

Quarterly Financial Report of Fresenius Group

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

1st Half and 2nd Quarter 2013

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FRESENIUS GROUP FIGURES AT A GLANCE

Fresenius is a health care group providing products and services for dialysis, hospitals and the medical care of patients at home. In addition, Fresenius focuses on hospital operation, as well as on engineering and services for hospitals and other health care facilities. In the first half of 2013, Group sales were €10 billion. As of June 30, 2013, more than 173,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

SALES, EARNINGS, AND CASH FLOW

€ in millions	Q2/2013	Q2/2012	Change	H1/2013	H1/2012	Change
Sales	5,097	4,817	6%	9,987	9,236	8%
EBIT ¹	752	779	-3%	1,448	1,440	1%
Net income ²	258	234	10%	482	434	11%
Earnings per share in € ²	1.44	1.35	7%	2.70	2.58	5%
Operating cash flow	503	598	-16%	947	1,136	-17%

BALANCE SHEET AND INVESTMENTS

€ in millions	June 30, 2013	Dec. 31, 2012	Change
Total assets	30,973	30,664	1%
Non-current assets	22,716	22,551	1%
Equity ³	12,955	12,758	2%
Net debt	10,362	10,143	2%
Investments ⁴	575	2,485	-77%

RATIOS

€ in millions	Q2/2013	Q2/2012	H1/2013	H1/2012
EBITDA margin ¹	18,9%	20,1%	18,6%	19,6%
EBIT margin ¹	14,8%	16,2%	14,5%	15,6%
Depreciation and amortization in % of sales	4,1	3,9	4,1	4,0
Operating cash flow in % of sales	9,9	12,4	9,5	12,3
Equity ratio (June 30/December 31)			41,8%	41,6%
Net debt/EBITDA (June 30/December 31) ⁵			2,6	2,6

¹ 2013 excluding one-time integration costs of Fenwal Holdings, Inc. ("Fenwal"). 2012 before one-time items.

² Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2013 excluding one-time integration costs of Fenwal. 2012 before one-time items.

³ Equity including noncontrolling interest

⁴ Investments in property, plant and equipment and intangible assets, acquisitions (H1). 2012 excluding an investment of cash in the amount of €952 million by Fresenius SE & Co. KGaA.

⁵ 2013, pro forma including Fenwal; before one-time costs (non-financing expenses) related to the takeover offer to RHÖN-KLINIKUM AG shareholders, one-time costs at Fresenius Medical Care and one-time integration costs of Fenwal. 2012 pro forma including Damp Group, Liberty Dialysis Holdings, Inc. and Fenwal; before one-time costs (non-financing expenses) related to the takeover offer to RHÖN-KLINIKUM AG shareholders, and one-time costs at Fresenius Medical Care.

INFORMATION BY BUSINESS SEGMENT

FRESENIUS MEDICAL CARE – Dialysis products, Dialysis services

US\$ in millions	H1/2013	H1/2012	Change
Sales	7,076	6,677	6%
EBIT	1,038	1,092	-5%
Net income ¹	488	520	-6%
Operating cash flow	841	932	-10%
Investments/Acquisitions	447	2,029	-78%
R & D expenses	61	55	11%
Employees, per capita on balance sheet date (June 30/December 31)	92,749	90,866	2%

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

€ in millions	H1/2013 ²	H1/2012	Change
Sales	2,519	2,234	13%
EBIT	469	452	4%
Net income ³	242	210	15%
Operating cash flow	238	288	-17%
Investments/Acquisitions	166	124	34%
R & D expenses	117	88	33%
Employees, per capita on balance sheet date (June 30/December 31)	31,002	30,214	3%

FRESENIUS HELIOS – Hospital operations

€ in millions	H1/2013	H1/2012 ⁴	Change
Sales	1,695	1,525	11%
EBIT	179	150	19%
Net income ⁵	119	91	31%
Operating cash flow	80	79	1%
Investments/Acquisitions	55	608	-91%
Employees, per capita on balance sheet date (June 30/December 31)	42,590	42,881	-1%

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

€ in millions	H1/2013	H1/2012 ⁶	Change
Sales	421	348	21%
EBIT	15	14	7%
Net income ⁷	9	10	-10%
Operating cash flow	3	58	-95%
Investments/Acquisitions	11	25	-56%
Order intake	311	156	99%
Employees, per capita on balance sheet date (June 30/December 31)	6,222	4,432	40%

¹ Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA; 2012 adjusted for a non-taxable investment gain of US\$140 million (Q2/12 US\$13 million).

² Excluding one-time integration costs of Fenwal

³ Net income attributable to shareholders of Fresenius Kabi AG

⁴ Adjusted for post-acute care clinic Zihlschlacht transferred to Fresenius Vamed

⁵ Net income attributable to shareholders of HELIOS Kliniken GmbH

⁶ Adjusted for post-acute care clinic Zihlschlacht transferred from Fresenius Helios to Fresenius Vamed

⁷ Net income attributable to shareholders of VAMED AG

FRESENIUS SHARE

The Fresenius share price reached a new all-time high of €99.09 during the first half of 2013. Since the beginning of the year the share price increased by 9% and once again outperformed the DAX.

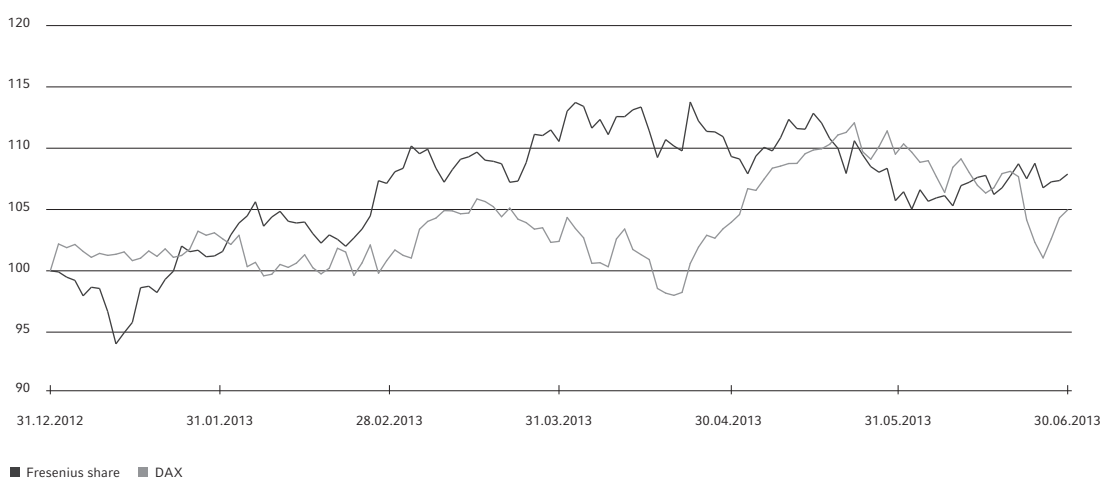
Limited prospects for a global economic recovery, as well as the crisis in Cyprus, shaped the capital markets in the first quarter of 2013. In Europe, hesitancy caused by uncertain financial conditions continued in the second quarter. This was also reflected in declining earnings expectations for European stocks outside of Germany. Central banks continued their expansive monetary policy, however, at the end of the second quarter, the U.S. Federal Reserve announced a possible reduction in its bond purchases by the end of 2013. This,

combined with weaker economic data from China lead to declines in the stock markets.

In May 2013, Germany's leading index, the DAX, reached a new all-time high of 8,531 points. The Fresenius share likewise showed very positive performance and reached a new all-time high of €99.09 in April. It concluded the first half of 2013 with a share price of €94.71, an increase of 9% compared to the 2012 closing price. In the same period the DAX increased by 5%.

RELATIVE SHARE PRICE PERFORMANCE VS. DAX

31.12.2012 = 100



KEY DATA OF THE FRESENIUS SHARE

	H1/2013	2012	Change
Number of shares (June 30/December 31)	178,432,957	178,188,260	
Half year-end quotation in €	94.71	87.10	9%
High in €	99.09	96.38	3%
Low in €	81.91	72.07	14%
Ø Trading volume (number of shares per trading day)	452,456	482,030	-6%
Market capitalization, € in millions (June 30/December 31)	16,899	15,520	9%

MANAGEMENT REPORT

The first-half results underline that Fresenius' broad geographic presence and well-diversified business contribute to the company's success in a challenging environment. We are expanding our footprint in fast-growing emerging markets and work on promising growth initiatives. We remain highly confident of our company's growth prospects and raise 2013 Group earnings guidance.

FRESENIUS ANNOUNCES RECORD RESULTS, RAISES 2013 GROUP EARNINGS GUIDANCE

	H1/2013	at actual rates	in constant currency
Sales	€10.0 bn	+8%	+9%
EBIT ¹	€1.4 bn	+1%	+2%
Net income ²	€482 m	+11%	+12%

HEALTH CARE INDUSTRY

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

The main growth factors are: rising medical needs deriving from aging populations, growing number of chronically ill or multi-morbid patients, a 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 basic health care and increasing national incomes and hence, higher spending on health care.

Health care structures are being reviewed and cost-cutting potential identified in order to contain the steadily rising health care expenditures. However, such measures cannot compensate for the cost pressures arising from medical advances and demographic change. Market-based elements are increasingly being introduced into the health care system to create incentives for cost- and quality-conscious behavior. Overall treatment costs shall be reduced through improved quality standards 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 2013 excluding one-time integration costs of Fenwal Holdings, Inc. ("Fenwal"). 2012 before one-time items.

² Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2013 excluding one-time integration costs of Fenwal. 2012 before one-time items.

RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

SALES

Group sales increased by 8% (9% in constant currency) to €9,987 million (H1/2012: €9,236 million). Organic sales growth was 5%. Acquisitions contributed 5%. Divestitures reduced sales growth by 1%.

Organic sales growth was 5% in North America and 2% in Europe. In Latin America (13%) and Africa (30%) organic sales growth was particularly strong. In Asia-Pacific organic sales growth was 7%.

EARNINGS

Group EBITDA¹ grew by 3% (4% in constant currency) to €1,860 million (H1/2012: €1,806 million). Group EBIT¹ increased by 1% (2% in constant currency) to €1,448 million (H1/2012: €1,440 million). The EBIT margin of 14.5% (H1/2012: 15.6%) was impacted by a margin reduction at Fresenius Medical Care as well as the first-time consolidation of Fenwal. However, Q2/2013 margin of 14.8% already showed a distinct improvement over Q1/2013 (14.2%).

Group net interest remained at last year's level of -€313 million, including €14 million one-time costs resulting from the early redemption of the Senior Notes originally due 2016.

The Group tax rate¹ improved to 28.5% (H1/2012: 30.8%).

SALES BY REGION

€ in millions	H1/2013	H1/2012	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/divestitures	% of total sales
North America	4,268	3,910	9%	-2%	11%	5%	6%	42%
Europe	4,010	3,764	7%	0%	7%	2%	5%	40%
Asia-Pacific	954	884	8%	-1%	9%	7%	2%	10%
Latin America	570	529	8%	-7%	15%	13%	2%	6%
Africa	185	149	24%	-8%	32%	30%	2%	2%
Total	9,987	9,236	8%	-1%	9%	5%	4%	100%

SALES BY BUSINESS SEGMENT

€ in millions	H1/2013	H1/2012	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/divestitures	% of total sales
Fresenius Medical Care	5,388	5,150	5%	-1%	6%	5%	1%	54%
Fresenius Kabi	2,519	2,234	13%	-1%	14%	4%	10%	25%
Fresenius Helios	1,695	1,525	11%	0%	11%	5%	6%	17%
Fresenius Vamed	421	348	21%	0%	21%	12%	9%	4%

¹ 2013 excluding one-time integration costs of Fenwal; 2012 before one-time items.

EARNINGS

€ in millions	Q2/2013	Q2/2012	H1/2013	H1/2012
EBIT ¹	752	779	1,448	1,440
Net income ²	258	234	482	434
Net income ³	243	212	462	442
Earnings per share in € ²	1.44	1.35	2.70	2.58
Earnings per share in € ³	1.36	1.22	2.59	2.63

Noncontrolling interest was €330 million (H1/2012: €346 million), of which 94% was attributable to the noncontrolling interest in Fresenius Medical Care.

Group net income² increased by 11% (12% in constant currency) to €482 million (H1/2012: €434 million). Earnings per share² increased by 5% to €2.70 (H1/2012: €2.58). In H1/2013, the weighted average number of shares outstanding was 178,306,694 (H1/2012: 167,986,059).

Group net income attributable to shareholders of Fresenius SE & Co. KGaA including one-time integration costs for Fenwal was €462 million or €2.59 per share.

FRESENIUS BIOTECH

Fresenius Biotech's sales were €16.6 million (H1/2012: €16.6 million). The EBIT was -€6 million (H1/2012: -€11 million).

With effect of 28 June 2013, Fresenius sold Fresenius Biotech to the Fuhrer family, owners of Neopharm, Israel's second-largest pharmaceutical company. The transaction resulted in a negligible book gain and will have a positive effect on Group earnings, as the projected H2/2013 EBIT loss of ~€10 million will now not materialize.

¹ 2013 excluding one-time integration costs of Fenwal; 2012 before one-time items.

² Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2013 excluding one-time integration costs of Fenwal. 2012 before one-time items

³ Net income attributable to shareholders of Fresenius SE & Co. KGaA including one-time costs.

RECONCILIATION

The Group's U.S. GAAP financial results as of June 30, 2013 and June 30, 2012 comprise special items. Net income attributable to shareholders of Fresenius SE & Co. KGaA in the first half of 2013 excludes one-time integration costs of Fenwal.

2012 excludes a non-taxable investment gain at Fresenius Medical Care as well as one-time costs related to the takeover offer to the shareholders of RHÖN-KLINIKUM AG. Adjusted earnings represent the Group's business operations in the reporting period.

RECONCILIATION

€ in millions	H1/2013 before special items	one-time integration costs of Fenwal	H1/2013 according to U.S. GAAP (incl. special items)	H1/2012 before special items	non-taxable investment gain at Fresenius Medical Care	one-time costs related to the takeover offer to the shareholders of RHÖN- KLINIKUM AG	H1/2012 according to U.S. GAAP (incl. special items)
Sales	9,987		9,987	9,236			9,236
EBIT	1,448	-27	1,421	1,440		-7	1,433
Investment gain	0		0	0	108		108
Interest result	-313		-313	-313			-313
Other financial result	0		0	0		-29	-29
Net income before taxes	1,135	-27	1,108	1,127	108	-36	1,199
Income taxes	-323	7	-316	-347		10	-337
Net income	812	-20	792	780	108	-26	862
Less noncontrolling interest	-330		-330	-346	-74		-420
Net income attributable to shareholders of Fresenius SE & Co. KGaA	482	-20	462	434	34	-26	442

€ in millions	Q2/2013 before special items	one-time integration costs of Fenwal	Q2/2013 according to U.S. GAAP (incl. special items)	Q2/2012 before special items	non-taxable investment gain at Fresenius Medical Care	one-time costs related to the takeover offer to the shareholders of RHÖN- KLINIKUM AG	Q2/2012 according to U.S. GAAP (incl. special items)
Sales	5,097		5,097	4,817			4,817
EBIT	752	-20	732	779		-7	772
Investment gain	0		0	0	11		11
Interest result	-150		-150	-166			-166
Other financial result	0		0	0		-29	-29
Net income before taxes	602	-20	582	613	11	-36	588
Income taxes	-168	5	-163	-191		10	-181
Net income	434	-15	419	422	11	-26	407
Less noncontrolling interest	-176		-176	-188	-7		-195
Net income attributable to shareholders of Fresenius SE & Co. KGaA	258	-15	243	234	4	-26	212

INVESTMENTS BY BUSINESS SEGMENT

€ in millions	H1/2013	H1/2012	thereof property, plant and equipment	thereof acquisitions	Change	% of total
Fresenius Medical Care	340	1,518	254	86	-78%	59%
Fresenius Kabi	166	124	111	55	34%	29%
Fresenius Helios	55	608	50	5	-91%	10%
Fresenius Vamed	11	25	5	6	-56%	2%
Corporate/Other	3	210	5	-2	-99%	0%
Total	575	2,485	425	150	-77%	100%

INVESTMENTS

The Fresenius Group spent €425 million on property, plant and equipment (H1/2012: €388 million). Acquisition spending was €150 million (H1/2012: €2,097 million).

CASH FLOW

Operating cash flow was €947 million (H1/2012: €1,136 million). The decrease relates primarily to a one-time payment by Fresenius Medical Care regarding the amendment of the supply agreement for the iron product Venofer in North America. In H1/2012, the operating cash flow was positively influenced by extraordinary payments on trade accounts receivable. The cash flow margin reached 9.5% (H1/2012: 12.3%). Net capital expenditure increased to €416 million (H1/2012: €358 million). Free cash flow before acquisitions and dividends was €531 million (H1/2012: €778 million).

CASH FLOW STATEMENT (SUMMARY)

€ in millions	H1/2013	H1/2012	Change
Net income	792	862	-8%
Depreciation and amortization	412	366	13%
Change in accruals for pensions	24	17	41%
Cash flow	1,228	1,245	-1%
Change in working capital	-281	-109	-158%
Operating cash flow	947	1,136	-17%
Property, plant and equipment	-433	-360	-20%
Proceeds from the sale of property, plant and equipment	17	2	--
Cash flow before acquisitions and dividends	531	778	-32%
Cash used for acquisitions, net	7	-1,558	100%
Dividends paid	-446	-374	-19%
Free cash flow paid after acquisitions and dividends	92	-1,154	108%
Financial investments	0	952	100%
Cash provided by/used for financing activities	-133	2,474	-105%
Effect of exchange rates on change in cash and cash equivalents	-2	12	-117%
Net change in cash and cash equivalents	-43	380	-111%

Free cash flow after acquisitions and dividends increased to €92 million (H1/2012: -€1,154 million).

ASSET AND LIABILITY STRUCTURE

The Group's total assets increased by 1% (1% in constant currency) to €30,973 million (Dec. 31, 2012: €30,664 million). Current assets grew by 2% to €8,257 million (Dec. 31, 2012: €8,113 million). Non-current assets increased by 1% to €22,716 million (Dec. 31, 2012: €22,551 million).

Total shareholders' equity increased by 2% to €12,955 million (Dec. 31, 2012: €12,758 million). The equity ratio was 41.8% (Dec. 31, 2012: 41.6%).

Group debt was €11,204 million (Dec. 31, 2012: €11,028 million). Net debt was €10,362 million (Dec. 31, 2012: €10,143 million). As of June 30, 2013, the net debt/EBITDA ratio was 2.63¹ (Dec. 31, 2012: 2.56²).

¹ Pro forma including Fenwal; before one-time costs (non-financing expenses) related to the takeover offer to RHÖN-KLINIKUM AG shareholders, one-time costs at Fresenius Medical Care and one-time integration costs of Fenwal.

² Pro forma including Damp Group, Liberty Dialysis Holdings, Inc. and Fenwal; before one-time costs (non-financing expenses) related to the takeover offer to RHÖN-KLINIKUM AG shareholders, and one-time costs at Fresenius Medical Care.

SECOND QUARTER OF 2013

Group sales increased by 6% to €5,097 million (Q2 2012: €4,817 million). In constant currency, sales increased by 7%. Organic sales growth was 5%, acquisitions contributed a further 3%. Divestments reduced sales by 1%. EBIT¹ decreased by 3% at actual rates (2% in constant currency) to €752 million (Q2 2012: €779 million). Group net income² reached €258 million (Q2 2012: €234 million), an increase of 10%. In constant currency, growth of 11% was achieved. Earnings per share² increased by 7% to €1.44 (Q2 2012: €1.35). In constant currency, earnings per share improved by 7% as well. Group net income, attributable to shareholders of Fresenius SE & Co. KGaA reached €243 million (Q2 2012: €212 million). Earnings per share were €1.36.

Investments in property, plant and equipment increased to €246 million (Q2 2012: €237 million). Acquisition spending was €71 million (Q2 2012: €170 million).

ANNUAL GENERAL MEETING 2013

At the Annual General Meeting 2013, the shareholders of Fresenius SE & Co. KGaA approved all agenda items with an overwhelming majority. Fresenius SE & Co. KGaA shareholders

voted with a majority of 99.99% at the Annual General Meeting to approve the 20th consecutive dividend increase proposed by the general partner and the Supervisory Board. Shareholders received €1.10 per common share (2011: €0.95), a substantial 16% increase that reflects the new dividend policy of aligning growth in the dividend with the growth in earnings per share before special items. The company is hereby maintaining a payout ratio in the 20 to 25% range.

The shareholders, with a majority of 91%, approved a new Authorized Capital in the amount of €40.32 million. The previous Authorized Capital in the amount of €26.52 million was cancelled; the company had utilized part of the original authorization of €40.32 million, approved in 2011, in a capital increase in May 2012. With a majority of 99%, shareholders approved a new stock-option program and a corresponding Conditional Capital.

Shareholder majorities of 99.91% and 98.70% approved the actions of the Management and Supervisory Boards, respectively, in 2012.

At the Annual General Meeting, 73.63% of the subscribed capital was represented.

The voting results are as follows:

	Number of shares for which valid votes were cast	in % of the capital stock	Yes votes		No votes		
			Number	in % of the valid votes cast	Number	in % of the valid votes cast	
Item no. 1	Resolution on the Approval of the Annual Financial Statements of Fresenius SE & Co. KGaA for the Fiscal Year 2012	131,176,029	73.57%	131,164,445	99.99%	11,584	0.01%
Item no. 2	Resolution on the Allocation of the Distributable Profit	131,177,243	73.57%	131,175,056	99.99%	2,187	0.01%
Item no. 3	Resolution on the Approval of the Actions of the General Partner for the Fiscal Year 2012	80,916,392	45.38%	80,839,993	99.91%	76,399	0.09%
Item no. 4	Resolution on the Approval of Actions of the Supervisory Board for the Fiscal Year 2012	79,581,007	44.63%	78,546,603	98.70%	1,034,404	1.30%
Item no. 5	Election of the Auditor and Group Auditor for the Fiscal Year 2013	81,518,508	45.72%	81,204,453	99.61%	314,055	0.39%
Item no. 6	Resolution on the Approval of the Amended System of Compensation of the Members of the Management Board of the General Partner	130,301,611	73.08%	125,595,451	96.39%	4,706,160	3.61%
Item no. 7	Resolution on the Cancellation of the Existing Authorized Capital I and on the Creation of a New Authorized Capital I and a Corresponding Amendment to the Articles of Association	131,173,157	73.57%	119,079,726	90.78%	12,093,431	9.22%
Item no. 8	Resolutions on the Cancellation of a Conditional Capital and on a Corresponding Amendment to the Articles of Association as well as on the Authorization for the Granting of Subscription Rights to Managerial Staff Members (Führungskräfte) and Members of the Management of Fresenius SE & Co. KGaA or an Affiliated Company (Stock Option Program 2013) and on the creation of Conditional Capital to Provide for the Stock Option Program 2013 as well as on a Corresponding Amendment to the Articles of Association	130,357,188	73.11%	128,636,488	98.68%	1,720,700	1.32%

¹ 2013 excluding one-time integration costs of Fenwal; 2012 before one-time items.

² Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2013 excluding one-time integration costs of Fenwal. 2012 before one-time items.

BUSINESS SEGMENTS

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, 2013, Fresenius Medical Care was treating 264,290 patients in 3,212 dialysis clinics.

US\$ in millions	Q2/2013	Q2/2012	Change	H1/2013	H1/2012	Change
Sales	3,613	3,428	5%	7,076	6,677	6%
EBITDA	703	740	-5%	1,353	1,386	-2%
EBIT	544	589	-8%	1,038	1,092	-5%
Net income ¹	263	276	-5%	488	520	-6%
Employees (June 30/December 31)				92,749	90,866	2%

FIRST HALF OF 2013

- ▶ Strong organic sales growth of 5%
- ▶ Excellent operating cash flow margin of 11.9%
- ▶ 2013 guidance confirmed

Sales increased by 6% (6% in constant currency) to US\$7,076 million (H1/2012: US\$6,677 million). Organic sales growth was 5%. Acquisitions contributed a further 3%. Divestitures reduced sales growth by 2%.

Sales in dialysis services increased by 7% (7% in constant currency) to US\$5,421 million (H1/2012: US\$5,082 million). Dialysis product sales grew by 4% (4% in constant currency) to US\$1,655 million (H1/2012: US\$1,594 million).

In North America, sales grew 7% to US\$4,663 million (H1/2012: US\$4,353 million). Dialysis services sales grew by 8% to US\$4,261 million (H1/2012: US\$3,960 million). Dialysis product sales increased by 2% to US\$402 million (H1/2012: US\$393 million).

Sales outside North America ("International" segment) grew by 4% (5% in constant currency) to US\$2,397 million (H1/2012: US\$2,307 million). Sales in dialysis services increased by 3% to US\$1,161 million (H1/2012: US\$1,122 million). Dialysis product sales grew by 4% to US\$1,236 million (H1/2012: US\$1,185 million).

EBIT decreased by 5% to US\$1,038 million (H1/2012: US\$1,092 million).

Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA decreased by 6% to US\$488 million (H1/2012¹: US\$520 million).

The operating cash flow was US\$841 million (H1/2012: US\$932 million). The reduction relates to an one-time payment regarding the amendment of the agreement for the iron product Venofer in North America (US\$100 million). The cash flow margin was 11.9% (H1/2012: 14.0%).

SECOND QUARTER OF 2013

Fresenius Medical Care increased sales by 5% (6% in constant currency) to US\$3,613 million (Q2/2012: US\$3,428 million). Organic sales growth was 5%, acquisitions contributed 1%. EBIT declined by 8% to US\$544 million (Q2/2012: US\$589 million). Net income¹ was US\$263 million, a decrease of 5% (Q2/2012: US\$276 million).

Please see page 18 of the Management Report for the 2013 outlook of Fresenius Medical Care.

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

¹ Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA; 2012 adjusted for a non-taxable investment gain of US\$140 million (Q2/12: US\$13 million).

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	Q2/2013 ¹	Q2/2012	Change	H1/2013 ¹	H1/2012	Change
Sales	1,259	1,142	10%	2,519	2,234	13%
EBITDA	287	276	4%	575	530	8%
EBIT	232	237	-2%	469	452	4%
Net income ²	123	112	10%	242	210	15%
Employees (June 30/December 31)				31,002	30,214	3%

FIRST HALF OF 2013

- ▶ Organic sales growth of 4% on the back of strong H1/12
- ▶ EBIT margin excluding Fenwal at the upper end of guidance
- ▶ 2013 guidance fully confirmed

Sales increased by 13% (14% in constant currency) to €2,519 million (H1/2012: €2,234 million). Organic sales growth was 4%. Acquisitions contributed 11%, while divestitures reduced sales growth by 1%.

Sales in Europe grew by 6% (organic growth: 2%) to €1,030 million (H1/2012: €974 million). Sales in North America increased by 29% to €784 million (H1/2012: €609 million), primarily driven by the consolidation of Fenwal. Organic growth was 6%. In Asia-Pacific sales increased by 10% (organic growth: 6%) to €456 million (H1/2012: €415 million). Sales in Latin America/Africa increased by 6% (organic growth: 9%) to €249 million (H1/2012: €236 million). Growth in H1/2013 comes over an exceptionally strong H1/2012 base, posting 9% organic sales growth in North America, 6% in Europe, 15% in Asia-Pacific and 14% in Latin America/Africa.

EBIT¹ grew by 4% to €469 million (H1/2012: €452 million). EBIT includes one-time charges of €24 million to remediate manufacturing issues following FDA audits at the Grand Island, USA, and Kalyani, India, facilities. The EBIT margin was 18.6%. Excluding Fenwal, the EBIT margin of 19.8% (H1/2012: 20.2%) was at the upper end of the full-year guidance.

Net income² increased by 15% to €242 million (H1/2012: €210 million).

Fresenius Kabi's operating cash flow was €238 million (H1/2012: €288 million). Last year's operating cash flow was positively influenced by extraordinary payments on trade accounts receivable. The cash flow margin was 9.4% (H1/2012: 12.9%). Cash flow before acquisitions and dividends was €120 million (H1/2012: €199 million).

The integration of Fenwal progressed as planned with related one-time costs of €27 million pre-tax.

SECOND QUARTER OF 2013

In the second quarter of 2013, Fresenius Kabi increased sales by 10% at actual rates and by 12% in constant currency to €1,259 million (Q2/2012: €1,142 million). Organic sales growth was 2%, acquisitions contributed 11%, divestments reduced sales by 1%. EBIT¹ declined by 2% to €232 million (Q2/2012: €237 million). EBIT includes one-time charges of €15 million to remediate manufacturing issues following FDA audits at the Grand Island, USA, and Kalyani, India, facilities. The EBIT margin was 18.4% (Q2/2012: 20.8%). Fresenius Kabi's net income² improved by 10% to €123 million (Q2/2012: €112 million).

Please see page 18 of the Management Report for the 2013 outlook of Fresenius Kabi.

Fresenius Kabi 2013 guidance excludes Fenwal integration costs (~€50 million pre tax); also see Group guidance.

¹ Excluding Fenwal integration costs.

² Net income attributable to shareholders of Fresenius Kabi AG.

FRESENIUS HELIOS

Fresenius Helios is one of the largest private hospital operators in Germany. HELIOS owns 74 hospitals, thereof 51 acute care clinics including six maximum care hospitals in Berlin-Buch, Duisburg, Erfurt, Krefeld, Schwerin and Wuppertal and 23 post-acute care clinics. HELIOS treats more than 2.9 million patients per year, thereof more than 780,000 inpatients, and operates more than 23,000 beds.

€ in millions	Q2/2013	Q2/2012 ¹	Change	H1/2013	H1/2012 ¹	Change
Sales	854	815	5%	1,695	1,525	11%
EBITDA	121	109	11%	235	201	17%
EBIT	92	82	12%	179	150	19%
Net income ²	63	50	26%	119	91	31%
Employees (June 30/December 31)				42,590	42,881	-1%

FIRST HALF OF 2013

- ▶ Strong organic sales growth of 5%
- ▶ EBIT margin up 80 basis points to 10.6%
- ▶ 2013 earnings guidance raised – EBIT between €370 million and €395 million

Sales increased by 11% to €1,695 million (H1/2012: €1,525 million). Organic sales growth was 5%, acquisitions contributed 7%. Divestitures reduced sales growth by 1%.

EBIT grew by 19% to €179 million (H1/2012: €150 million). The EBIT margin increased to 10.6% (H1/2012: 9.8%).

Net income² increased by 31% to €119 million (H1/2012: €91 million).

Sales of the established hospitals grew by 5% to €1,588 million. EBIT improved by 15% to €175 million. The EBIT margin increased to 11.0% (H1/2012: 10.0%). Sales of the acquired hospitals (consolidation <1 year) were €107 million, EBIT was €4 million.

SECOND QUARTER OF 2013

In the second quarter of 2013, Fresenius Helios improved sales to €854 million (Q2/2012: €815 million), an increase of 5%. Organic sales growth was 5%, acquisitions contributed 1% to sales growth, divestments reduced sales by 1%. EBIT increased by 12% to €92 million (Q2/2012: €82 million). The EBIT margin increased by 70 basis points to 10.8%. Net income² grew by 26% to €63 million (Q2/2012: €50 million).

Please see page 19 of the Management Report for the 2013 outlook of Fresenius Helios.

¹ Adjusted for post-acute care clinic Zihlschlacht transferred to Fresenius Vamed.

² Net income attributable to shareholders of HELIOS Kliniken GmbH.

FRESENIUS VAMED

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

€ in millions	Q2/2013	Q2/2012 ¹	Change	H1/2013	H1/2012 ¹	Change
Sales	237	199	19%	421	348	21%
EBITDA	12	11	9%	19	18	6%
EBIT	10	9	11%	15	14	7%
Net income ²	6	6	0%	9	10	-10%
Employees (June 30/December 31)				6,222	4,432	40%

FIRST HALF OF 2013

- ▶ Excellent organic sales growth of 12% at upper end of guidance
- ▶ Largest single turnkey project order in company history received
- ▶ 2013 guidance fully confirmed

Sales increased by 21% to €421 million (H1/2012: €348 million). Organic sales growth was 12%, acquisitions contributed 9%. Sales in the project business increased by 13% to €208 million (H1/2012: €184 million). Sales in the service business grew by 30% to €213 million (H1/2012: €164 million).

EBIT was €15 million (H1/2012: €14 million). The EBIT margin reached 3.6% (H1/2012: 4.0%).

Net income² was €9 million (H1/2012: €10 million).

Order intake increased to €311 million (H1/2012: €156 million). Fresenius Vamed received the largest single order in its history for a turnkey construction of an acute-care hospital in Austria, with a total volume of €173 million. As of June 30, 2013, the company's order backlog was €1,089 million (Dec. 31, 2012: €987 million).

SECOND QUARTER OF 2013

Sales in the second quarter of 2013 grew by 19% to €237 million (Q2/2012: €199 million). EBIT was €10 million (Q2/2012: €9 million). EBIT margin was 4.2% (Q2/2012: 4.5%). Net income² remained at the previous year's level of €6 million.

Please see page 19 of the Management Report for the 2013 outlook of Fresenius Vamed.

¹ Adjusted for post-acute care clinic Zihlschlacht transferred from Fresenius Helios to Fresenius Vamed.

² Net income attributable to shareholders of Vamed AG.

EMPLOYEES

As of June 30, 2013, the Fresenius Group increased the number of its employees by 2% to 173,325 (Dec. 31, 2012: 169,324).

EMPLOYEES BY BUSINESS SEGMENT

Number of employees	June 30, 2013	Dec. 31, 2012	Change
Fresenius Medical Care	92,749	90,866	2%
Fresenius Kabi	31,002	30,214	3%
Fresenius Helios	42,590	42,881	-1%
Fresenius Vamed	6,222	4,432	40%
Corporate/Other	762	931	-18%
Total	173,325	169,324	2%

RESEARCH AND DEVELOPMENT

We place great importance on research and development at Fresenius, where we develop products and therapies for severely and chronically ill patients. High quality is crucial for providing patients with optimal care, improving their quality of life, 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	H1/2013	H1/2012	Change
Fresenius Medical Care	47	43	9%
Fresenius Kabi	117	88	33%
Fresenius Helios	-	-	--
Fresenius Vamed	0	0	
Corporate/Other	3	9	-67%
Total	167	140	19%

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

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

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

DIALYSIS

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

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

Fresenius Kabi's R & D activities concentrate on products for the treatment and care of critically and chronically ill patients. Our focus is on therapy areas with high medical needs, such as in the therapy of oncology patients. We develop products that help to support medical advancements in acute and post acute care and improve the patients' quality of life. At the same time, we want to make high-quality treatments available to patients worldwide through our comprehensive range of generics. Our focus in the medical device segment is to develop products significantly contributing to a safe and effective application of infusion solutions and clinical nutrition. With the Fenwal acquisition we strengthened our R & D competencies in transfusion technology to support medical advancements in the medical devices area as well.

Our R & D strategy is aligned with this focus:

- ▶ develop innovative products in areas where we hold a leading position, such as clinical nutrition
- ▶ develop own generic drug formulations ready to launch at the time of market formation
- ▶ develop new formulations for non-patented drugs
- ▶ continue to develop and refine our existing portfolio of pharmaceuticals
- ▶ develop innovative medical devices.

Another important element of our activities is to obtain marketing approval for new products. We work continuously on dossiers for the registration of our products in every major market in the world. This applies both to our established portfolio, where we expand our distribution internationally through marketing approvals in new local markets. In addition, we work to obtain approvals for new products in order to expand our product portfolio.

OPPORTUNITIES AND RISK REPORT

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.

On July 1, 2013, the U.S. Centers for Medicare & Medicaid Services ("CMS") released a proposal to reduce the ESRD PPS (End-Stage Renal Disease Prospective Payment System) payment rate by 12% effective January 1, 2014. If implemented as proposed, the expected net effect of the reductions would result in an adverse impact on our Group earnings. Fresenius Medical Care will submit its comments during the public comment period and work with CMS to maintain the stability of the ESRD PPS to help ensure continued access to quality care for ESRD patients.

Aside from this, compared to the presentation in the 2012 annual report, there have been no material changes in Fresenius' overall opportunities and risk situation.

In addition, we report on legal proceedings, currency and interest risks on pages 44 to 49 in the Notes of this report.

SUBSEQUENT EVENTS

Fresenius Kabi received a Warning Letter, dated July 1, from the U.S. Food and Drug Administration (FDA) related to an inspection of its oncolytic API plant in Kalyani, India in January 2013. As a precautionary measure, production at the plant had been put on hold in January 2013. Fresenius previously informed investors about this inspection in February 2013. The Warning Letter observations are related to GMP non-conformities regarding manufacturing, documentation practices and data integrity. Many of the data integrity items cited in the Warning Letter were self-identified by Fresenius Kabi post-inspection and shared with the FDA. The company has made significant progress in remedying the issues cited in the Warning Letter. Based on a detailed remediation action plan submitted to the FDA, Fresenius Kabi has begun the process of restarting manufacture at the facility. The company takes this matter very seriously and responded comprehensively in a timely manner to the Warning Letter.

RATING

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

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

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

On June 17, 2013, Fitch revised its outlook to positive from stable and confirmed the BB+ company rating.

OUTLOOK 2013

FRESENIUS GROUP

Based on the Group's positive growth prospects for the second half of 2013, Fresenius raises its full-year earnings guidance. The company now expects net income¹ to increase by 11% to 14% in constant currency. Previously, Fresenius expected net income growth of 7% to 12% in constant currency. The company fully confirms its sales guidance. Sales are expected to increase by 7% to 10% in constant currency.

The net debt/EBITDA ratio is projected to be at the lower end of the targeted range of 2.5 to 3.0 by the end of 2013.

FRESENIUS MEDICAL CARE

Fresenius Medical Care expects revenue to grow to more than US\$14.6 billion in 2013. In April 2013 general budget cuts in the U.S. (sequestration) were effectively introduced. The company does not assume that these will be revised this year. Therefore, the net income guidance range has been confirmed

and has been substantiated for the potential impact from sequestration on the company's business performance. Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA is expected to be between US\$1.1 billion and US\$1.15 billion in 2013.

FRESENIUS KABI

Fresenius Kabi fully confirms its outlook for 2013 and projects sales growth of 12% to 14% in constant currency. Organic sales growth is expected in the range of 3% to 5%.

The company projects an EBIT margin of 19% to 20% excluding Fenwal and of 18% to 19% including Fenwal. EBIT² in constant currency is expected to exceed 2012 EBIT. The guidance includes expected one-time charges to remediate manufacturing issues following FDA audits at the Grand Island, USA, and Kalyani, India, facilities. It also includes a gain related to the sale of the respiratory homecare business in France.

GROUP FINANCIAL OUTLOOK 2013

	Previous guidance	New guidance
Sales, growth (constant currency)	7% – 10%	confirmed
Net income ¹ , growth (in constant currency)	7% – 12%	11% – 14%

OUTLOOK 2013 BY BUSINESS SEGMENT

	Previous guidance	New guidance
Fresenius Medical Care	Sales >US\$14.6 bn	confirmed
	Net income ³ US\$1.1 bn – US\$1.2 bn	US\$1.1 bn – US\$1.15 bn ⁴
Fresenius Kabi	Sales, growth (constant currency) 12% – 14%	confirmed
	Sales, growth (organic) 3% – 5%	confirmed
	EBIT margin excl. Fenwal 19% – 20%	confirmed
	EBIT margin incl. Fenwal 18% – 19%	confirmed
Fresenius Helios	Sales, growth (organic) 3% – 5%	confirmed
	EBIT €360 m – €380 m	€370 m – €395 m
Fresenius Vamed	Sales, growth 8% – 12%	confirmed
	EBIT, growth 5% – 10%	confirmed

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2013 excluding one-time integration costs of Fenwal (–€50 million pre tax). 2012 before one-time items.

² Fresenius Kabi 2013 guidance excludes Fenwal integration costs (–€50 million pre tax); also see Group guidance.

³ Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

⁴ Guidance range has been substantiated for the potential impact from sequestration.

FRESENIUS HELIOS

Fresenius Helios raises its 2013 full-year guidance to reflect the additional funding for German hospitals that will have a positive effect starting in August, 2013. The company now projects EBIT of €370 million to €395 million. Previously, it expected to reach an EBIT of €360 million to €380 million. Fresenius Helios fully confirms its sales outlook and projects organic sales growth of 3% to 5%.

FRESENIUS VAMED

Fresenius Vamed fully confirms its outlook for 2013 and expects to achieve sales growth of 8% to 12%. EBIT growth is projected in the range of 5% to 10%.

INVESTMENTS

The Group plans to invest around 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 the expected expansion. We expect that the number of employees will increase to approximately 180,000 in 2013.

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 as well as medical devices.

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

€ in millions	Q2/2013	Q2/2012	H1/2013	H1/2012
Sales	5,097	4,817	9,987	9,236
Cost of sales	-3,505	-3,232	-6,867	-6,212
Gross profit	1,592	1,585	3,120	3,024
Selling, general and administrative expenses	-770	-744	-1,532	-1,451
Research and development expenses	-90	-69	-167	-140
Operating income (EBIT)	732	772	1,421	1,433
Investment gain	0	11	0	108
Net interest	-150	-166	-313	-313
Other financial result	0	-29	0	-29
Financial result	-150	-184	-313	-234
Income before income taxes	582	588	1,108	1,199
Income taxes	-163	-181	-316	-337
Net income	419	407	792	862
Less noncontrolling interest	176	195	330	420
Net income attributable to shareholders of Fresenius SE & Co. KGaA	243	212	462	442
Earnings per ordinary share in €	1.36	1.22	2.59	2.63
Fully diluted earnings per ordinary share in €	1.34	1.21	2.56	2.60

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	Q2/2013	Q2/2012	H1/2013	H1/2012
Net income	419	407	792	862
Other comprehensive income (loss)				
Foreign currency translation	-263	365	-43	213
Cash flow hedges	21	2	33	14
Change of fair value of available for sale financial assets	8	-6	17	2
Actuarial gains/losses on defined benefit pension plans	11	-5	8	3
Income taxes related to components of other comprehensive income (loss)	-5	-3	-12	-19
Other comprehensive income (loss), net	-228	353	3	213
Total comprehensive income	191	760	795	1,075
Comprehensive income attributable to noncontrolling interest subject to put provisions	11	30	40	31
Comprehensive income attributable to noncontrolling interest not subject to put provisions	28	372	299	499
Comprehensive income attributable to shareholders of Fresenius SE & Co. KGaA	152	358	456	545

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

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

ASSETS

€ in millions	June 30, 2013	December 31, 2012
Cash and cash equivalents	842	885
Trade accounts receivable, less allowance for doubtful accounts	3,712	3,650
Accounts receivable from and loans to related parties	25	18
Inventories	1,997	1,840
Other current assets	1,328	1,319
Deferred taxes	353	401
I. Total current assets	8,257	8,113
Property, plant and equipment	4,966	4,918
Goodwill	15,176	15,014
Other intangible assets	1,234	1,284
Other non-current assets	1,061	1,077
Deferred taxes	279	258
II. Total non-current assets	22,716	22,551
Total assets	30,973	30,664

LIABILITIES AND SHAREHOLDERS' EQUITY

€ in millions	June 30, 2013	December 31, 2012
Trade accounts payable	839	961
Short-term accounts payable to related parties	1	2
Short-term accrued expenses and other short-term liabilities	3,234	3,211
Short-term debt	547	205
Short-term loans from related parties	0	4
Current portion of long-term debt and capital lease obligations	906	519
Short-term accruals for income taxes	238	230
Deferred taxes	37	66
A. Total short-term liabilities	5,802	5,198
Long-term debt and capital lease obligations, less current portion	4,503	4,436
Senior Notes	5,248	5,864
Long-term accrued expenses and other long-term liabilities	449	436
Pension liabilities	700	679
Long-term accruals for income taxes	208	213
Deferred taxes	692	682
B. Total long-term liabilities	11,800	12,310
I. Total liabilities	17,602	17,508
II. Noncontrolling interest subject to put provisions	416	398
A. Noncontrolling interest not subject to put provisions	5,144	5,125
Subscribed capital	178	178
Capital reserve	3,252	3,225
Other reserves	4,515	4,358
Accumulated other comprehensive loss	-134	-128
B. Total Fresenius SE & Co. KGaA shareholders' equity	7,811	7,633
III. Total shareholders' equity	12,955	12,758
Total liabilities and shareholders' equity	30,973	30,664

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	H1/2013	H1/2012
Operating activities		
Net income	792	862
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities		
Depreciation and amortization	412	366
Gain on sale of investments and divestitures	-44	0
Change in deferred taxes	-15	30
Loss on sale of fixed assets	-	1
Changes in assets and liabilities, net of amounts from businesses acquired or disposed of		
Trade accounts receivable, net	-91	-112
Inventories	-177	-96
Other current and non-current assets	-3	-35
Accounts receivable from/payable to related parties	-9	-13
Trade accounts payable, accrued expenses and other short-term and long-term liabilities	78	145
Accruals for income taxes	4	-12
Net cash provided by operating activities	947	1,136
Investing activities		
Purchase of property, plant and equipment	-433	-360
Proceeds from sales of property, plant and equipment	17	2
Acquisitions and investments, net of cash acquired and net purchases of intangible assets	-138	-2,684
Proceeds from sale of investments and divestitures	145	174
Net cash used in investing activities	-409	-2,868
Financing activities		
Proceeds from short-term loans	416	54
Repayments of short-term loans	-67	-63
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	1,777	709
Repayments of long-term debt and capital lease obligations	-1,485	-823
Proceeds from the issuance of bearer ordinary shares	0	1,014
Payments of additional costs of the capital increase	0	-16
Proceeds from the issuance of Senior Notes	500	1,760
Repayments of liabilities from Senior Notes	-1,150	0
Payments for the share buy-back program of Fresenius Medical Care	-176	0
Changes of accounts receivable securitization program	17	-64
Proceeds from the exercise of stock options	37	34
Dividends paid	-446	-374
Change in noncontrolling interest	-2	-131
Exchange rate effect due to corporate financing	-	-
Net cash used in/provided by financing activities	-579	2,100
Effect of exchange rate changes on cash and cash equivalents	-2	12
Net decrease/increase in cash and cash equivalents	-43	380
Cash and cash equivalents at the beginning of the reporting period	885	635
Cash and cash equivalents at the end of the reporting period	842	1,015

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

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Subscribed Capital			Reserves	
	Number of ordinary shares in thousand	Amount € in thousands	Amount € in millions	Capital reserve € in millions	Other reserves € in millions
As of December 31, 2011	163,237	163,237	163	2,136	3,658
Issuance of bearer ordinary shares	13,800	13,800	14	989	
Proceeds from the exercise of stock options	401	401	-	22	
Compensation expense related to stock options				10	
Dividends paid					-155
Purchase of noncontrolling interest not subject to put provisions					
Purchase of ordinary shares of Fresenius Medical Care AG & Co. KGaA					-71
Change in fair value of noncontrolling interest subject to put provisions				-10	
Comprehensive income (loss)					
Net income					442
Other comprehensive income (loss)					
Cash flow hedges					
Change of fair value of available for sale financial assets					
Foreign currency translation					
Actuarial gains on defined benefit pension plans					
Comprehensive income					442
As of June 30, 2012	177,438	177,438	177	3,147	3,874
As of December 31, 2012	178,188	178,188	178	3,225	4,358
Proceeds from the exercise of stock options	245	245	-	18	
Compensation expense related to stock options				12	
Dividends paid					-196
Sale of noncontrolling interest not subject to put provisions					
Share buy-back program of Fresenius Medical Care AG & Co. KGaA					-109
Change in fair value of noncontrolling interest subject to put provisions				-3	
Comprehensive income (loss)					
Net income					462
Other comprehensive income (loss)					
Cash flow hedges					
Change of fair value of available for sale financial assets					
Foreign currency translation					
Actuarial gains on defined benefit pension plans					
Comprehensive income (loss)					462
As of June 30, 2013	178,433	178,433	178	3,252	4,515

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Accumulated other com- prehensive income (loss) € in millions	Total Fresenius SE & Co. KGaA shareholders' equity € in millions	Noncontrolling interest not subject to put provisions € in millions	Total shareholders' equity € in millions
As of December 31, 2011	14	5,971	4,606	10,577
Issuance of bearer ordinary shares		1,003	0	1,003
Proceeds from the exercise of stock options		22	12	34
Compensation expense related to stock options		10	7	17
Dividends paid		-155	-198	-353
Purchase of noncontrolling interest not subject to put provisions		0	48	48
Purchase of ordinary shares of Fresenius Medical Care AG & Co. KGaA		-71	-43	-114
Change in fair value of noncontrolling interest subject to put provisions		-10	-22	-32
Comprehensive income (loss)				
Net income		442	398	840
Other comprehensive income (loss)				
Cash flow hedges	7	7	-9	-2
Change of fair value of available for sale financial assets	4	4	-	4
Foreign currency translation	91	91	109	200
Actuarial gains on defined benefit pension plans	1	1	1	2
Comprehensive income	103	545	499	1,044
As of June 30, 2012	117	7,315	4,909	12,224
As of December 31, 2012	-128	7,633	5,125	12,758
Proceeds from the exercise of stock options		18	19	37
Compensation expense related to stock options		12	7	19
Dividends paid		-196	-207	-403
Sale of noncontrolling interest not subject to put provisions		0	-13	-13
Share buy-back program of Fresenius Medical Care AG & Co. KGaA		-109	-81	-190
Change in fair value of noncontrolling interest subject to put provisions		-3	-5	-8
Comprehensive income (loss)				
Net income		462	293	755
Other comprehensive income (loss)				
Cash flow hedges	18	18	7	25
Change of fair value of available for sale financial assets	17	17	-	17
Foreign currency translation	-43	-43	-4	-47
Actuarial gains on defined benefit pension plans	2	2	3	5
Comprehensive income (loss)	-6	456	299	755
As of June 30, 2013	-134	7,811	5,144	12,955

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

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

by business segment, € in millions	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other			Fresenius Group		
	2013	2012 ³	Change	2013 ⁴	2012	Change	2013	2012	Change	2013	2012	Change	2013 ⁵	2012 ⁶	Change	2013	2012	Change
	Sales	5,388	5,150	5%	2,519	2,234	13%	1,695	1,525	11%	421	348	21%	-36	-21	-71%	9,987	9,236
thereof contribution to consolidated sales	5,376	5,140	5%	2,497	2,209	13%	1,695	1,525	11%	404	348	16%	15	14	7%	9,987	9,236	8%
thereof intercompany sales	12	10	20%	22	25	-12%	0	0		17	-	--	-51	-35	-46%	0	0	
contribution to consolidated sales	54%	55%		25%	24%		17%	17%		4%	4%		0%	0%		100%	100%	
EBITDA	1,030	1,069	-4%	575	530	8%	235	201	17%	19	18	6%	-26	-19	-37%	1,833	1,799	2%
Depreciation and amortization	240	227	6%	106	78	36%	56	51	10%	4	4	0%	6	6	0%	412	366	13%
EBIT	790	842	-6%	469	452	4%	179	150	19%	15	14	7%	-32	-25	-28%	1,421	1,433	-1%
Net interest	-158	-157	-1%	-130	-142	8%	-27	-33	18%	-1	-	--	3	19	-84%	-313	-313	0%
Income taxes	-208	-239	13%	-84	-84	0%	-29	-22	-32%	-4	-4	0%	9	12	-25%	-316	-337	6%
Net income attributable to shareholders of Fresenius SE & Co. KGaA ⁵	372	401	-7%	242	210	15%	119	91	31%	9	10	-10%	-280	-270	-4%	462	442	5%
Operating cash flow	640	719	-11%	238	288	-17%	80	79	1%	3	58	-95%	-14	-8	-75%	947	1,136	-17%
Cash flow before acquisitions and dividends	397	508	-22%	120	199	-40%	34	31	10%	-2	54	-104%	-18	-14	-29%	531	778	-32%
Total assets ¹	17,071	16,921	1%	8,718	8,662	1%	4,472	4,408	1%	730	676	8%	-18	-3	--	30,973	30,664	1%
Debt ¹	6,381	6,290	1%	4,933	4,964	-1%	1,341	1,293	4%	122	74	65%	-1,573	-1,593	1%	11,204	11,028	2%
Capital expenditure, gross	254	214	19%	111	118	-6%	50	46	9%	5	4	25%	5	6	-17%	425	388	10%
Acquisitions, gross/investments ²	86	1,304	-93%	55	6	--	5	562	-99%	6	21	-71%	-2	1,156	-100%	150	3,049	-95%
Research and development expenses	47	43	9%	117	88	33%	-	-	--	0	0		3	9	-67%	167	140	19%
Employees (per capita on balance sheet date) ¹	92,749	90,866	2%	31,002	30,214	3%	42,590	42,881	-1%	6,222	4,432	40%	762	931	-18%	173,325	169,324	2%
Key figures																		
EBITDA margin	19.1%	20.8%		22.8%	23.7%		13.9%	13.2%		4.5%	5.2%					18.6% ⁴	19.6% ⁸	
EBIT margin	14.7%	16.4%		18.6%	20.2%		10.6%	9.8%		3.6%	4.0%					14.5% ⁴	15.6% ⁸	
Depreciation and amortization in % of sales	4.5%	4.4%		4.2%	3.5%		3.3%	3.3%		1.0%	1.1%					4.1%	4.0%	
Operating cash flow in % of sales	11.8%	14.0%		9.4%	12.9%		4.7%	5.2%		0.7%	16.7%					9.5%	12.3%	
ROA ¹	11.0%	11.4%		12.2%	12.3%		8.6%	8.2%		11.8%	12.8%					10.6% ⁷	11.0% ⁹	

¹ 2012: December 31

² Includes an investment of cash in the amount of €952 million by Fresenius SE & Co. KGaA in the second quarter of 2012.

³ Excluding special item from the acquisition of Liberty Dialysis Holdings, Inc.

⁴ Excluding one-time integration costs of Fenwal Holdings, Inc.

⁵ Including one-time integration costs of Fenwal Holdings, Inc.

⁶ Including special item from the acquisition of Liberty Dialysis Holdings, Inc. and one-time costs related to the takeover offer to the shareholders of RHÖN-KLINIKUM AG

⁷ The underlying pro forma EBIT does not include one-time integration costs of Fenwal Holdings, Inc., one-time costs related to the takeover offer to the shareholders of RHÖN-KLINIKUM AG, special items from the renegotiation of the Venofor contract and the donation to the American Society of Nephrology.

⁸ Before one-time costs related to the takeover offer to the shareholders of RHÖN-KLINIKUM AG

⁹ The underlying pro forma EBIT does not include one-time costs related to the takeover offer to the shareholders of RHÖN-KLINIKUM AG, special items from the renegotiation of the Venofor contract and the donation to the American Society of Nephrology.

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

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

	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other			Fresenius Group		
	2013	2012 ²	Change	2013 ³	2012	Change	2013	2012	Change	2013	2012	Change	2013 ⁴	2012 ⁵	Change	2013	2012	Change
	2,765	2,672	3%	1,259	1,142	10%	854	815	5%	237	199	19%	-18	-11	-64%	5,097	4,817	6%
Sales	2,758	2,666	3%	1,248	1,129	11%	854	815	5%	229	199	15%	8	8	0%	5,097	4,817	6%
thereof contribution to consolidated sales	7	6	17%	11	13	-15%	0	0		8	-	--	-26	-19	-37%	0	0	
thereof intercompany sales	54%	55%		25%	24%		17%	17%		4%	4%		0%	0%		100%	100%	
contribution to consolidated sales	538	576	-7%	287	276	4%	121	109	11%	12	11	9%	-16	-11	-45%	942	961	-2%
EBITDA	122	118	3%	55	39	41%	29	27	7%	2	2	0%	2	3	-33%	210	189	11%
Depreciation and amortization	416	458	-9%	232	237	-2%	92	82	12%	10	9	11%	-18	-14	-29%	732	772	-5%
EBIT	-79	-82	4%	-64	-73	12%	-12	-19	37%	0	-	--	5	8	-38%	-150	-166	10%
Net interest	-110	-134	18%	-39	-44	11%	-15	-12	-25%	-3	-3	0%	4	12	-67%	-163	-181	10%
Income taxes	201	215	-7%	123	112	10%	63	50	26%	6	6	0%	-150	-171	12%	243	212	15%
Net income attributable to shareholders of Fresenius SE & Co. KGaA ⁴	401	352	14%	106	195	-46%	47	45	4%	-42	13	--	-9	-7	-29%	503	598	-16%
Operating cash flow	269	234	15%	44	142	-69%	20	16	25%	-46	10	--	-12	-10	-20%	275	392	-30%
Cash flow before acquisitions and dividends	142	119	19%	66	85	-22%	30	26	15%	4	3	33%	4	4	0%	246	237	4%
Capital expenditure, gross	29	38	-24%	42	2	--	2	19	-89%	-1	21	-105%	-1	1,042	-100%	71	1,122	-94%
Acquisitions, gross/investments ¹	24	21	14%	64	43	49%	-	-	--	0	0		2	5	-60%	90	69	30%
Research and development expenses																		
Key figures																		
EBITDA margin	19.5%	21.6%		22.8%	24.2%		14.2%	13.4%		5.1%	5.5%					18.9% ³	20.1% ⁶	
EBIT margin	15.1%	17.2%		18.4%	20.8%		10.8%	10.1%		4.2%	4.5%					14.8% ³	16.2% ⁶	
Depreciation and amortization in % of sales	4.4%	4.4%		4.4%	3.4%		3.4%	3.3%		0.8%	1.0%					4.1%	3.9%	
Operating cash flow in % of sales	14.6%	13.2%		8.4%	17.1%		5.5%	5.5%		-17.7%	6.5%					9.9%	12.4%	

¹ Includes an investment of cash in the amount of €952 million by Fresenius SE & Co. KGaA in the second quarter of 2012.

² Excluding special item from the acquisition of Liberty Dialysis Holdings, Inc.

³ Excluding one-time integration costs of Fenwal Holdings, Inc.

⁴ Including one-time integration costs of Fenwal Holdings, Inc.

⁵ Including special item from the acquisition of Liberty Dialysis Holdings, Inc. and one-time costs related to the takeover offer to the shareholders of RHÖN-KLINIKUM AG

⁶ Before one-time costs related to the takeover offer to the shareholders of RHÖN-KLINIKUM AG

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, 2013:

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

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

II. BASIS OF PRESENTATION

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

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

The accounting policies underlying these interim financial statements are mainly the same as those applied in the consolidated financial statements as of December 31, 2012.

III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The condensed consolidated financial statements and management report for the first half and the second quarter ended June 30, 2013 have not been audited nor reviewed and should be read in conjunction with the notes included in the consolidated financial statements as of December 31, 2012, published in the 2012 Annual Report.

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

The consolidated financial statements for the first half and the second quarter ended June 30, 2013 include all adjustments that, in the opinion of the Management Board, are of a normal and recurring nature and are necessary to provide an appropriate view of the assets and liabilities, financial position and results of operations of the Fresenius Group.

The results of operations for the first half ended June 30, 2013 are not necessarily indicative of the results of operations for the fiscal year 2013.

Classifications

Certain items in the consolidated financial statements for the first half of 2012 and for the year 2012 have been reclassified to conform with the current year's presentation.

Use of estimates

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

IV. RECENT PRONOUNCEMENTS, APPLIED

The Fresenius Group has prepared its consolidated financial statements at June 30, 2013 in conformity with U.S. GAAP in force for interim periods on January 1, 2013.

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

In December 2011, the Financial Accounting Standards Board (FASB) issued **Accounting Standards Update 2011-11** (ASU 2011-11), FASB Accounting Standards Codification (ASC)

Topic 210, Balance Sheet – Disclosures about Offsetting Assets and Liabilities. This amendment requires disclosing and reconciling the gross and net amounts for financial instruments that are offset in the statement of financial position, and the amounts for financial instruments that are subject to master netting arrangements and other similar clearing and repurchase arrangements. In January 2013, the FASB issued **Accounting Standards Update 2013-01** (ASU 2013-01), an update to FASB ASC Topic 210, Balance Sheet – Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities. The main purpose of ASU 2013-01 is to clarify the scope of balance sheet offsetting under ASU 2011-11 to include derivatives, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions that are offset or subject to master netting agreements. The disclosures required under ASU 2011-11 would apply to these transactions and other types of financial assets or liabilities will no longer be subject to ASU 2011-11. These updates are effective for periods beginning on or after January 1, 2013. The Fresenius Group does not utilize balance sheet offsetting for their derivative transactions. For further information see note 20, Financial instruments.

V. RECENT PRONOUNCEMENTS, NOT YET APPLIED

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

In July 2013, the FASB issued **Accounting Standards Update 2013-11** (ASU 2013-11), FASB ASC Topic 740, Income Taxes – Presentation of an Unrecognized Tax Benefit when a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists. The purpose of ASU 2013-11 is to align the financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss or a tax credit carryforward exists. In most cases, the unrecognized tax benefit should be presented as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss or a tax credit carryforward. The update is effective for periods beginning on or after December 15, 2013. The Fresenius Group is currently evaluating the impact of ASU 2013-11 on its consolidated financial statements.

In July 2013, the FASB issued **Accounting Standards Update 2013-10** (ASU 2013-10), FASB ASC Topic 815, Derivatives and Hedging – Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes. The purpose of ASU 2013-10 is to provide the inclusion of the Fed Funds Effective Swap Rate as a U.S. benchmark interest rate for hedge accounting purposes. This rate will now be available to use along with the U.S. government interest rates and the London Interbank Offered Rate. This update is effective prospectively for new or designated hedging relationships entered into on or after July 17, 2013. Currently, the Fresenius Group does not intend to utilize the newly available Fed Funds Effective Swap Rate for its hedge accounting.

In March 2013, the FASB issued **Accounting Standards Update 2013-05** (ASU 2013-05), FASB ASC Topic 830, Foreign Currency Matters – Parent’s Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity. The purpose of ASU 2013-05 is to provide clarification and further refinement regarding the treatment of the release of a cumulative translation adjustment into net income. This occurs in instances where the parent either sells a part or all of its investment in a foreign entity. Another possibility is if a company no longer holds a controlling interest in a subsidiary or group of assets that is a non-profit activity or business within a foreign entity. The update is effective for periods beginning on or after December 15, 2013. The Fresenius Group is currently evaluating the impact of ASU 2013-05 on its consolidated financial statements.

In February 2013, the FASB issued **Accounting Standards Update 2013-04** (ASU 2013-04), FASB ASC Topic 405, Liabilities – Obligations Resulting from Joint and Several Liability Arrangements for which the Total Amount of the Obligations is Fixed at the Reporting Date. ASU 2013-04’s objective is to provide guidance and clarification on the recognition, measurement and disclosure of obligations resulting from joint and several liability arrangements such as debt arrangements, other contractual obligations and settled litigation and judicial rulings. The update is effective for periods beginning on or after

December 15, 2013. The Fresenius Group is currently evaluating the impact of ASU 2013-04 on its consolidated financial statements.

In July 2011, the FASB issued **Accounting Standards Update 2011-06** (ASU 2011-06), FASB ASC Topic 720, Other Expenses – Fees Paid to the Federal Government by Health Insurers. The amendments in ASU 2011-06 address how health insurers should recognize and classify their income statement fees mandated by the Health Care and Educational Affordability Reconciliation Act. These amendments require that the liability for the fee be estimated and recorded in full once the entity provides qualifying health insurance in the applicable calendar year in which the fee is payable. In conjunction, the corresponding deferred cost is amortized to expense using a straight-line allocation method unless another method better allocates the fee over the entire calendar year for which it is payable. In addition, the ASU states that this fee does not meet the definition of an acquisition cost. The disclosures required under ASU 2011-06 are effective for calendar years beginning after December 31, 2013, when the fee initially becomes effective. The Fresenius Group will apply the guidance under ASU 2011-06 beginning January 1, 2014. The Fresenius Group is currently not expecting any impact on its consolidated financial statements.

2. ACQUISITIONS, DIVESTITURES AND INVESTMENTS

The Fresenius Group made acquisitions and investments of €150 million and €3,049 million in the first half of 2013 and 2012, respectively. Of this amount, €138 million was paid in cash and €12 million was assumed obligations in the first half of 2013.

FRESENIUS MEDICAL CARE

In the first half of 2013, Fresenius Medical Care spent €86 million on acquisitions, mainly for the purchase of dialysis clinics.

Acquisition of Liberty Dialysis Holdings, Inc.

On February 28, 2012, Fresenius Medical Care acquired 100% of the equity of Liberty Dialysis Holdings, Inc. (LD Holdings), the owner of Liberty Dialysis and owner of a 51% stake in Renal Advantage Partners, LLC (the Liberty Acquisition). Fresenius Medical Care accounted for this transaction as a business combination and finalized the acquisition accounting on February 28, 2013.

Total consideration for the Liberty Acquisition was US\$2,181 million, consisting of US\$1,696 million cash, net of cash acquired and US\$485 million non-cash consideration.

Accounting standards for business combinations require previously held equity interests to be fair valued at the time of the acquisition with the difference to book value to be recognized as a gain or loss in income. Prior to the Liberty Acquisition, Fresenius Medical Care had a 49% equity investment in Renal Advantage Partners, LLC, the fair value of which, US\$202 million, was included as part of the non-cash consideration. The fair value was determined based on the discounted cash flow method, utilizing a discount rate of approximately 13%. In addition to Fresenius Medical Care's investment, it also had a loan receivable from Renal Advantage Partners, LLC of US\$279 million, at a fair value of US\$283 million, which was retired as part of the transaction.

The following table summarizes the final fair values of assets acquired and liabilities assumed at the date of the acquisition. Any adjustments to acquisition accounting from December 31, 2012 until finalization, net of related income tax effects, were recorded with a corresponding adjustment to goodwill.

US\$ in millions	
Assets held for sale	164
Trade accounts receivable	150
Other current assets	17
Deferred tax assets	15
Property, plant and equipment	168
Intangible assets and other assets	85
Goodwill	2,003
Accounts payable, accrued expenses and other short-term liabilities	-105
Income tax payable and deferred taxes	-34
Short-term borrowings and other financial liabilities and long-term debt and capital lease obligations	-72
Other liabilities	-40
Noncontrolling interests (subject and not subject to put provisions)	-170
Total acquisition cost	2,181
Less, at fair value, non-cash contributions	
Investment at acquisition date	-202
Long-term Notes Receivable	-283
Total non-cash items	-485
Net Cash paid	1,696

The amortizable intangible assets acquired in this acquisition have weighted-average useful lives of 6–8 years.

Goodwill in the amount of US\$2,003 million was acquired as part of the Liberty Acquisition. Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill arises principally due to the fair value placed on an estimated stream of future cash flows versus building a similar franchise. Of the goodwill recognized in this acquisition, approximately US\$436 million is expected to be deductible for tax purposes and amortized over a 15 year period.

The noncontrolling interests acquired as part of the acquisition are stated at fair value based upon contractual multiples typically utilized by Fresenius Medical Care for such arrangements as well as Fresenius Medical Care's overall experience.

The fair valuation of Fresenius Medical Care's investment at the time of the Liberty Acquisition resulted in a non-taxable gain of US\$140 million. The retirement of the loan receivable resulted in a gain of US\$9 million.

Divestitures

In connection with the United States Federal Trade Commission consent order relating to the Liberty Acquisition, Fresenius Medical Care agreed to divest a total of 62 renal dialysis centers. By the end of the second quarter of 2012 and by December 31, 2012, 61 clinics were sold, 24 of which were FMC-AG & Co. KGaA clinics, which generated a gain of US\$33.5 million. In the second quarter of 2013, the remaining clinic was sold for a gain of US\$7.7 million. The 38 clinics acquired and subsequently sold were categorized as assets held for sale in the previous table at the time of the Liberty Acquisition.

FRESENIUS KABI

In the first half of 2013, Fresenius Kabi spent €55 million on acquisitions, mainly for a production plant in India and for compounding companies in Germany.

Acquisition of Fenwal Holdings, Inc.

On July 20, 2012, Fresenius Kabi announced the signing of a purchase agreement to acquire 100% of the share capital in Fenwal Holdings, Inc. (Fenwal), a leading U.S.-based provider of transfusion technology products for blood collection, separation and processing.

The transaction could be closed on December 13, 2012 after approval by the antitrust authorities. The Fresenius Group has consolidated Fenwal as of December 2012.

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

€ in millions	
Trade accounts receivable	61
Working capital and other assets	212
Assets	120
Liabilities	-520
Goodwill	382
Identifiable immaterial assets	331
Consideration transferred	586
Net debt acquired	259
Transaction amount	845

It is currently estimated that amortizable intangible assets acquired in this acquisition will have weighted-average useful lives of 10 to 15 years. The acquired amortizable intangible assets primarily consist of customer relationships in the amount of €70 million and technology in the amount of €237 million.

The goodwill in the amount of €382 million that was acquired as part of the Fenwal Acquisition is not deductible for tax purposes.

Divestitures

In December 2012, Fresenius Kabi announced that it had signed an agreement to sell its subsidiary Calea France SAS (Calea) to The Linde Group. Calea is active in the French homecare market and focuses on respiratory therapy, which is not a core business of Fresenius Kabi.

The transaction was completed in January 2013. The assets and liabilities of Calea were thus shown as held for sale in the consolidated statement of financial position as of December 31, 2012 under other assets and other liabilities.

FRESENIUS HELIOS

In the first half of 2013, Fresenius Helios spent €5 million on acquisitions, mainly for the purchase of the St. Josef Krankenhaus, Wipperfürth, Germany.

Acquisition of Damp Holding AG

In March 2012, Fresenius Helios closed the acquisition of Damp Holding AG (Damp), Germany. 100% of the share capital was acquired.

The Fresenius Group has consolidated Damp as of March 31, 2012. The transaction was accounted for as a business combination and the acquisition accounting was finalized on March 31, 2013.

The following table summarizes the final fair values of assets acquired and liabilities assumed at the date of the acquisition. Any adjustments to acquisition accounting from December 31, 2012 until finalization, net of related income tax effects, were recorded with a corresponding adjustment to goodwill.

€ in millions	
Trade accounts receivable	43
Working capital and other assets	56
Assets	241
Liabilities	-431
Goodwill	445
Consideration transferred	354
Net debt acquired	207
Transaction amount	561

The goodwill in the amount of €445 million that was acquired as part of the Damp Acquisition is not deductible for tax purposes.

Damp's results have been included in the consolidated statement of income since April 1, 2012.

FRESENIUS VAMED

In the first half of 2013, Fresenius Vamed spent €6 million on acquisitions, mainly for the purchase of the hospital Nemocnice sv. Zdislavy a. s., Czech Republic.

CORPORATE / OTHER

Divestitures

During the first half of 2013, German government securities in the amount of €37 million were divested.

On June 28, 2013, the sale of Fresenius Biotech to the Fuhrer family, owners of Neopharm, Israel's second-largest pharmaceutical company, was closed. The transaction includes both the trifunctional antibody Removab as well as the immunosuppressive drug ATG-Fresenius S.

Already in December 2012, Fresenius has decided to focus on its four established business segments Fresenius Medical Care, Fresenius Kabi, Fresenius Helios and Fresenius Vamed.

As a result of this decision, the assets and liabilities of Fresenius Biotech were shown as held for sale in the consolidated statement of financial position as of December 31, 2012 under other assets and other liabilities.

PRO FORMA FINANCIAL INFORMATION

The following unaudited financial information, on a pro forma basis, reflects the consolidated results of operations as if the acquisitions of Liberty, Damp and Fenwal had been consummated on January 1, 2012.

With respect to the Liberty Acquisition, the pro forma information is based on the assumption that the divestiture of the clinics had already been consummated on January 1, 2012.

With respect to the acquisition of Damp and Fenwal, the pro forma financial information mainly includes adjustments for interest expenses in connection with the acquisition of Damp and income taxes.

The pro forma financial information is not necessarily indicative of the results of operations as it would have been had the transactions been consummated on January 1, 2012.

€ in millions	H1/2012	
	as reported	pro forma
Sales	9,236	9,648
Net income attributable to shareholders of Fresenius SE & Co. KGaA	442	436
Basic earnings per ordinary share in €	2.63	2.59
Fully diluted earnings per ordinary share in €	2.60	2.56

NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

3. SPECIAL ITEMS

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the first half of 2013 in the amount of €462 million includes as special item one-time costs from the integration of Fenwal Holdings, Inc. in the amount of €20 million (€27 million before tax).

4. SALES

Sales by activity were as follows:

€ in millions	H1/2013	H1/2012
Sales of services	6,138	5,739
less patient service bad debt provision	-100	-106
Sales of products and related goods	3,733	3,404
Sales from long-term production contracts	210	186
Other sales	6	13
Sales	9,987	9,236

5. INVESTMENT GAIN

Fresenius Medical Care's acquisition of the remaining 51% stake in Renal Advantage Partners, LLC, in addition to its 49% equity investment held previously, represents a business combination achieved in stages in the course of the acquisition of Liberty Dialysis Holdings, Inc. The previous equity investment was measured at its fair value at the date of the acquisition of Liberty Dialysis Holdings, Inc. by Fresenius Medical Care. In the first half of 2012, the resultant non-taxable income of US\$140 million (€108 million) was presented in the separate line item investment gain in the consolidated statement of income.

6. TAXES

In the United States, Fresenius Medical Care filed claims for refunds contesting the Internal Revenue Service's (IRS) disallowance of Fresenius Medical Care Holdings, Inc.'s (FMCH) civil settlement payment deductions taken by FMCH in prior year tax returns. As a result of a settlement agreement with the IRS, Fresenius Medical Care received a partial refund in September 2008 of US\$37 million, inclusive of interest, and

preserved its right to pursue claims in the United States Courts for refunds of all other disallowed deductions, which totaled approximately US\$126 million. On December 22, 2008, Fresenius Medical Care filed a complaint for complete refund in the United States District Court for the District of Massachusetts, styled as Fresenius Medical Care Holdings, Inc. v. United States. On August 15, 2012, a jury entered a verdict for FMCH granting additional deductions of US\$95 million. On May 31, 2013, the District Court entered final judgment for FMCH in the amount of US\$50 million. On July 18, 2013, the District Court denied the IRS's post trial motion seeking to set aside the verdict and judgment and closed the file. The IRS may appeal to the Court of Appeals for the First Circuit (Boston).

During the first half of 2013, there were no further material changes relating to tax audits, accruals for income taxes, unrecognized tax benefits as well as recognized and accrued payments for interest and penalties. Explanations regarding the tax audits and further information can be found in the consolidated financial statements in the 2012 Annual Report.

7. EARNINGS PER SHARE

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

	H1/2013	H1/2012
Numerators, € in millions		
Net income attributable to shareholders of Fresenius SE & Co. KGaA	462	442
less effect from dilution due to Fresenius Medical Care shares	-	1
Income available to all ordinary shares	462	441
Denominators in number of shares		
Weighted-average number of ordinary shares outstanding	178,306,694	167,986,059
Potentially dilutive ordinary shares	1,817,683	1,696,063
Weighted-average number of ordinary shares outstanding assuming dilution	180,124,377	169,682,122
Basic earnings per ordinary share in €	2.59	2.63
Fully diluted earnings per ordinary share in €	2.56	2.60

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8. CASH AND CASH EQUIVALENTS

As of June 30, 2013 and December 31, 2012, cash and cash equivalents were as follows:

€ in millions	June 30, 2013	Dec. 31, 2012
Cash	822	865
Time deposits and securities (with a maturity of up to 90 days)	20	20
Total cash and cash equivalents	842	885

As of June 30, 2013 and December 31, 2012, earmarked funds of €77 million and €38 million, respectively, were included in cash and cash equivalents.

9. TRADE ACCOUNTS RECEIVABLE

As of June 30, 2013 and December 31, 2012, trade accounts receivable were as follows:

€ in millions	June 30, 2013	Dec. 31, 2012
Trade accounts receivable	4,146	4,056
less allowance for doubtful accounts	434	406
Trade accounts receivable, net	3,712	3,650

12. GOODWILL AND OTHER INTANGIBLE ASSETS

As of June 30, 2013 and December 31, 2012, intangible assets, split into amortizable and non-amortizable intangible assets, consisted of the following:

AMORTIZABLE INTANGIBLE ASSETS

€ in millions	June 30, 2013			Dec. 31, 2012		
	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Patents, product and distribution rights	585	229	356	585	216	369
Technology	322	43	279	321	32	289
Non-compete agreements	246	172	74	242	162	80
Other	683	340	343	684	319	365
Total	1,836	784	1,052	1,832	729	1,103

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

€ in millions	Q3-4/2013	2014	2015	2016	2017	Q1-2/2018
Estimated amortization expenses	67	129	123	116	114	54

10. INVENTORIES

As of June 30, 2013 and December 31, 2012, inventories consisted of the following:

€ in millions	June 30, 2013	Dec. 31, 2012
Raw materials and purchased components	463	433
Work in process	394	291
Finished goods	1,295	1,216
less reserves	155	100
Inventories, net	1,997	1,840

11. OTHER CURRENT AND NON-CURRENT ASSETS

As of June 30, 2013, investments, securities and long-term loans comprised investments of €473 million (December 31, 2012: €484 million), mainly regarding the joint venture between Fresenius Medical Care and Galenica Ltd., that were accounted for under the equity method. In the first half of 2013, income of €7 million (H1 2012: €7 million) resulting from this valuation was included in selling, general and administrative expenses in the consolidated statement of income. Moreover, investments, securities and long-term loans included €174 million financial assets available for sale as of June 30, 2013 (December 31, 2012: €182 million).

NON-AMORTIZABLE INTANGIBLE ASSETS

€ in millions	June 30, 2013			Dec. 31, 2012		
	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Tradenames	176	0	176	175	0	175
Management contracts	6	0	6	6	0	6
Goodwill	15,176	0	15,176	15,014	0	15,014
Total	15,358	0	15,358	15,195	0	15,195

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, 2012	7,100	3,793	1,722	48	6	12,669
Additions	1,707	396	447	11	0	2,561
Disposals	0	-1	-	0	0	-1
Reclassifications	0	0	-18	18	0	0
Foreign currency translation	-150	-65	0	0	0	-215
Carrying amount as of December 31, 2012	8,657	4,123	2,151	77	6	15,014
Additions	81	11	14	5	0	111
Disposals	0	-4	0	0	0	-4
Reclassifications	-	0	0	0	0	-
Foreign currency translation	30	25	0	0	0	55
Carrying amount as of June 30, 2013	8,768	4,155	2,165	82	6	15,176

As of June 30, 2013 and December 31, 2012, the carrying amounts of the other non-amortizable intangible assets were €166 million and €165 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 €547 million and €205 million at June 30, 2013 and December 31, 2012, respectively. As of June 30, 2013, this debt consisted of borrowings by certain entities of the Fresenius Group under lines of credit with commercial banks of €290 million. Furthermore, €257 million were outstanding under the commercial paper program of Fresenius SE & Co. KGaA.

LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

As of June 30, 2013 and December 31, 2012, long-term debt and capital lease obligations consisted of the following:

€ in millions	June 30, 2013	Dec. 31, 2012
Fresenius Medical Care 2012 Credit Agreement	2,165	2,016
2013 Senior Credit Agreement	1,529	0
2008 Senior Credit Agreement	0	1,170
Euro Notes	859	739
European Investment Bank Agreements	329	498
Accounts receivable facility of Fresenius Medical Care	141	123
Capital lease obligations	90	94
Other	296	315
Subtotal	5,409	4,955
less current portion	906	519
Long-term debt and capital lease obligations, less current portion	4,503	4,436

Fresenius Medical Care 2012 Credit Agreement

Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) entered into a new US\$3,850 million syndicated credit facility (Fresenius Medical Care 2012 Credit Agreement) with a large

group of banks and institutional investors on October 30, 2012 which replaced the 2006 Senior Credit Agreement.

The following tables show the available and outstanding amounts under the Fresenius Medical Care 2012 Credit Agreement at June 30, 2013 and at December 31, 2012:

	June 30, 2013			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit (in US\$)	US\$600 million	458	US\$102 million	77
Revolving Credit (in €)	€500 million	500	€100 million	100
Term Loan A	US\$2,600 million	1,988	US\$2,600 million	1,988
Total		2,946		2,165

	Dec. 31, 2012			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit (in US\$)	US\$600 million	454	US\$59 million	45
Revolving Credit (in €)	€500 million	500	€0 million	0
Term Loan A	US\$2,600 million	1,971	US\$2,600 million	1,971
Total		2,925		2,016

In addition, at June 30, 2013 and December 31, 2012, Fresenius Medical Care had letters of credit outstanding in the amount of US\$11 million and US\$77 million, respectively, which were not included above as part of the balance outstanding at those dates but which reduce available borrowings under the Revolving Credit Facility.

As of June 30, 2013, FMC-AG & Co. KGaA and its subsidiaries were in compliance with all covenants under the Fresenius Medical Care 2012 Credit Agreement.

2013 Senior Credit Agreement

On December 20, 2012, Fresenius SE & Co. KGaA and various subsidiaries entered into a delayed draw syndicated credit agreement (2013 Senior Credit Agreement) in the amount of US\$1,300 million and €1,250 million. The 2013 Senior Credit

Agreement was funded on June 28, 2013 and replaced the 2008 Senior Credit Agreement.

The following tables show the available and outstanding amounts under the 2013 Senior Credit Agreement at June 30, 2013 and under the 2008 Senior Credit Agreement at December 31, 2012:

2013 SENIOR CREDIT AGREEMENT

	June 30, 2013			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facilities (in €)	€600 million	600	€0 million	0
Revolving Credit Facilities (in US\$)	US\$300 million	229	US\$150 million	114
Term Loan A (in €)	€650 million	650	€650 million	650
Term Loan A (in US\$)	US\$1,000 million	765	US\$1,000 million	765
Total		2,244		1,529

2008 SENIOR CREDIT AGREEMENT

	Dec. 31, 2012			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facilities	US\$550 million	416	US\$0 million	0
Term Loan A	US\$375 million	284	US\$375 million	284
Term Loan D (in US\$)	US\$959 million	728	US\$959 million	728
Term Loan D (in €)	€158 million	158	€158 million	158
Total		1,586		1,170

The 2013 Senior Credit Agreement consists of:

- ▶ 5-year revolving credit facilities in the aggregate principal amount of US\$300 million, €400 million and a €200 million multicurrency facility with a final repayment date on June 28, 2018.
- ▶ 5-year term loan facilities in the aggregate principal amount of US\$1,000 million and €650 million (together Term Loan A). Term Loan A amortizes and is repayable in unequal quarterly installments with a final maturity on June 28, 2018.

The 2013 Senior Credit Agreement may be increased by establishing additional incremental facilities if certain conditions are met.

The interest rate on each borrowing under the 2013 Senior Credit Agreement is a rate equal to either (i) LIBOR or EURIBOR (as applicable) plus an applicable margin or (ii) the Base Rate as defined in the 2013 Senior Credit Agreement

plus an applicable margin. The applicable margin is variable and depends on the leverage ratio as defined in the 2013 Senior Credit Agreement.

In addition to scheduled principal payments, indebtedness outstanding under the 2013 Senior Credit Agreement will be reduced by mandatory prepayments in the case of certain sales of assets and the incurrence of certain additional indebtedness, with the amount to be prepaid depending on the proceeds which are generated by the respective transaction.

The 2013 Senior Credit Agreement is guaranteed by Fresenius SE & Co. KGaA, Fresenius ProServe GmbH, Fresenius Kabi AG and certain U.S. subsidiaries of Fresenius Kabi AG. Obligations under the 2013 Senior Credit Agreement are secured by pledges of capital stock of certain material subsidiaries of Fresenius Kabi AG in favor of the lenders.

The 2013 Senior Credit Agreement contains a number of customary affirmative and negative covenants and other payment restrictions. These covenants include limitations on liens, sale of assets, incurrence of debt, investments and acquisitions and restrictions on the payment of dividends, among other items. The 2013 Senior Credit Agreement also includes financial covenants – as defined in the agreement –

that require Fresenius SE & Co. KGaA and its subsidiaries (other than Fresenius Medical Care and its subsidiaries) to maintain a maximum leverage ratio and a minimum interest coverage ratio.

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

Euro Notes

As of June 30, 2013 and December 31, 2012, Euro Notes (Schuldscheindarlehen) of the Fresenius Group consisted of the following:

	Maturity	Interest rate	Book value/nominal value € in millions	
			June 30, 2013	Dec. 31, 2012
Fresenius Finance B.V. 2008/2014	April 2, 2014	5.98%	112	112
Fresenius Finance B.V. 2008/2014	April 2, 2014	variable	88	88
Fresenius Finance B.V. 2007/2014	July 2, 2014	5.75%	38	38
Fresenius Finance B.V. 2007/2014	July 2, 2014	variable	62	62
Fresenius SE & Co. KGaA 2012/2016	April 4, 2016	3.36%	156	156
Fresenius SE & Co. KGaA 2012/2016	April 4, 2016	variable	129	129
Fresenius SE & Co. KGaA 2013/2017	Aug. 22, 2017	2.65%	51	0
Fresenius SE & Co. KGaA 2013/2017	Aug. 22, 2017	variable	74	0
Fresenius SE & Co. KGaA 2012/2018	April 4, 2018	4.09%	72	72
Fresenius SE & Co. KGaA 2012/2018	April 4, 2018	variable	43	43
Fresenius Medical Care AG & Co. KGaA 2009/2014	Oct. 27, 2014	8.38%	11	12
Fresenius Medical Care AG & Co. KGaA 2009/2014	Oct. 27, 2014	variable	23	27
Euro Notes			859	739

On February 22, 2013, Fresenius SE & Co. KGaA issued Euro Notes in an amount of €125 million. Proceeds were used for general corporate purposes. The new Euro Notes are guaranteed by Fresenius Kabi AG and Fresenius ProServe GmbH.

The Euro Notes issued by Fresenius Finance B.V. in the amount of €200 million, which are due on April 2, 2014, are shown as current portion of long-term debt and capital lease obligations in the consolidated statement of financial position.

As of June 30, 2013, the Fresenius Group was in compliance with all of its covenants under the Euro Notes.

European Investment Bank Agreements

The following table shows the amounts outstanding under the European Investment Bank (EIB) facilities as of June 30, 2013 and December 31, 2012:

	Maturity	Book value € in millions	
		June 30, 2013	Dec. 31, 2012
Fresenius SE & Co. KGaA	2013	100	196
Fresenius Medical Care AG & Co. KGaA	2013/2014	177 ¹	246 ¹
HELIOS Kliniken GmbH	2019	52	56
Loans from EIB		329	498

¹ Difference due to foreign currency translation and repayments

The majority of the loans are denominated in euros. The U.S. dollar denominated borrowings of FMC-AG & Co. KGaA amounted to US\$49 million (€37 million) at June 30, 2013. At June 30, 2013, all credit lines were utilized.

At June 14, 2013, €96 million borrowings of Fresenius SE & Co. KGaA and US\$91 million borrowings of FMC-AG & Co. KGaA were due. The loans were repaid as scheduled.

The loans borrowed by Fresenius SE & Co. KGaA and FMC-AG & Co. KGaA, which are due in September 2013 and the loans of FMC-AG & Co. KGaA which are due in February 2014 are shown as current portion of long-term debt and

capital lease obligations in the consolidated statement of financial position.

As of June 30, 2013, the Fresenius Group was in compliance with the respective covenants.

CREDIT LINES

In addition to the financial liabilities described before, the Fresenius Group maintains additional credit facilities which have not been utilized, or have only been utilized in part, as of the reporting date. At June 30, 2013, the additional financial cushion resulting from unutilized credit facilities was approximately €2.2 billion.

14. SENIOR NOTES

As of June 30, 2013 and December 31, 2012, Senior Notes of the Fresenius Group consisted of the following:

	Notional amount	Maturity	Interest rate	Book value € in millions	
				June 30, 2013	Dec. 31, 2012
Fresenius Finance B.V. 2006/2013	€500 million	Jan. 31, 2013	5.00%	0	500
Fresenius Finance B.V. 2006/2016	€650 million	Jan. 31, 2016	5.50%	0	645
Fresenius Finance B.V. 2012/2019	€500 million	Apr. 15, 2019	4.25%	500	500
Fresenius Finance B.V. 2013/2020	€500 million	July 15, 2020	2.875%	500	0
Fresenius US Finance II, Inc. 2009/2015	€275 million	July 15, 2015	8.75%	269	267
Fresenius US Finance II, Inc. 2009/2015	US\$500 million	July 15, 2015	9.00%	374	369
FMC Finance VI S.A. 2010/2016	€250 million	July 15, 2016	5.50%	248	248
FMC Finance VII S.A. 2011/2021	€300 million	Feb. 15, 2021	5.25%	295	294
FMC Finance VIII S.A. 2011/2016	€100 million	Oct. 15, 2016	variable	100	100
FMC Finance VIII S.A. 2011/2018	€400 million	Sept. 15, 2018	6.50%	396	396
FMC Finance VIII S.A. 2012/2019	€250 million	July 31, 2019	5.25%	243	243
Fresenius Medical Care US Finance, Inc. 2007/2017	US\$500 million	July 15, 2017	6.875%	380	376
Fresenius Medical Care US Finance, Inc. 2011/2021	US\$650 million	Feb. 15, 2021	5.75%	493	489
Fresenius Medical Care US Finance II, Inc. 2011/2018	US\$400 million	Sept. 15, 2018	6.50%	303	300
Fresenius Medical Care US Finance II, Inc. 2012/2019	US\$800 million	July 31, 2019	5.625%	612	606
Fresenius Medical Care US Finance II, Inc. 2012/2022	US\$700 million	Jan. 31, 2022	5.875%	535	531
Senior Notes				5,248	5,864

On January 7, 2013, Fresenius announced the early redemption of the 5.5% Senior Notes due in 2016 that were issued in 2006. The aggregate principal amount of €650 million was completely repaid on February 7, 2013 at a price of 100.916% plus accrued and unpaid interest. Initially, the redemption was financed by utilizing existing credit lines. From the end of June 2013, the 2013 Senior Credit Agreement was used for the refinancing.

On January 24, 2013, Fresenius Finance B.V. issued unsecured Senior Notes of €500 million at par which are due in 2020. Net proceeds were used to refinance the Senior Notes which were due in January 2013.

The Senior Notes are guaranteed by Fresenius SE & Co. KGaA, Fresenius Kabi AG and Fresenius ProServe GmbH.

The Senior Notes issued by Fresenius Finance B.V. which were due on January 31, 2013 were shown as long-term debt in the consolidated statement of financial position as of December 31, 2012.

As of June 30, 2013, the Fresenius Group was in compliance with all of its covenants.

15. PENSIONS AND SIMILAR OBLIGATIONS

DEFINED BENEFIT PENSION PLANS

At June 30, 2013, the pension liability of the Fresenius Group was €713 million. The current portion of the pension liability of €13 million is recognized in the consolidated statement of financial position within short-term accrued expenses and other short-term liabilities. The non-current portion of €700 million is recorded as pension liability.

Contributions to Fresenius Group's pension fund were €6 million in the first half of 2013. The Fresenius Group expects approximately €15 million contributions to the pension fund during 2013.

Defined benefit pension plans' net periodic benefit costs of €38 million (H1 2012: €28 million) were comprised of the following components:

€ in millions	H1/2013	H1/2012
Service cost	14	10
Interest cost	20	19
Expected return on plan assets	-8	-8
Amortization of unrealized actuarial losses, net	11	7
Amortization of prior service costs	1	-
Amortization of transition obligations	-	-
Settlement loss	-	0
Net periodic benefit cost	38	28

16. NONCONTROLLING INTEREST

NONCONTROLLING INTEREST SUBJECT TO PUT PROVISIONS

Noncontrolling interest subject to put provisions changed as follows:

€ in millions	H1/2013
Noncontrolling interest subject to put provisions as of January 1, 2013	398
Noncontrolling interest subject to put provisions in profit	37
Purchase of noncontrolling interest subject to put provisions	13
Dividend payments	-43
Currency effects, first-time consolidations and other changes	11
Noncontrolling interest subject to put provisions as of June 30, 2013	416

As of June 30, 2013 and December 31, 2012, €159 million and €173 million, respectively, were exercisable. During the first half of 2013, no put options were exercised.

NONCONTROLLING INTEREST NOT SUBJECT TO PUT PROVISIONS

As of June 30, 2013 and December 31, 2012, noncontrolling interest not subject to put provisions in the Fresenius Group was as follows:

€ in millions	June 30, 2013	Dec. 31, 2012
Noncontrolling interest not subject to put provisions in Fresenius Medical Care AG & Co. KGaA	4,711	4,692
Noncontrolling interest not subject to put provisions in VAMED AG	32	33
Noncontrolling interest not subject to put provisions in the business segments		
Fresenius Medical Care	205	201
Fresenius Kabi	80	86
Fresenius Helios	114	111
Fresenius Vamed	2	2
Total noncontrolling interest not subject to put provisions	5,144	5,125

Noncontrolling interest not subject to put provisions changed as follows:

€ in millions	H1/2013
Noncontrolling interest not subject to put provisions as of January 1, 2013	5,125
Noncontrolling interest not subject to put provisions in profit	293
Stock options	26
Sale of noncontrolling interest not subject to put provisions	-13
Share buy-back program of Fresenius Medical Care AG & Co. KGaA	-81
Dividend payments	-207
Currency effects, first-time consolidations and other changes	1
Noncontrolling interest not subject to put provisions as of June 30, 2013	5,144

17. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

SUBSCRIBED CAPITAL

During the first half of 2013, 244,697 stock options were exercised. Consequently, as of June 30, 2013, the subscribed capital of Fresenius SE & Co. KGaA consisted of 178,432,957 bearer ordinary shares. The shares are issued as non-par value shares. The proportionate amount of the subscribed capital is €1.00 per share.

AUTHORIZED CAPITAL

By resolution of the Annual General Meeting on May 17, 2013, the previous Authorized Capital I was 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 16, 2018, to increase Fresenius SE & Co. KGaA's subscribed capital by a total amount of up to €40,320,000 through a single issue or multiple issues of new bearer ordinary shares against cash contributions and/or contributions in kind (Authorized Capital I). A subscription right must be granted to the shareholders in principle. In defined cases, the general partner is authorized, with the consent of the Supervisory Board, to decide on the exclusion of the shareholders' subscription right (e. g. to eliminate fractional amounts). For cash contributions, the authorization can only be exercised if the issue price is not significantly below the stock exchange price of the already listed shares at the time the issue price is fixed with final effect by the general partner. Furthermore, the proportionate amount of the shares issued with exclusion of subscription rights may not exceed 10% of the subscribed capital neither at the time of the resolution on the authorization nor at the time of the utilization of the authorization. In the case of a contribution in kind, the subscription right can be excluded only in order to acquire a company, parts of a company or a participation in a company. The authorizations granted concerning the exclusion of subscription rights can be used by the general partner

only to such extent that the proportional amount of the total number of shares issued with exclusion of the subscription rights does not exceed 20% of the subscribed capital, neither at the time of the resolution on the authorization nor at the time of the utilization of the authorization.

The changes to the Authorized Capital became effective upon registration of the amendments to the articles of association with the commercial register on June 3, 2013.

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, Conditional Capital III and Conditional Capital IV. 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 2003, 2008 and 2013 (see note 24, Stock options).

By resolution of the Annual General Meeting on May 17, 2013, the previous Conditional Capital I was revoked. Additionally, the change of the previous Conditional Capital II in Conditional Capital I, the change of the previous Conditional Capital III in Conditional Capital II as well as the change of the previous Conditional Capital IV in Conditional Capital III were resolved.

By resolution on May 17, 2013, the Annual General Meeting of Fresenius SE & Co. KGaA authorized the general partner until May 16, 2018, to issue up to 8,400,000 subscription rights for up to 8,400,000 non-par value bearer ordinary shares of Fresenius SE & Co. KGaA in the framework of the 2013 Stock Option Plan. The authorization shall fall to the Supervisory Board alone, if members of the Management Board of the general partner are concerned. To fulfill the granted subscription rights, the subscribed capital of Fresenius SE & Co. KGaA was increased conditionally by up to €8,400,000 through issuing of up to 8,400,000 new bearer ordinary shares (Conditional Capital IV). The change of Fresenius SE & Co. KGaA's articles of association with regard to the Conditional Capital I, II, III and IV became effective upon registration with the

commercial register on June 3, 2013. The conditional capital increase shall only be implemented to the extent that subscription rights were or are issued according to the 2013 Stock Option Plan, the holders of subscription rights exercise

their option rights and as long as no other forms of settlement are used. The new bearer ordinary shares shall participate in the profits from the start of the fiscal year in which they are issued.

The following table shows the development of the Conditional Capital:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 1998 (until June 3, 2013)	857,970
Conditional Capital I Fresenius AG Stock Option Plan 2003 (until June 3, 2013: Conditional Capital II)	2,497,254
Conditional Capital II Fresenius SE Stock Option Plan 2008 (until June 3, 2013: Conditional Capital III)	5,383,434
Conditional Capital III, approved on May 11, 2012 (until June 3, 2013: Conditional Capital IV)	16,323,734
Total Conditional Capital as of January 1, 2013	25,062,392
Cancellation of the previous Conditional Capital I Fresenius AG Stock Option Plan 1998	-857,970
Fresenius AG Stock Option Plan 2003 – options exercised	-104,983
Fresenius SE Stock Option Plan 2008 – options exercised	-139,714
Creation of Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	8,400,000
Total Conditional Capital as of June 30, 2013	32,359,725

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 2013, a dividend of €1.10 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 €196 million.

SHARE BUY-BACK PROGRAM OF FRESENIUS MEDICAL CARE

Fresenius Medical Care announced the share buy-back program and intends to repurchase ordinary shares in an aggregate value of up to €385 million (approximately US\$500 million). This program is expected to run into the third quarter of 2013. At June 30, 2013, 3,580,807 shares were repurchased in the amount of €190 million.

18. OTHER COMPREHENSIVE INCOME (LOSS)

Other comprehensive income (loss) comprises all amounts recognized directly in equity (net of tax) resulting from the currency translation of foreign subsidiaries' financial statements

and the effects of measuring financial instruments at their fair value as well as the change in benefit obligation.

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

€ in millions	Cash flow hedges	Change of fair value of available for sale financial assets	Foreign currency translation	Actuarial gains/losses on defined benefit pension plans	Total, before non-controlling interest	Non-controlling interest	Total
Balance as of December 31, 2011	-145	-8	248	-81	14	132	146
Other comprehensive income (loss) before reclassifications	-1	4	91	-1	93	104	197
Amounts reclassified from accumulated other comprehensive income (loss)	8	0	-	2	10	6	16
Other comprehensive income (loss), net	7	4	91	1	103	110	213
Balance as of June 30, 2012	-138	-4	339	-80	117	242	359
Balance as of December 31, 2012	-122	-17	168	-157	-128	13	-115
Other comprehensive income (loss) before reclassifications	13	17	-43	-2	-15	-	-15
Amounts reclassified from accumulated other comprehensive income (loss)	5	0	-	4	9	9	18
Other comprehensive income (loss), net	18	17	-43	2	-6	9	3
Balance as of June 30, 2013	-104	-	125	-155	-134	22	-112

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

€ in millions	Amount of gain or loss reclassified from accumulated other comprehensive (income) loss		Affected line item in the consolidated statement of income
	H1/2013	H1/2012	
Details about accumulated other comprehensive (income) loss components			
Cash flow hedges			
Interest rate contracts	14	17	Interest income/expense
Foreign exchange contracts	-	-6	Cost of sales
Foreign exchange contracts	-1	-1	Selling, general and administrative expenses
Foreign exchange contracts	1	1	Interest income/expense
Other comprehensive income	14	11	
Tax expense or benefit	-4	-	
Other comprehensive income, net	10	11	
Amortization of defined benefit pension items			
Prior service costs	1	-	1
Transition obligations	-	-	1
Actuarial gains/losses on defined benefit pension plans	11	8	1
Other comprehensive income	12	8	
Tax expense or benefit	-4	-3	
Other comprehensive income, net	8	5	
Total reclassifications for the period	18	16	

¹ Net periodic benefit cost is allocated as personnel expense within cost of sales or selling, general and administrative expenses as well as research and development expenses.

OTHER NOTES

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

Further information regarding legal disputes, court proceedings and investigations can be found in detail in the consolidated financial statements in the 2012 Annual Report. In the following, only the changes during the first half ended June 30, 2013 compared to the information provided in the consolidated financial statements are described. These changes should be read in conjunction with the overall information in the consolidated financial statements in the 2012 Annual Report; defined terms or abbreviations having the same meaning as in the 2012 Annual Report.

BAXTER PATENT DISPUTE

"TOUCHSCREEN INTERFACES" (1)

On July 2, 2013, the Federal Circuit denied Baxter's appeal and ordered the District Court to dismiss the case.

PRODUCT LIABILITY LITIGATION

On April 5, 2013, the U.S. Judicial Panel on Multidistrict Litigation ordered that lawsuits filed in various federal courts alleging wrongful death and personal injury claims against Fresenius Medical Care Holdings, Inc.'s (FMCH) and certain of its affiliates relating to FMCH's dialysate concentrate products NaturaLyte® and Granuflo® be transferred and consolidated for pretrial management purposes into a consolidated multidistrict litigation in the United States District Court for the District of Massachusetts, styled In Re: Fresenius Granuflo/Naturalyte Dialysate Products Liability Litigation, Case No. 2013-md-02428. These lawsuits allege generally that inadequate labeling and warnings for these products caused harm to patients. In addition, similar cases have been filed in other courts that will not be formally consolidated with the federal multidistrict litigation. FMCH believes that these lawsuits are without merit, and will defend them vigorously.

In several further cases with the same subject matter in dispute, complaints were formally served on Fresenius SE & Co. KGaA and Fresenius Management SE causing both companies to become formally involved in the litigation. Also for these cases, both companies believe the lawsuits to be without merit and intend to defend them vigorously.

RENAL CARE GROUP – CLASS ACTION "ACQUISITION"

On January 11, 2013, the period for objection to a settlement agreed to by plaintiff expired. The settlement calls for dismissal of the complaint with prejudice against the plaintiff and all other class members in exchange for a payment that is not material to Fresenius Medical Care. The settlement has been funded and distribution is being overseen by the Nashville Chancery Court.

SUBPOENA “AMERICAN ACCESS CARE, LLC”

In May 2013, a fourth subpoena was served by the United States Attorney for the Eastern District of Virginia (Richmond). Also in May 2013, updated document productions were requested by the U.S. Attorneys for Rhode Island and Connecticut. Although the subpoenas cover a wide range of documents and activities of AAC, the focus of the investigation is procedure coding and related billing practices and procedures.

INTERNAL REVIEW

Fresenius Medical Care’s independent counsel, in conjunction with Fresenius Medical Care’s Compliance department, have reviewed Fresenius Medical Care’s anti-corruption compliance program, including internal controls related to compliance with international anti-bribery laws, and appropriate enhancements are being implemented.

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

The Fresenius Group, like other health care providers, conducts its operations under intense government regulation and scrutiny. It must comply with regulations which relate to or govern the safety and efficacy of medical products and supplies, the marketing and distribution of such products, the operation of manufacturing facilities, laboratories and dialysis clinics, and environmental and occupational health and safety. With respect to its development, manufacture, marketing and distribution of medical products, if such compliance is not maintained, the Fresenius Group could be subject to significant adverse regulatory actions by the U.S. Food and Drug Administration (FDA) and comparable regulatory authorities outside the U.S. These regulatory actions could include warning letters or other enforcement notices from

the FDA and/or comparable foreign regulatory authority, which may require the Fresenius Group to expend significant time and resources in order to implement appropriate corrective actions. If warning letters or other enforcement notices are not addressed by the Fresenius Group to the satisfaction of the FDA and/or comparable regulatory authorities outside the U.S., these regulatory authorities could take additional actions, including product recalls, injunctions against the distribution of products or operation of manufacturing plants, civil penalties, seizures of Fresenius Group’s products, and/or criminal prosecution. The Fresenius Group must also comply with the laws of the United States, including the federal Anti-Kickback Statute, the federal False Claims Act, the federal Stark Law and the federal Foreign Corrupt Practices Act as well as other federal and state fraud and abuse laws. Applicable laws or regulations may be amended, or enforcement agencies or courts may make interpretations that differ from Fresenius Group’s interpretations or the manner in which it conducts its business. Enforcement has become a high priority for the federal government and some states. In addition, the provisions of the False Claims Act authorizing payment of a portion of any recovery to the party bringing the suit encourage private plaintiffs to commence “qui tam” or “whistle blower” actions. In May 2009, the scope of the False Claims Act was expanded and additional protections for whistle blowers and procedural provisions to aid whistle blowers’ ability to proceed in a False Claims Act case were added. By virtue of this regulatory environment, Fresenius Group’s business activities and practices are subject to extensive review by regulatory authorities and private parties, and continuing audits, investigative demands, subpoenas, other inquiries, claims and litigation relating to Fresenius Group’s compliance with applicable laws and regulations. The Fresenius Group may not always be aware that an inquiry or action has begun, particularly in the case of “whistle blower” actions, which are initially filed under court seal.

20. FINANCIAL INSTRUMENTS

VALUATION OF FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and fair values as well as the fair value hierarchy levels of Fresenius Group's financial instruments as of June 30, 2013 and December 31, 2012, classified into classes:

€ in millions	Fair value hierarchy level	June 30, 2013		Dec. 31, 2012	
		Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	1	842	842	885	885
Assets recognized at carrying amount	2	3,737	3,737	3,668	3,668
Assets recognized at fair value	1	174	174	182	182
Liabilities recognized at carrying amount	2	12,044	12,422	11,991	12,593
Liabilities recognized at fair value	2	19	19	23	23
Noncontrolling interest subject to put provisions recognized at fair value	3	416	416	398	398
Derivatives for hedging purposes	2	-6	-6	-35	-35

The significant methods and assumptions used to estimate the fair values of financial instruments as well as classification of fair value measurements according to the three-tier fair value hierarchy are as follows:

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

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

The fair values of major long-term financial instruments are calculated on the basis of market information. Financial instruments for which market quotes are available are measured with the market quotes at the reporting date. The fair values of the other long-term financial liabilities are calculated at the present value of respective future cash flows. To determine these present values, the prevailing interest rates and credit spreads for the Fresenius Group as of the date of the statement of financial position are used.

The class assets recognized at carrying amount mainly consisting of trade accounts receivable is classified as fair value hierarchy Level 2.

The class assets recognized at fair value comprises European government bonds and shares. The fair values of these assets are calculated on the basis of market information. Therefore, this class is classified as Level 1.

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

The class liabilities recognized at fair value is classified as hierarchy Level 2.

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

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

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

For the fair value measurement of the class derivatives for hedging purposes, significant other observable inputs are used. Therefore, they are classified as Level 2 in accordance with the defined fair value hierarchy levels.

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

FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

€ in millions	June 30, 2013		Dec. 31, 2012	
	Assets	Liabilities	Assets	Liabilities
Interest rate contracts (current)	0	8	0	50
Interest rate contracts (non-current)	0	10	0	18
Foreign exchange contracts (current)	17	4	15	11
Foreign exchange contracts (non-current)	-	-	1	-
Derivatives designated as hedging instruments¹	17	22	16	79
Interest rate contracts (current)	0	3	0	6
Interest rate contracts (non-current)	0	1	0	2
Foreign exchange contracts (current) ¹	16	17	37	9
Foreign exchange contracts (non-current) ¹	1	1	-	-
Derivatives not designated as hedging instruments	17	22	37	17

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

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

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

Derivatives for hedging purposes were recognized at gross value within other assets in an amount of €34 million and other liabilities in an amount of €40 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.

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

€ in millions	H1/2013		
	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	12	14	1
Foreign exchange contracts	7	-	-
Derivatives in cash flow hedging relationships¹	19	14	1
Foreign exchange contracts			-6
Derivatives in fair value hedging relationships			-6
Derivatives designated as hedging instruments	19	14	-5

€ in millions	H1/2012		
	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	-9	17	-
Foreign exchange contracts	12	-6	-
Derivatives in cash flow hedging relationships¹	3	11	-
Foreign exchange contracts			-8
Derivatives in fair value hedging relationships			-8
Derivatives designated as hedging instruments	3	11	-8

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

€ in millions	Gain or loss recognized in the consolidated statement of income	
	H1/2013	H1/2012
Interest rate contracts	2	-2
Foreign exchange contracts	50	-11
Derivatives not designated as hedging instruments	52	-13

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

The Fresenius Group expects to recognize a net amount of €1 million of the existing losses for foreign exchange contracts deferred in accumulated other comprehensive income (loss) in the consolidated statement of income within the next 12 months. For interest rate contracts, the Fresenius Group expects to recognize €42 million of losses in the course of normal business during the next 12 months in interest expense.

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

In the first half of 2013, gains of €17 million (H1 2012: €4 million) for available for sale financial assets were recognized in other comprehensive income (loss).

MARKET RISK

General

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

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

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

Securities, which are predominantly held as European government bonds and shares, are generally subject to the risk of changing stock exchange prices. Therefore, the stock exchange prices of these securities are continuously monitored to identify possible price risks on time.

Derivative financial instruments

Classification

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

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

At June 30, 2013 and December 31, 2012, the Fresenius Group had €29 million and €51 million of derivative financial assets subject to netting arrangements and €38 million and

€92 million of derivative financial liabilities subject to netting arrangements. Offsetting these derivative financial instruments would have resulted in net assets of €20 million and €34 million as well as net liabilities of €28 million and €75 million at June 30, 2013 and December 31, 2012, respectively.

Foreign exchange risk management

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

As of June 30, 2013, the notional amounts of foreign exchange contracts totaled €2,012 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 €13 million and €0.1 million, respectively.

As of June 30, 2013, the Fresenius Group was party to foreign exchange contracts with a maximum maturity of 29 months.

Interest rate risk management

The Fresenius Group enters into interest rate swaps and, on a small scale, into interest rate options in order to protect against the risk of rising interest rates. These interest rate derivatives are mainly designated as cash flow hedges and have been entered into in order to convert payments based on variable interest rates into payments at a fixed interest rate.

As of June 30, 2013, the interest rate swaps had a notional volume of US\$1,200 million (€917 million) and €273 million as well as fair values of -US\$15 million and -€10 million, respectively, which expire between 2013 and 2022.

Stock price risk management

Price risks arise from changing stock prices of available for sale financial assets. Gains and losses arising from available for sale financial assets are recognized directly in the consolidated statement of equity until the asset is disposed of or if it is considered to be impaired. A decline of 10% in prices of the recognized assets would have an effect of less than 0.2% on Fresenius SE & Co. KGaA shareholders' equity.

21. SUPPLEMENTARY INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of June 30, 2013, the equity ratio was 41.8% and the debt ratio (debt/total assets) was 36.2%. As of June 30, 2013, the net debt/EBITDA ratio (before special items) was 2.6.

The aims of the capital management and further information can be found in the consolidated financial statements in the 2012 Annual Report.

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

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

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

On June 17, 2013, Fitch revised its outlook to positive from stable and confirmed the BB+ company rating.

On March 28, 2013, Standard & Poor's revised its outlook to positive from stable and confirmed the BB+ company rating.

22. SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

€ in millions	H1/2013	H1/2012
Interest paid	303	257
Income taxes paid	286	250

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

€ in millions	H1/2013	H1/2012
Assets acquired	189	3,695
Liabilities assumed	-36	-354
Noncontrolling interest	-16	-145
Notes assumed in connection with acquisitions	-14	-251
Cash paid	123	2,945
Cash acquired	-5	-135
Cash paid for acquisitions, net	118	2,810
Cash paid for investments, net of cash acquired	18	-
Cash paid for intangible assets, net	2	4
Total cash paid for acquisitions and investments, net of cash acquired, and net purchases of intangible assets	138	2,814

23. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

GENERAL

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

The Fresenius Group has identified the business segments Fresenius Medical Care, Fresenius Kabi, Fresenius Helios and Fresenius Vamed, which corresponds to the internal organizational and reporting structures (Management Approach) at June 30, 2013.

The business segments were identified in accordance with FASB ASC Topic 280, Segment Reporting, which defines the segment reporting requirements in the annual financial statements and interim reports with regard to the operating business, product and service businesses and regions. 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 264,290 patients in its 3,212 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 United States, the company is a leading provider of intravenously administered generic drugs.

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

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

The segment Corporate/Other mainly comprises the holding functions of Fresenius SE & Co. KGaA as well as Fresenius Netcare GmbH, which provides services in the field of information technology and, until June 28, 2013, 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 (see note 3, Special items).

NOTES ON THE BUSINESS SEGMENTS

Explanations regarding the notes on the business segments can be found in the consolidated financial statements in the 2012 Annual Report.

RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS

€ in millions	H1/2013	H1/2012
Total EBIT of reporting segments	1,453	1,458
General corporate expenses		
Corporate/Other (EBIT)	-32	-25
Group EBIT	1,421	1,433
Investment gain	0	108
Net interest	-313	-313
Other financial result	0	-29
Income before income taxes	1,108	1,199

RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	June 30, 2013	Dec. 31, 2012
Short-term debt	547	205
Short-term loans from related parties	0	4
Current portion of long-term debt and capital lease obligations	906	519
Long-term debt and capital lease obligations, less current portion	4,503	4,436
Senior Notes	5,248	5,864
Debt	11,204	11,028
less cash and cash equivalents	842	885
Net debt	10,362	10,143

24. STOCK OPTIONS

FRESENIUS SE & CO. KGAA STOCK OPTION PLANS

As of June 30, 2013, Fresenius SE & Co. KGaA had three stock option plans in place: the Fresenius AG Stock Option Plan 2003 (2003 Plan) which is based on convertible bonds, the stock option based Fresenius SE Stock Option Plan 2008 (2008 Plan) and the Fresenius SE & Co. KGaA Long Term Incentive Program 2013 (2013 LTIP) which is based on stock options and phantom stocks. On June 30, 2012, the term of the options granted under the Fresenius AG Stock Option Plan 1998 expired. The 2013 LTIP is the only program under which options can be granted.

2013 LTIP

The 2013 LTIP comprises the Fresenius SE & Co. KGaA Stock Option Plan 2013 (2013 SOP) and the Fresenius SE & Co. KGaA Phantom Stock Plan 2013 (2013 PSP). It combines the granting of stock options with the granting of phantom stock awards which entitle the holder to receive cash payments upon exercising the phantom stock. Each of the 2013 SOP and 2013 PSP making up the 2013 LTIP have been established under a stand-alone legal documentation.

2013 SOP

Under the 2013 SOP, which was approved by the Annual General Meeting of Fresenius SE & Co. KGaA on May 17, 2013, Fresenius Management SE is authorized to issue up to 8.4 million subscription rights for an amount of 8.4 million non-par value ordinary bearer shares of Fresenius SE & Co. KGaA until May 16, 2018.

Of the up to 8.4 million options, up to 1.6 million options are designated for members of the Management Board of Fresenius Management SE; up to 4.4 million options are designated for members of the management of directly or indirectly affiliated companies (except for Fresenius Medical Care) and up to 2.4 million options are designated for executive employees of Fresenius SE & Co. KGaA and its affiliated companies (except for Fresenius Medical Care).

The granting of the options shall occur in five annual tranches, each to the last Monday in July or the first Monday in December. With respect to new options, the Supervisory Board of Fresenius Management SE determines the stock

options granted to members of Fresenius Management SE's Management Board, whereas the Management Board of Fresenius Management SE determines the other participants in the 2013 Stock Option Plan and the stock options granted to them.

The exercise price of an option shall equal the volume-weighted average stock market price (closing price) of the non-par value ordinary bearer share of Fresenius SE & Co. KGaA in the electronic XETRA trading of Deutsche Börse AG in Frankfurt am Main, or a comparable successor system, on the last 30 calendar days prior to the respective grant date.

The exercise of options is subject to the condition precedent, in each case, that the annual success target within a four-year waiting period is achieved. The success target is achieved in each case if, after the granting of the options to the respective entitled person, either (i) the consolidated net income attributable to shareholders of Fresenius SE & Co. KGaA, adjusted for extraordinary effects and on a constant currency basis, has increased by at least 8% per annum in comparison to the previous year in each case within the waiting period, or (ii) – if this is not the case – the compounded annual growth rate of the consolidated net income attributable to shareholders of Fresenius SE & Co. KGaA, adjusted for extraordinary effects and on a constant currency basis, during the four years of the waiting period amounts to at least 8%. In the event that the success target within the four-year waiting period is not achieved for the individual years or for the compounded annual growth rate, the options issued in each case are forfeited in proportion to the non-achievement of the success target within the waiting period, i. e. by one quarter, two quarters, three quarters, or completely.

The adjusted net income attributable to shareholders of Fresenius SE & Co. KGaA (currency adjusted) and changes thereto compared to the adjusted net income (without currency adjustment) of the relevant comparison year shall be verified with binding effect in each case by the auditors of Fresenius SE & Co. KGaA on the basis of the audited consolidated financial statements. Upon exercise of vested options, Fresenius SE & Co. KGaA has the right to grant treasury shares or a cash payment in lieu of increasing capital by the issuance of new shares.

After the expiration of the waiting period, all options in respect of which the success target has been achieved may be exercised at any time outside the designated black-out periods.

2013 PSP

Fresenius SE & Co. KGaA's 2013 PSP was established in May 2013, together with the 2013 SOP. Awards of phantom stock can be granted on each stock option grant date. Phantom stock awarded under the 2013 PSP may be granted to the members of Fresenius Management SE's Management Board, the members of the management of directly or indirectly affiliated companies (except for Fresenius Medical Care) and for executive employees of Fresenius SE & Co. KGaA and its affiliated companies (except for Fresenius Medical Care).

As under the 2013 Stock Option Plan, the Supervisory Board of Fresenius Management SE determines the phantom stock granted to members of Fresenius Management SE's Management Board, whereas the Management Board of Fresenius Management SE determines the other participants in the 2013 PSP and the phantom stock granted to them.

Phantom stock awards under the 2013 PSP entitle the holder to receive a cash payment. Each phantom stock award shall entitle the holder to receive the volume-weighted average stock market price (closing price) of the non-par value ordinary bearer share of Fresenius SE & Co. KGaA in the electronic XETRA trading of Deutsche Börse AG in Frankfurt am Main, or a comparable successor system, during the last three months prior to the date the phantom stock is exercised.

The exercise of phantom stock is subject to the condition precedent, in each case, that the annual success target within a four-year waiting period is achieved. The success target is achieved in each case if, after the granting of the subscription rights to the respective entitled person, either (i) the consolidated net income attributable to shareholders of Fresenius SE & Co. KGaA, adjusted for extraordinary effects and on a constant currency basis, has increased by at least 8% per annum in comparison to the previous year in each case within the waiting period, or (ii) – if this is not the case – the compounded annual growth rate of the consolidated net income attributable to shareholders of Fresenius SE & Co. KGaA, adjusted for extraordinary effects and on a constant currency basis, during the four years of the waiting period amounts to at least 8%. In the event that the success target within the four-year waiting period is not achieved for the individual years or for the compounded annual growth rate, the phantom stock awards issued in each case are forfeited in proportion to the non-achievement of the success target within the waiting-period, i. e. by one quarter, two quarters, three quarters, or completely.

The adjusted net income attributable to shareholders of Fresenius SE & Co. KGaA (currency adjusted) and changes thereto compared to the adjusted net income (without currency adjustment) of the relevant comparison year shall be verified with binding effect in each case by the auditors of Fresenius SE & Co. KGaA on the basis of the audited consolidated financial statements.

After the expiration of the waiting period, all exercisable phantom stock will be deemed to be exercised and cashed out on March 1 following the end of the waiting period (or the following banking day).

Transactions during the first half of 2013

During the first half of 2013, Fresenius SE & Co. KGaA received cash of €10 million from the exercise of 244,697 stock options.

823,904 convertible bonds were outstanding and exercisable under the 2003 Plan at June 30, 2013. The members of the Fresenius Management SE Management Board held 203,838 convertible bonds. At June 30, 2013, out of 4,232,591 outstanding stock options issued under the 2008 Plan, 983,168 were exercisable and 800,440 were held by the members of the Fresenius Management SE Management Board.

As of June 30, 2013, 1,807,072 options for ordinary shares were outstanding and exercisable. On June 30, 2013, total unrecognized compensation cost related to non-vested options granted under the 2008 Plan was €22 million. This cost is expected to be recognized over a weighted-average period of 1.7 years.

FRESENIUS MEDICAL CARE AG & CO. KGAA STOCK OPTION PLANS

During the first half of 2013, 760,697 stock options for ordinary shares and 2,200 options for preference shares were exercised. Fresenius Medical Care AG & Co. KGaA received cash of €22.3 million upon exercise of these stock options and €3.0 million from a related tax benefit.

25. RELATED PARTY TRANSACTIONS

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

Klaus-Peter Müller, a member of the Supervisory Board of Fresenius Management SE and of Fresenius SE & Co. KGaA, is the chairman of the supervisory board of Commerzbank AG. The Fresenius Group maintains business relations with Commerzbank under customary conditions. In the first half of 2013, the Fresenius Group paid €0.7 million to Commerzbank for financing commitments, in connection with Senior Notes issuances and the share conversion of Fresenius Medical Care AG & Co. KGaA.

Dr. Dieter Schenk, deputy chairman of the Supervisory Board of Fresenius Management SE, is a partner in the international law firm Noerr LLP, which provides legal services to the Fresenius Group. In the first half of 2013, after discussion and approval of each mandate by the Supervisory Board of Fresenius Management SE, the Fresenius Group paid €1 million to this law firm for legal services rendered.

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

26. SUBSEQUENT EVENTS

Fresenius Kabi received a Warning Letter, dated July 1, 2013 from the U.S. Food and Drug Administration (FDA) related to an inspection of its oncolytic API plant in Kalyani, India in January 2013. As a precautionary measure, production at the plant had been put on hold in January 2013. Fresenius previously informed investors about this inspection in February 2013. The Warning Letter observations are related to GMP non-conformities regarding manufacturing, documentation practices and data integrity. Many of the data integrity items cited in the Warning Letter were self-identified by Fresenius Kabi post-inspection and shared with the FDA. Fresenius Kabi has made significant progress in remedying the issues cited in the Warning Letter. Based on a detailed remediation action plan submitted to the FDA, Fresenius Kabi has begun the process of restarting manufacture at the facility. Fresenius Kabi takes this matter very seriously and responded comprehensively in a timely manner to the Warning Letter.

There have been no significant changes in the Fresenius Group's operating environment following the end of the first half of 2013. 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 2013.

27. CORPORATE GOVERNANCE

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

28. 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 2, 2013

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

The Management Board



Dr. U. M. Schneider



Dr. F. De Meo



Dr. J. Götz



M. Henriksson



R. Powell



S. Sturm



Dr. E. Wastler

FINANCIAL CALENDAR

Report on 1 st –3 rd quarter 2013 Conference call, Live webcast	November 5, 2013
Report on Fiscal Year 2013	February 25, 2014
Report on 1 st quarter 2014 Conference call, Live webcast	May 6, 2014
Annual General Meeting, Frankfurt am Main Live webcast of the speech of the Chairman of the Management Board	May 16, 2014
Report on 1 st half 2014 Conference call, Live webcast	August 5, 2014
Report on 1 st –3 rd quarter 2014 Conference call, Live webcast	November 4, 2014

2014 dates are subject to change

FRESENIUS SHARE / ADR

	Ordinary share		ADR
Securities identification no.	578 560	CUSIP	35804M105
Ticker symbol	FRE	Ticker symbol	FSNUY
ISIN	DE0005785604	ISIN	US35804M1053
Bloomberg symbol	FRE GR	Structure	Sponsored Level 1 ADR
Reuters symbol	FREG.de	Ratio	8 ADR = 1 Share
Main trading location	Frankfurt/Xetra	Trading location	OTC-market

Corporate Headquarters

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

General Partner: Fresenius Management SE

Registered Office and Commercial Register: Bad Homburg v. d. H.; HRB 11673

Management Board: Dr. Ulf M. Schneider (President and CEO), Dr. Francesco De Meo, Dr. Jürgen Götz, Mats Henriksson, Rice Powell, Stephan Sturm, Dr. Ernst Wastler

Chairman of the Supervisory Board: Dr. Gerd Krick

Forward-looking statements:

This Quarterly Financial Report contains forward-looking statements. These statements represent assessments which we have made on the basis of the information available to us at the time. Should the assumptions on which the statements are based on not occur, or if risks should arise – as mentioned in the risk report in the 2012 Annual Report and the SEC filings of Fresenius Medical Care AG & Co. KGaA – the actual results could differ materially from the results currently expected.