance with the 2011 Phantom Stock Plan (Adjusted EPS), increases by at least 8% year over year during the vesting period or, if this is not the case, the compounded annual growth rate of the Adjusted EPS reflects an increase of at least 8% per year of the Adjusted EPS during the four-year vesting period beginning with the Adjusted EPS for the year of grant as compared to the Adjusted EPS for the year preceding such grant. At the end of the vesting period, one-fourth of the phantom stock granted are forfeited for each year in which the performance target is not met or exceeded. Vesting of the portion or portions of a grant for a year or years in which the performance target is met does not occur until completion of the four-year vesting period.

24. RELATED PARTY TRANSACTIONS

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

Prof. Dr. h. c. Roland Berger, a member of the Supervisory Board of Fresenius SE & Co. KGaA, is a partner and was the chairman of the supervisory board of Roland Berger Strategy Consultants until August 1, 2010. In the first half of 2011, the Fresenius Group paid €0.1 million for consulting services rendered to this company.

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

Dr. Gerhard Rupprecht, a member of the Supervisory Board of Fresenius SE & Co. KGaA, was a member of the management board of Allianz SE until December 31, 2010 and the chairman of the management board of Allianz Deutschland AG until June 30, 2010. Dr. Franceso De Meo, a member of the Management Board of the general partner of Fresenius SE & Co. KGaA, is a member of the supervisory board of Allianz Private Krankenversicherungs-AG. In the first half of 2011, the Fresenius Group paid €2 million for insurance premiums to Allianz.

Dr. Dieter Schenk, deputy chairman of the Supervisory Board of Fresenius SE until January 28, 2011, member of the Supervisory Board of Fresenius Management SE since March 11, 2010 and deputy chairman of the Supervisory Board of Fresenius Management SE since May 12, 2010, is a partner in the law firm Noerr LLP that provides legal services to the Fresenius Group. In the first half of 2011, the Fresenius Group paid this law firm €0.3 million for services rendered.

25. SUBSEQUENT EVENTS

On August 2, 2011, Fresenius Medical Care announced its plans to acquire 100% of Liberty Dialysis Holdings, Inc., the owner of all of the business of Liberty Dialysis and owner of a 51% stake in Renal Advantage, Inc. Fresenius Medical Care currently owns a 49% stake in Renal Advantage. The total investment for Fresenius Medical Care including the assumption of incremental debt will be approximately US$1.7 billion. The transaction remains subject to clearance under the Hart-Scott-Rodino Antitrust Improvements Act and is expected to close in early 2012. On completion, the acquired operations would add approximately 260 out-patient dialysis clinics to Fresenius Medical Care's network in the U.S. and approximately US$1 billion in annual revenue before the anticipated divestiture of some centers as a condition of the transaction. The transaction will be financed from cash flow from operations and debt and is expected to be accretive to earnings in the first year after closing of the transaction.

On August 2, 2011, Fresenius Medical Care announced its plans to acquire the U.S. based company American Access Care Holdings, LLC (AAC) for US$385 million. AAC operates 28 freestanding out-patient interventional radiology centers throughout 12 states in the U.S. primarily dedicated to the vascular access needs of dialysis patients. The transaction remains subject to clearance under the Hart-Scott-Rodino Antitrust Improvements Act and is expected to close in the fourth quarter of 2011. On completion, the acquired operations will add approximately US$175 million in annual revenue and are expected to be accretive to earnings in the first year after closing of the transaction. The transaction will be financed from cash flow from operations and available borrowing capacity.

There have been no significant changes in the Fresenius Group's operating environment following the end of the first half of 2011. No other events of material importance on the assets and liabilities, financial position, and results of operations of the Group have occurred following the end of the first half of 2011.

26. CORPORATE GOVERNANCE

For each consolidated stock exchange listed entity, the declaration pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz) has been issued and made available to shareholders on the website of Fresenius SE & Co. KGaA www.fresenius.com under Who we are/Corporate Governance/Declaration of Conformity and of Fresenius Medical Care AG & Co. KGaA www.fmc-ag.com under Investor Relations/Corporate Governance/Declaration of Compliance, respectively.

27. RESPONSIBILITY STATEMENT

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

Bad Homburg v. d. H., August 19, 2011

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

The Management Board

Dr. U. M. Schneider | R. Baule | Dr. F. De Meo

Dr. J. Götz | Dr. B. Lipps | S. Sturm | Dr. E. Wastler

FINANCIAL CALENDAR

Report on 1st – 3rd quarters 2011 Conference call Live webcast	November 2, 2011
Report on fiscal year 2011 Analyst Meeting, Bad Homburg v. d. H. Press conference, Bad Homburg v. d. H. Live webcast	February 21, 2012
Report on 1st quarter 2012 Conference Call Live webcast	May 3, 2012
Annual General Meeting, Frankfurt am Main, Germany	May 11, 2012
Report on 1st half 2012 Conference call Live webcast	August 1, 2012
Report on 1st – 3rd quarters 2012 Conference call Live webcast	October 31, 2012

Subject to change

FRESENIUS SHARE INFORMATION

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

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Chairman of the Supervisory Board: Dr. Gerd Krick

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