FRESENIUS

Quarterly Financial Report of Fresenius Group

applying United States Generally Accepted Accounting Principles

(U.S. GAAP)

1st–3rd Quarter and 3rd Quarter 2011

CONTENT

This Quarterly Financial Report was published on November 7, 2011.

FRESENIUS GROUP FIGURES AT A GLANCE

Fresenius is a health care group providing products and services for dialysis, hospitals and the medical care of patients at home. In addition, Fresenius focuses on hospital operation, as well as on engineering and services for hospitals and other health care facilities. In 2010, group sales were approximately €16.0 billion. On September 30, 2011, more than 145,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

SALES, EARNINGS, AND CASH FLOW

€ in millions	Q3/2011	Q3/2010	Change	Q1–3/2011	Q1–3/2010	Change
Sales	**4,085**	4,135	-1%	**12,089**	11,821	2%
EBIT	**655**	655	0%	**1,862**	1,776	5%
Net income [1]	**202**	193	5%	**565**	495	14%
Earnings per ordinary share in € [1]	**1.24**	1.20	3%	**3.47**	3.06	13%
Operating cash flow	**506**	541	-6%	**1,156**	1,346	-14%

BALANCE SHEET AND INVESTMENTS

€ in millions	Sept. 30, 2011	Dec. 31, 2010	Change
Total assets	**24,707**	23,577	5%
Non-current assets	**17,871**	17,142	4%
Equity [2]	**10,049**	8,844	14%
Net debt	**8,527**	8,015	6%
Investments [3]	**1,388**	717	94%

RATIOS

€ in millions	Q3/2011	Q3/2010	Q1–3/2011	Q1–3/2010
EBITDA margin	**20.0%**	19.7%	**19.4%**	19.0%
EBIT margin	**16.0%**	15.8%	**15.4%**	15.0%
Depreciation and amortization in % of sales	**4.0**	3.9	**4.0**	4.0
Operating cash flow in % of sales	**12.4**	13.1	**9.6**	11.4
Equity ratio (September 30/December 31)			**40.7%**	37.5%
Net debt/EBITDA (September 30/December 31)			**2.7**	2.6

[1] Net income attributable to Fresenius SE & Co. KGaA; adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) relating to the acquisition of APP Pharmaceuticals. These effects are not cash relevant.

[2] Equity including noncontrolling interest

[3] Investments in property, plant and equipment and intangible assets, acquisitions (Q1–3). Does not include a €100 million cash out for a short-term bank deposit by Fresenius Medical Care in 2010.

INFORMATION ON THE BUSINESS SEGMENTS

FRESENIUS MEDICAL CARE – Dialysis products, Dialysis care

US$ in millions	Q1–3/2011	Q1–3/2010	Change
Sales	**9,473**	8,886	7%
EBIT	**1,488**	1,385	7%
Net income [1]	**761**	707	8%
Operating cash flow	**950**	1,027	-8%
Investments/Acquisitions [5]	**1,585**	612	159%
R & D expenses	**81**	67	20%
Employees, per capita on balance sheet date (September 30/December 31)	**81,994**	77,442	6%

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

€ in millions	Q1–3/2011	Q1–3/2010	Change
Sales	**2,950**	2,723	8%
EBIT	**613**	557	10%
Net income [2]	**271**	228	19%
Operating cash flow	**350**	378	-7%
Investments/Acquisitions	**119**	123	-3%
R & D expenses	**119**	102	17%
Employees, per capita on balance sheet date (September 30/December 31)	**24,057**	22,851	5%

FRESENIUS HELIOS – Hospital operation

€ in millions	Q1–3/2011	Q1–3/2010	Change
Sales	**1,950**	1,840	6%
EBIT	**195**	172	13%
Net income [3]	**117**	98	19%
Operating cash flow	**211**	225	-6%
Investments/Acquisitions	**89**	113	-21%
Employees, per capita on balance sheet date (September 30/December 31)	**35,015**	33,321	5%

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

€ in millions	Q1–3/2011	Q1–3/2010	Change
Sales	**480**	517	-7%
EBIT	**22**	24	-8%
Net income [4]	**17**	18	-6%
Operating cash flow	**-51**	7	--
Investments/Acquisitions	**6**	7	-14%
Order intake	**335**	418	-20%
Employees, per capita on balance sheet date (September 30/December 31)	**3,200**	3,110	3%

[1] Net income attributable to Fresenius Medical Care AG & Co. KGaA
[2] Net income attributable to Fresenius Kabi AG
[3] Net income attributable to HELIOS Kliniken GmbH
[4] Net income attributable to VAMED AG
[5] Does not include a US$131 million cash out for a short-term bank deposit in 2010.

FRESENIUS SHARE

In the third quarter of 2011, the Fresenius share reached a new all-time high and successfully held against the global financial market turbulences. With an increase of 6% compared to the 2010 year-end quotation, it significantly outperformed the DAX which lost 20% in the same period.

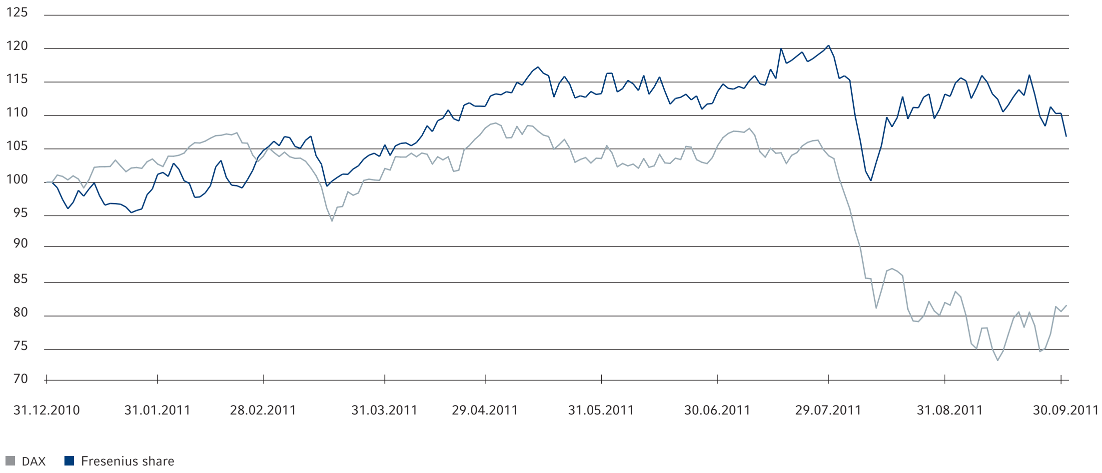
FIRST THREE QUARTERS OF 2011

The Fresenius share price increase was driven by excellent operating results. On July 28, 2011, it reached a new all-time-high of €75.62.

The European financial crisis and the ongoing discussion on the stability of the Euro caused uncertainty in the world-wide financial markets, followed by massive turbulences in the third quarter of 2011 and significant stock price decreases. The Fresenius share benefited from the non-cyclical nature of the company's business and the demand for defensive stocks. The share price, supported by the sustained positive operating results, remained nearly unaffected from the downward trend and closed at €66.65, an increase of 6% compared to the 2010 year-end quotation. In the same period, the DAX posted a significant loss of 20%. The Fresenius share improved it's average daily trading volume by 20% compared to the average daily trading volume in 2010[2].

RELATIVE SHARE PRICE PERFORMANCE VS. DAX

31.12.2010 = 100



KEY DATA OF THE FRESENIUS SHARE

	Q1–3/2011	2010	Change
Number of shares (September 30/December 31)	**163,041,829**	162,450,090[1]	
Quarter-end quotation in €	**66.65**	62.75	6%
High in €	**75.62**	67.59	12%
Low in €	**59.90**	41.80	43%
Ø Trading volume (number of shares per trading day)	**516,985**	431,460[2]	20%
Market capitalization, € in millions (September 30/December 31)	**11,284**	10,301[3]	10%

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

MANAGEMENT REPORT

Fresenius had a very strong third quarter. With a Group EBIT margin of 16% and net income of €202 million we reached new all-time highs. We improve our 2011 earnings outlook and expect to achieve the upper half of our 15% to 18% target range. HELIOS' acquisitions of the private hospital chain Damp and the maximum care hospital in Duisburg significantly strengthen our presence in the German hospital market. This marks a further step in our growth strategy, which combines organic growth and acquisitions.

FRESENIUS ACHIEVES RECORD Q3 EARNINGS – IMPROVES 2011 EARNINGS OUTLOOK

- Fresenius improves 2011 earnings[1] outlook of 15% to 18% constant currency growth to upper half of range
- Group earnings at single-quarter all-time high – €202 million net income[1], record 16% EBIT margin
- Fresenius Medical Care with further margin improvement and strong earnings growth
- Fresenius Kabi with 3% organic sales growth over outstanding Q3 2010
- Fresenius Helios continues expansion in the German hospital market – raises earnings guidance
- Fresenius Vamed with excellent order intake of €171 million in Q3

	Q1–3/2011	at actual rates	in constant currency
Sales	€12.1 bn	+2%	+5%
EBIT	€1.9 bn	+5%	+9%
Net income[1]	€565 m	+14%	+17%

HEALTH CARE INDUSTRY

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

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

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

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

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

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

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

RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

SALES

Group sales increased by 2% (5% in constant currency) to €12,089 million (Q1–3 2010: €11,821 million). Organic sales growth was 4%. Acquisitions contributed a further 1%. Currency translation had a negative effect of 3%. This is mainly attributable to the average US$/EUR rate in the first three quarters of 2011 decreasing 8% compared to the first three quarters of 2010.

Organic sales growth was 1% in North America, due to the implementation of the new Medicare end-stage renal disease prospective payment system as well as lower pricing of renal drugs. In Europe organic sales growth was 3%. Prior-year sales in Europe were positively influenced by Fresenius Vamed's large medical supply contract to the Ukraine. Organic sales growth reached 12% in Africa and 15% in both Latin America and Asia-Pacific.

EARNINGS

Group EBITDA grew by 4% (8% in constant currency) to €2,344 million (Q1–3 2010: €2,244 million). Group EBIT increased by 5% (9% in constant currency) to €1,862 million (Q1–3 2010: €1,776 million). The EBIT margin improved by 40 basis points to 15.4% (Q1–3 2010: 15.0%).

Group net interest was -€401 million (Q1–3 2010: -€424 million).

The other financial result was -€100 million and includes valuation changes of the fair redemption value of the Mandatory Exchangeable Bonds (MEB) of -€105 million and the Contingent Value Rights (CVR) of €5 million. Both are non-cash items. Upon maturity on August 14, 2011, the bonds were mandatorily exchanged into ordinary shares of Fresenius Medical Care AG & Co. KGaA. Fresenius' shareholding now amounts to 30.3% of Fresenius Medical Care's ordinary share capital.

The Group tax rate[1] was 30.9% (Q1–3 2010: 32.2%).

Noncontrolling interest increased to €445 million (Q1–3 2010: €421 million), of which 93% was attributable to the noncontrolling interest in Fresenius Medical Care.

SALES BY REGION

€ in millions	**Q1–3/2011**	Q1–3/2010	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/ Divestitures	Total sales
North America	**4,988**	5,275	-5%	-6%	1%	1%	0%	42%
Europe	**5,046**	4,786	5%	-1%	6%	3%	3%	42%
Asia-Pacific	**1,145**	947	21%	0%	21%	15%	6%	9%
Latin America	**661**	592	12%	-3%	15%	15%	0%	5%
Africa	**249**	221	13%	1%	12%	12%	0%	2%
Total	**12,089**	11,821	2%	-3%	5%	4%	1%	100%

SALES BY BUSINESS SEGMENT

€ in millions	**Q1–3/2011**	Q1–3/2010	Change at actual rates	Currency translations effects	Change at constant rates	Organic Growth	Acquisitions/ Divestitures	Total sales
Fresenius Medical Care	**6,735**	6,758	0%	-4%	4%	2%	2%	56%
Fresenius Kabi	**2,950**	2,723	8%	-2%	10%	9%	1%	24%
Fresenius Helios	**1,950**	1,840	6%	0%	6%	4%	2%	16%
Fresenius Vamed	**480**	517	-7%	0%	-7%	-6%	-1%	4%

[1] Adjusted for the effect of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) related to the acquisition of APP Pharmaceuticals

EARNINGS

€ in millions	Q3/2011	Q3/2010	Q1–3/2011	Q1–3/2010
EBIT	**655**	655	**1,862**	1,776
Net income [1]	**202**	193	**565**	495
Net income [2]	**228**	195	**485**	435
Earnings per share in € [1]	**1.24**	1.20	**3.47**	3.06
Earnings per share in € [2]	**1.40**	1.21	**2.98**	2.69

Group net income [1] increased by 14% (17% in constant currency) to €565 million (Q1–3 2010: €495 million). In the first three quarters of 2011, earnings per share increased by 13% to €3.47.

RECONCILIATION TO GROUP NET INCOME

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

The table below reconciles adjusted net income to net income according to U.S. GAAP in the first three quarters and the third quarter.

This will only have an effect on 2011 results. As the CVR were delisted in March 2011, the effect relates solely to the first quarter of 2011. The MEB came to maturity on August 14, 2011, therefore no further effect will occur after the third quarter of 2011. Both the Mandatory Exchangeable Bonds and the Contingent Value Rights were viewed as liabilities and therefore recognized with their fair redemption value. Valuation changes lead to gains or expenses on a quarterly basis until maturity of the instruments.

Group net income [2] (including special items) reached €485 million or €2.98 per ordinary share.

RECONCILIATION

€ in millions	Q3/2011	Q3/2010	Q1–3/2011	Q1–3/2010
Earnings [1]	**202**	193	**565**	495
Other financial result:				
Mandatory Exchangeable Bonds (MEB) (mark-to-market)	**26**	-10	**-85**	-93
Contingent Value Rights (CVR) (mark-to-market)	**–**	12	**5**	33
Earnings according to U.S. GAAP [2]	**228**	195	**485**	435

INVESTMENTS BY BUSINESS SEGMENT

€ in millions	Q1–3/2011	Q1–3/2010	thereof property, plant and equipment	thereof acquisitions	Change	% of total
Fresenius Medical Care [3]	**1,112**	465	282	830	139%	80%
Fresenius Kabi	**119**	123	108	11	-3%	9%
Fresenius Helios	**89**	113	78	11	-21%	6%
Fresenius Vamed	**6**	7	4	2	-14%	0%
Corporate/Other	**62**	9	8	54	--	5%
Total	**1,388**	717	480	908	94%	100%

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

INVESTMENTS

The Fresenius Group spent €480 million on property, plant and equipment (Q1–3 2010: €494 million). Acquisition spending was €908 million (Q1–3 2010: €223 million), mainly due to the acquisitions of Euromedic's dialysis service business as well as a minority stake in Renal Advantage, Inc., both by Fresenius Medical Care.

CASH FLOW

Operating cash flow was €1,156 million (Q1–3 2010: €1,346 million). The strong earnings growth was offset by increased working capital requirements due to business expansion. The cash flow margin was 9.6% (Q1–3 2010: 11.4%). Net capital expenditure was €475 million (Q1–3 2010: €491 million). Free cash flow before acquisitions and dividends was €681 million (Q1–3 2010: €855 million). Free cash flow after acquisitions and dividends was -€538 million (Q1–3 2010[1]: €348 million).

ASSET AND LIABILITY STRUCTURE

The Group's total assets increased by 5% to €24,707 million (Dec. 31, 2010: €23,577 million). In constant currency, the increase was 6%. Current assets increased by 6% (8% in constant currency) to €6,836 million (Dec. 31, 2010: €6,435 million). Non-current assets increased by 4% (5% in constant currency) to €17,871 million (Dec. 31, 2010: €17,142 million).

Due to the maturity of the MEB, total shareholders' equity increased by 14% (16% in constant currency) to €10,049 million (Dec. 31, 2010: €8,844 million). The equity ratio improved to 40.7% (Dec. 31, 2010: 37.5%).

Group debt grew by 5% (also 5% in constant currency) to €9,181 million (Dec. 31, 2010: €8,784 million) primarily resulting from acquisition financing. Net debt increased by 6% (7% in constant currency) to €8,527 million (Dec. 31, 2010: €8,015 million).

The net debt/EBITDA ratio increased slightly to 2.70 as of September 30, 2011 (Dec. 31, 2010: 2.62).

CASH FLOW STATEMENT (SUMMARY)

€ in millions	Q1–3/2011	Q1–3/2010	Change
Earnings after tax	930	856	9%
Depreciation and amortization	482	468	3%
Change in accruals for pensions	-5	16	-131%
Cash flow	**1,407**	1,340	5%
Change in working capital	-331	-54	--
Changes in mark-to-market evaluation of the MEB and the CVR	80	60	33%
Operating cash flow	**1,156**	1,346	-14%
Property, plant and equipment	-491	-503	2%
Proceeds from the sale of property, plant and equipment	16	12	33%
Cash flow before acquisitions and dividends	**681**	855	-20%
Cash used for acquisitions/proceeds from disposals	-881	-199	--
Dividends	-338	-308	-10%
Free cash flow after acquisitions and dividends	**-538**	348	--
Financial investments	0	-100	100%
Cash provided by/used for financing activities	433	-27	--
Effect of exchange rates on change in cash and cash equivalents	-10	19	-153%
Net change in cash and cash equivalents	**-115**	240	-148%

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

THIRD QUARTER OF 2011

Group sales were €4,085 million (Q3 2010: €4,135 million). In constant currency, sales increased by 3%. Organic sales growth was 1%. Acquisitions contributed 2% to sales growth.

EBIT remained at previous year's level of €655 million. In constant currency, EBIT increased by 5%. The EBIT margin improved by 20 basis points to a record 16.0%. Group net income [1] in the third quarter rose to an all-time high of €202 million (Q3 2010 [1]: €193 million; +5%). In constant currency, growth of 9% was achieved. Earnings per share [1] increased by 3% to €1.24 per ordinary share (Q3 2010 [1]: €1.20). In constant currency, earnings per share improved by 8%.

Group net income [2] including special items was €228 million (Q3 2010 [2]: €195 million). Earnings per ordinary share [2] including special items was €1.40 (Q3 2010: €1.21).

Investments in property, plant and equipment were €194 million (Q3 2010: €174 million). Acquisition spending was €51 million (Q3 2010: €72 million). More than 78% of the acquisition spending relates to the business segment Fresenius Medical Care.

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

BUSINESS SEGMENTS

FRESENIUS MEDICAL CARE

Fresenius Medical Care is the world's leading provider of services and products for patients with chronic kidney failure. As of September 30, 2011, Fresenius Medical Care was treating 228,239 patients in 2,874 dialysis clinics.

US$ in millions	Q3/2011	Q3/2010	Change	Q1–3/2011	Q1–3/2010	Change
Sales	**3,242**	3,058	6%	**9,473**	8,886	7%
EBITDA	**675**	617	9%	**1,902**	1,754	8%
EBIT	**534**	493	8%	**1,488**	1,385	7%
Net income[1]	**279**	248	13%	**761**	707	8%
Employees (Sept. 30/Dec. 31)				**81,994**	77,442	6%

FIRST THREE QUARTERS OF 2011

- Strong earnings growth and further margin improvement
- 2011 outlook confirmed

Fresenius Medical Care achieved sales growth of 7% to US$9,473 million (Q1–3 2010: US$8,886 million). Organic sales growth was 2%, acquisitions contributed a further 2%.

Sales in dialysis services increased by 5% to US$7,072 million (Q1–3 2010: US$6,716 million). Dialysis product sales grew by 11% to US$2,401 million (Q1–3 2010: US$2,170 million).

In North America sales were US$6,055 million (Q1–3 2010: US$6,058 million). Dialysis services sales were US$5,456 million (Q1–3 2010: US$5,441 million). Average sales per treatment for U.S. clinics was US$345 in the third quarter of 2011 compared to US$359 in Q3 2010. This is a result of the implementation of the Medicare end-stage renal disease prospective payment system. Dialysis product sales decreased to US$599 million (Q1–3 2010: US$617 million) as increased sales of hemodialysis and peritoneal dialysis products could not entirely offset lower pricing of renal drugs.

Sales outside North America ("International" segment) grew by 20% to US$3,405 million (Q1–3 2010: US$2,828 million). Sales in dialysis services increased by 27% to US$1,616 million. Dialysis product sales increased by 15% to US$1,789 million.

EBIT increased by 7% to US$1,488 million (Q1–3 2010: US$1,385 million). The EBIT margin improved by 10 basis points to 15.7% (Q1–3 2010: 15.6%).

In North America the EBIT margin increased to 17.1% (Q1–3 2010: 16.7%). This increase was mainly favorably influenced by the development of pharmaceutical costs.

In the International segment the EBIT margin remained at the previous year's level of 17.0%.

Net income[1] increased by 8% to US$761 million (Q1–3 2010 2010: US$707 million).

THIRD QUARTER OF 2011

Fresenius Medical Care increased sales by 6% to US$3,242 million (Q3 2010: US$3,058 million). Organic sales growth was 1% while acquisitions contributed 3% to sales growth. In constant currency, sales grew by 4%. EBIT improved by 8% to US$534 million (Q3 2010: US$493 million). Net income[1] for the third quarter of 2011 was US$279 million, an increase of 13% (Q3 2010: US$248 million).

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

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

FRESENIUS KABI

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

€ in millions	Q3/2011	Q3/2010	Change	Q1–3/2011	Q1–3/2010	Change
Sales	**979**	978	0%	**2,950**	2,723	8%
EBITDA	**239**	250	-4%	**722**	669	8%
EBIT	**202**	210	-4%	**613**	557	10%
Net income [1]	**90**	92	-2%	**271**	228	19%
Employees (Sept. 30/Dec. 31)				**24,057**	22,851	5%

FIRST THREE QUARTERS OF 2011

- Organic sales growth of 9%, strong EBIT margin of 20.8%
- 3% organic sales growth over outstanding Q3 2010
- 2011 outlook improved – Organic sales growth between 8% and 8.5%, EBIT margin ≥20%

Fresenius Kabi reported excellent financial results. In the third quarter of 2011, Fresenius Kabi achieved 3% organic sales growth over previous year's outstanding quarter. Q3 2010 results were driven by significant supply constraints in the injectable drug market in North America.

In the first three quarters of 2011, sales increased by 8% to €2,950 million (Q1–3 2010: €2,723 million). Organic sales growth was 9%, acquisitions contributed 1%. Currency translation had a negative effect of 2%. This is mainly attributable to the U.S. dollar weakness against the euro.

In Europe sales grew by 8% to €1,360 million (Q1–3 2010: €1,264 million), driven by organic sales growth of 6%. In North America sales were impacted by currency translation and increased by 3% to €755 million (Q1–3 2010: €730 million). Organic sales growth was 10%. In Asia-Pacific sales increased by 17% to €511 million (Q1–3 2010: €436 million), with excellent organic sales growth of 18%. Sales in Latin America and Africa increased by 11% to €324 million (Q1–3 2010: €293 million), with organic sales growth contributing 11%.

EBIT grew by 10% to €613 million (Q1–3 2010: €557 million). The EBIT margin improved to 20.8% (Q1–3 2010: 20.5%). EBIT growth was mainly attributable to the strong development in North America and the emerging markets.

Net interest remained at the previous year's level of -€212 million.

Net income [1] increased by 19% to €271 million (Q1–3 2010: €228 million).

Fresenius Kabi's operating cash flow was €350 million (Q1–3 2010: €378 million), resulting in a cash flow margin of 11.9% (Q1–3 2010: 13.9%). Given increased capital expenditures, cash flow before acquisitions and dividends was €234 million (Q1–3 2010: €272 million).

In September 2011, Fresenius Kabi expanded its production capacity in Asia and opened a new production facility in Vietnam. With the new plant Fresenius Kabi almost doubles its local manufacturing capacity for infusion solutions and liquid medications. Most of these products are intended for the Vietnamese market. Total investment amounted to approximately €20 million.

Fresenius Kabi plans to host a Capital Market Day on June 12, 2012 in Bad Homburg providing an update on the strategy and growth prospects of the company.

THIRD QUARTER OF 2011

In the third quarter of 2011, sales of Fresenius Kabi were €979 million, close to the previous year's figure of €978 million. In constant currency, sales grew by 3%. EBIT decreased by 4% to €202 million (Q3 2010: €210 million). EBIT margin was still at a high level of 20.6% (Q3 2010: 21,5%). Fresenius Kabi's net income [1] was €90 million (Q3 2010: €92 million).

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

[1] Net income attributable to Fresenius Kabi AG

FRESENIUS HELIOS

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

€ in millions	**Q3/2011**	Q3/2010	Change	**Q1–3/2011**	Q1–3/2010	Change
Sales	**657**	617	6%	**1,950**	1,840	6%
EBITDA	**94**	83	13%	**260**	233	12%
EBIT	**72**	62	16%	**195**	172	13%
Net income [1]	**45**	36	25%	**117**	98	19%
Employees (Sept. 30/Dec. 31)				**35,015**	33,321	5%

FIRST THREE QUARTERS OF 2011

- Organic sales growth of 4%, EBIT margin increase to 10%
- Expansion in the German hospital market – acquisition of Damp Group and Katholisches Klinikum Duisburg hospital
- 2011 EBIT outlook raised to €260 million to €270 million

Sales increased by 6% to €1,950 million (Q1–3 2010: €1,840 million), mainly driven by solid organic sales growth of 4%. Acquisitions contributed 2% to overall sales growth.

EBIT grew by 13% to €195 million (Q1–3 2010: €172 million). The EBIT margin improved by 70 basis points to 10.0% (Q1–3 2010: 9.3%).

Net income [1] increased by 19% to €117million (Q1–3 2010: €98 million).

The established clinics increased sales by 4% to €1,916 million. EBIT improved by 16% to €199 million. The EBIT margin was 10.4%. The acquired clinics (consolidation <1 year) achieved sales of €34 million and an EBIT of -€4 million. Restructuring of these hospitals is fully on track.

Acquisition of Damp Group and Katholisches Klinikums Duisburg hospital

On October 12, HELIOS announced that it agreed to acquire 94.7% of the share capital in Damp Group. The acquisition of Damp is an excellent geographic fit with the HELIOS hospital network in the north and northeast of Germany.

Damp operates seven acute care hospitals and four post-acute care hospitals with a total of 4,112 beds (thereof 2,649 in acute care). In addition, Damp operates eight outpatient medical care centers, two nursing care facilities and a wellness resort. In 2010, Damp achieved sales of €487 million and operating profit (EBIT) of €21 million.

The acquisition is still subject to the approval of local and antitrust authorities. Due to the geographic proximity of the HELIOS hospital Schwerin, HELIOS has to divest the Damp hospital Wismar (505 beds, sales of approximately €60 million) to secure regulatory clearance of the transaction. HELIOS anticipates closing the transaction in the first half of 2012.

On October 31, HELIOS announced that it agreed to acquire 51% of the share capital in Katholisches Klinikum Duisburg hospital (KKD), North-Rhine Westphalia. KKD provides an excellent geographic and medical fit to the HELIOS network, as HELIOS already operates ten acute care hospitals in North-Rhine Westphalia including maximum care hospitals in Wuppertal and Krefeld.

KKD operates a maximum care hospital with four locations in Duisburg and a total of 1,034 beds as well as a rehabilitation clinic with 220 beds. KKD also operates two nursing care facilities. In 2010, KKD's hospitals achieved sales of approximately €134 million. HELIOS will consolidate the acute care

[1] Net income attributable to HELIOS Kliniken GmbH

hospitals into two locations and build two new hospitals. The total investments will be approximately €176 million, over five years. The acquisition is still subject to the approval of anti-trust authorities. Closing of the transaction is anticipated in the first quarter of 2012.

The recent acquisitions are significant achievements in Fresenius Helios' growth strategy. As a result, a new mid-term sales guidance for Fresenius Helios will be provided in spring 2012. Currently, the company targets sales of €3.5 billion by 2015.

THIRD QUARTER OF 2011

Fresenius Helios reported sales growth of 6% to €657 million in the third quarter of 2011 (Q3 2010: €617 million). Organic sales growth was 4%, acquisitions contributed 2% to growth. EBIT increased by 16% to €72 million (Q3 2010: €62 million). EBIT margin improved by 100 basis points to a new all-time high of 11.0% (Q3 2010: 10.0%). Net income [1] increased by 25% to €45 million (Q3 2010: €36 million).

[1] Net income attributable to HELIOS Kliniken GmbH

FRESENIUS VAMED

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

€ in millions	Q3/2011	Q3/2010	Change	Q1–3/2011	Q1–3/2010	Change
Sales	**167**	179	-7%	**480**	517	-7%
EBITDA	**12**	11	9%	**27**	30	-10%
EBIT	**10**	9	11%	**22**	24	-8%
Net income [1]	**8**	6	33%	**17**	18	-6%
Employees (Sept. 30/Dec. 31)				**3,200**	3,110	3%

FIRST THREE QUARTERS OF 2011

- Sales and EBIT in line with expectations
- Excellent order intake of €171 million in Q3
- 2011 outlook confirmed

Fresenius Vamed's sales reached €480 million (Q1–3 2010: €517 million). Sales in the project business were €311 million (Q1–3 2010: €351 million). Prior-year sales included a substantial medical supply contract with the Ukraine. In addition, current sales were impacted by the unrest in the Middle East/North Africa region. Sales in the service business increased by 2% to €169 million (Q1–3 2010: €166 million).

EBIT was €22 million (Q1–3 2010: €24 million). The EBIT margin of 4.6% was at previous year's level. Net income [1] was €17 million (Q1–3 2010: €18 million).

Order backlog was €775 million as of September 30, 2011 (Dec. 31, 2010: €801 million). In the third quarter of 2011, Fresenius Vamed achieved an excellent order intake of €171 million. New orders include turnkey contracts for the construction of a general hospital in Sochi, Russia (total order volume €98 million) as well as for the reconstruction of a general hospital in Hesse, Germany (total order volume €42 million). The order intake in the first three quarters of 2011 was €335 million (Q1–3 2010: €418 million).

THIRD QUARTER OF 2011

Sales were €167 million in the third quarter of 2011 (Q3 2010: €179 million). EBIT increased by 11% to €10 million (Q3 2010: €9 million). EBIT margin improved to 6.0% (Q3 2010: 5.0%). Net income [1] increased by 33% to €8 million (Q3 2010: €6 million).

[1] Net income attributable to VAMED AG

EMPLOYEES

As of September 30, 2011, Fresenius Group increased the number of its employees by 6% to 145,118 (Dec. 31, 2010: 137,552).

EMPLOYEES BY BUSINESS SEGMENT

Number of employees	Sept. 30, 2011	Dec. 31, 2010	Change
Fresenius Medical Care	81,994	77,442	6%
Fresenius Kabi	24,057	22,851	5%
Fresenius Helios	35,015	33,321	5%
Fresenius Vamed	3,200	3,110	3%
Corporate/Other	852	828	3%
Total	145,118	137,552	6%

RESEARCH AND DEVELOPMENT

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

RESEARCH AND DEVELOPMENT EXPENSES BY BUSINESS SEGMENT

€ in millions	Q1–3/2011	Q1–3/2010	Change
Fresenius Medical Care	57	51	12%
Fresenius Kabi	119	102	17%
Fresenius Helios	–	–	--
Fresenius Vamed	0	0	
Corporate/Other	16	21	-24%
Total	192	174	10%

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

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

DIALYSIS

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

INFUSION THERAPIES, GENERIC IV DRUGS, AND MEDICAL DEVICES

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

Our R & D strategy is aligned with this focus:

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

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

ANTIBODY THERAPIES

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

Sales increased by 13% to €22.4 million (Q1 – 3 2010: €19.9 million). ATG sales increased by 11% to €19.7 million and Removab sales by 29% to €2.7 million.

In 2011, Removab was launched in the Benelux countries, Italy, Scandinavia and the UK. The trifunctional antibody has already been marketed in Austria and France since 2010 and was launched in Germany in 2009.

Fresenius Biotech's EBIT was -€19 million (Q1 – 3 2010: -€21 million).

OPPORTUNITIES AND RISK REPORT

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

In addition, we report on legal proceedings, currency and interest risks on pages 42 to 46 in the Notes of this report.

SUBSEQUENT EVENTS

In October 2011, Fresenius Helios announced its plans to acquire 94.7% of Damp Group and to acquire the majority of Katholisches Klinikum Duisburg hospital. Further information on the acquisitions can be found on pages 13 f. of the Group Management Report.

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

OUTLOOK 2011

FRESENIUS GROUP

Fresenius improves its 2011 earnings guidance and expects to achieve constant currency net income[1] growth in the upper half of the 15% to 18% range. Based on the sales growth of the first three quarters, Fresenius now expects to increase sales by c. 6% in constant currency.

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

FRESENIUS MEDICAL CARE

Fresenius Medical Care confirms the outlook for 2011. The company projects sales of more than US$13 billion. Net income[2] is expected between US$1,070 million and US$1,090 million.

FRESENIUS KABI

Fresenius Kabi improves its outlook for 2011. The company now forecasts organic sales growth between 8% and 8.5%. Previously, Fresenius Kabi projected organic sales growth of ~8%. The EBIT margin is now expected to be ≥20%. The previous guidance was ~20%.

FRESENIUS HELIOS

Fresenius Helios raises its earnings outlook and now projects EBIT of €260 million to €270 million. Previously, the company expected to reach an EBIT of ~€260 million. Fresenius Helios fully confirms its sales outlook and projects organic sales growth of 3% to 5%.

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

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

FRESENIUS VAMED

Fresenius Vamed confirms the 2011 outlook. The company projects sales and EBIT growth of 0% to 5%.

FRESENIUS BIOTECH

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

INVESTMENTS

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

EMPLOYEES

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

RESEARCH AND DEVELOPMENT

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

GROUP FINANCIAL OUTLOOK 2011

	Previous guidance	New guidance
Sales, growth (in constant currency)	7% – 8%	c. 6%
Net income[1], growth (in constant currency)	15% – 18%	upper half of range

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

OUTLOOK 2011 BY BUSINESS SEGMENT

		Previous guidance	New guidance
Fresenius Medical Care	Sales	>US$13.0 bn	confirmed
	Net income[1]	US$1,070 m – US$1,090 m	confirmed
Fresenius Kabi	Sales, growth (organic)	~8%	8% – 8.5%
	EBIT-margin	~20%	≥20%
Fresenius Helios	Sales, growth (organic)	3% – 5%	confirmed
	EBIT	~€260 m	€260 m – €270 m
Fresenius Vamed	Sales, growth	0% – 5%	confirmed
	EBIT, growth	0% – 5%	confirmed
Fresenius Biotech	EBIT	~-€30 m	confirmed

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

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

€ in millions	Q3/2011	Q3/2010	Q1–3/2011	Q1–3/2010
Sales	**4,085**	4,135	**12,089**	11,821
Cost of sales	**-2,673**	-2,714	**-7,966**	-7,866
Gross profit	**1,412**	1,421	**4,123**	3,955
Selling, general and administrative expenses	**-693**	-706	**-2,069**	-2,005
Research and development expenses	**-64**	-60	**-192**	-174
Operating income (EBIT)	**655**	655	**1,862**	1,776
Net interest	**-125**	-143	**-401**	-424
Other financial result	**51**	-2	**-100**	-98
Financial result	**-74**	-145	**-501**	-522
Income before income taxes	**581**	510	**1,361**	1,254
Income taxes	**-188**	-164	**-431**	-398
Net income	**393**	346	**930**	856
Less noncontrolling interest	**165**	151	**445**	421
Net income attributable to Fresenius SE & Co. KGaA	**228**	195	**485**	435
Earnings per ordinary share in €	**1.40**	1.21	**2.98**	2.69
Fully diluted earnings per ordinary share in €	**1.38**	1.19	**2.94**	2.65
Earnings per preference share in €	**n/a**	1.21	**n/a**	2.70
Fully diluted earnings per preference share in €	**n/a**	1.19	**n/a**	2.66

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	Q3/2011	Q3/2010	Q1–3/2011	Q1–3/2010
Net income	**393**	346	**930**	856
Other comprehensive income (loss)				
Foreign currency translation	**246**	-559	**-209**	241
Cash flow hedges	**-92**	23	**-58**	-90
Actuarial gains/losses on defined benefit pension plans	**-4**	7	**5**	–
Income taxes related to components of other comprehensive income (loss)	**30**	1	**20**	20
Other comprehensive income (loss)	**180**	-528	**-242**	171
Total comprehensive income (loss)	**573**	-182	**688**	1,027
Comprehensive income (loss) attributable to noncontrolling interest subject to put provisions	**22**	-14	**20**	25
Comprehensive income (loss) attributable to noncontrolling interest not subject to put provisions	**257**	-144	**294**	462
Comprehensive income (loss) attributable to Fresenius SE & Co. KGaA	**294**	-24	**374**	540

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

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

€ in millions	Sept. 30, 2011	Dec. 31, 2010
Cash and cash equivalents	654	769
Trade accounts receivable, less allowance for doubtful accounts	3,107	2,935
Accounts receivable from and loans to related parties	9	15
Inventories	1,612	1,411
Other current assets	1,069	925
Deferred taxes	385	380
I. Total current assets	**6,836**	**6,435**
Property, plant and equipment	3,985	3,954
Goodwill	11,886	11,464
Other intangible assets	1,001	984
Other non-current assets	871	628
Deferred taxes	128	112
II. Total non-current assets	**17,871**	**17,142**
Total assets	**24,707**	**23,577**
Trade accounts payable	617	691
Short-term accounts payable to related parties	2	2
Short-term accrued expenses and other short-term liabilities	2,810	2,731
Short-term debt	203	606
Short-term loans from related parties	3	2
Current portion of long-term debt and capital lease obligations	1,288	420
Mandatory Exchangeable Bonds	0	554
Trust preferred securities of Fresenius Medical Care Capital Trusts	0	468
Short-term accruals for income taxes	182	163
Deferred taxes	47	74
A. Total short-term liabilities	**5,152**	**5,711**
Long-term debt and capital lease obligations, less current portion	3,865	4,919
Senior Notes	3,822	2,369
Long-term accrued expenses and other long-term liabilities	433	458
Pension liabilities	400	383
Long-term accruals for income taxes	182	196
Deferred taxes	572	488
B. Total long-term liabilities	**9,274**	**8,813**
I. Total liabilities	**14,426**	**14,524**
II. Noncontrolling interest subject to put provisions	**232**	**209**
A. Noncontrolling interest not subject to put provisions	**4,350**	**3,879**
Subscribed capital	163	162
Capital reserve	2,117	2,085
Other reserves	3,495	2,683
Accumulated other comprehensive income (loss)	-76	35
B. Total Fresenius SE & Co. KGaA shareholders' equity	**5,699**	**4,965**
III. Total shareholders' equity	**10,049**	**8,844**
Total liabilities and shareholders' equity	**24,707**	**23,577**

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

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

€ in millions	Q1–3/2011	Q1–3/2010
Operating activities		
Net income	**930**	856
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities		
Depreciation and amortization	**482**	468
Change in deferred taxes	**35**	-22
Gain/loss on sale of fixed assets	**-4**	2
Changes in assets and liabilities, net of amounts from businesses acquired or disposed of		
Trade accounts receivable, net	**-196**	-276
Inventories	**-209**	-96
Other current and non-current assets	**-27**	3
Accounts receivable from/payable to related parties	**8**	4
Trade accounts payable, accrued expenses and other short-term and long-term liabilities	**132**	373
Accruals for income taxes	**5**	34
Net cash provided by operating activities	**1,156**	1,346
Investing activities		
Purchase of property, plant and equipment	**-491**	-503
Proceeds from sales of property, plant and equipment	**16**	12
Acquisitions and investments, net of cash acquired and net purchases of intangible assets	**-886**	-306
Proceeds from divestitures	**5**	7
Net cash used in investing activities	**-1,356**	-790
Financing activities		
Proceeds from short-term loans	**102**	139
Repayments of short-term loans	**-112**	-111
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	**428**	437
Repayments of long-term debt and capital lease obligations	**-617**	-1,036
Proceeds from the issuance of Senior Notes	**1,390**	242
Changes of accounts receivable securitization program	**-363**	214
Proceeds from the exercise of stock options	**71**	93
Redemption of trust preferred securities of Fresenius Medical Care Capital Trusts	**-465**	0
Dividends paid	**-338**	-308
Change in noncontrolling interest	**–**	-4
Exchange rate effect due to corporate financing	**-1**	-1
Net cash provided by/used in financing activities	**95**	-335
Effect of exchange rate changes on cash and cash equivalents	**-10**	19
Net decrease/increase in cash and cash equivalents	**-115**	240
Cash and cash equivalents at the beginning of the reporting period	**769**	420
Cash and cash equivalents at the end of the reporting period	**654**	660

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

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

	Ordinary shares		Preference shares		Subscribed Capital	
	Number of shares in thousand	Amount € in thousands	Number of shares in thousand	Amount € in thousands	Amount € in thousands	Amount € in millions
As of December 31, 2009	80,658	80,658	80,658	80,658	161,316	161
Proceeds from the exercise of stock options	331	331	331	331	662	1
Compensation expense related to stock options						
Dividends paid						
Purchase of noncontrolling interest not subject to put provisions						
Change in fair value of noncontrolling interest subject to put provisions						
Comprehensive income (loss)						
Net income						
Other comprehensive income (loss)						
Cash flow hedges						
Foreign currency translation						
Adjustments relating to pension obligations						
Comprehensive income						
As of September 30, 2010	80,989	80,989	80,989	80,989	161,978	162
As of December 31, 2010	81,225	81,225	81,225	81,225	162,450	162
Conversion of the preference shares into ordinary shares	81,225	81,225	-81,225	-81,225	0	0
Proceeds from the exercise of stock options	592	592			592	1
Compensation expense related to stock options						
Dividends paid						
Purchase of noncontrolling interest not subject to put provisions						
Maturity of Mandatory Exchangeable Bonds						
Change in fair value of noncontrolling interest subject to put provisions						
Comprehensive income (loss)						
Net income						
Other comprehensive income (loss)						
Cash flow hedges						
Foreign currency translation						
Adjustments relating to pension obligations						
Comprehensive income (loss)						
As of September 30, 2011	**163,042**	**163,042**	**0**	**0**	**163,042**	**163**

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

	Reserves					
	Capital reserve € in millions	Other reserves € in millions	Accumulated other comprehensive income (loss) € in millions	Total Fresenius SE & Co. KGaA shareholders' equity € in millions	Non-controlling interest not subject to put provisions € in millions	Total shareholders' equity € in millions
As of December 31, 2009	2,035	2,183	-145	4,234	3,257	7,491
Proceeds from the exercise of stock options	21			22	71	93
Compensation expense related to stock options	14			14	10	24
Dividends paid		-122		-122	-157	-279
Purchase of noncontrolling interest not subject to put provisions				0	18	18
Change in fair value of noncontrolling interest subject to put provisions	-4			-4	-6	-10
Comprehensive income (loss)						
Net income		435		435	405	840
Other comprehensive income (loss)						
Cash flow hedges			-64	-64	0	-64
Foreign currency translation			169	169	57	226
Adjustments relating to pension obligations			–	–	0	–
Comprehensive income		435	105	540	462	1,002
As of September 30, 2010	2,066	2,496	-40	4,684	3,655	8,339
As of December 31, 2010	2,085	2,683	35	4,965	3,879	8,844
Conversion of the preference shares into ordinary shares				0	0	0
Proceeds from the exercise of stock options	21			22	49	71
Compensation expense related to stock options	15			15	11	26
Dividends paid		-140		-140	-177	-317
Purchase of noncontrolling interest not subject to put provisions				0	7	7
Maturity of Mandatory Exchangeable Bonds		467		467	298	765
Change in fair value of noncontrolling interest subject to put provisions	-4			-4	-11	-15
Comprehensive income (loss)						
Net income		485		485	423	908
Other comprehensive income (loss)						
Cash flow hedges			-37	-37	0	-37
Foreign currency translation			-77	-77	-129	-206
Adjustments relating to pension obligations			3	3	0	3
Comprehensive income (loss)		485	-111	374	294	668
As of September 30, 2011	**2,117**	**3,495**	**-76**	**5,699**	**4,350**	**10,049**

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

FRESENIUS SE & CO. KGAA

CONSOLIDATED SEGMENT REPORTING FIRST THREE QUARTERS (UNAUDITED)

	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other[2]			Fresenius Group		
by business segment, € in millions	2011	2010	Change	2011	2010	Change	2011	2010	Change	2011	2010	Change	2011	2010	Change	2011	2010	Change
Sales	**6,735**	6,758	0%	**2,950**	2,723	8%	**1,950**	1,840	6%	**480**	517	-7%	**-26**	-17	-53%	**12,089**	11,821	2%
thereof contribution to consolidated sales	**6,725**	6,756	0%	**2,915**	2,691	8%	**1,950**	1,840	6%	**480**	517	-7%	**19**	17	12%	**12,089**	11,821	2%
thereof intercompany sales	**10**	2	--	**35**	32	9%	**0**	0		**–**	–	--	**-45**	-34	-32%	**0**	0	
contribution to consolidated sales	**56%**	57%		**24%**	23%		**16%**	16%		**4%**	4%		**0%**	0%		**100%**	100%	
EBITDA	**1,352**	1,334	1%	**722**	669	8%	**260**	233	12%	**27**	30	-10%	**-17**	-22	23%	**2,344**	2,244	4%
Depreciation and amortization	**294**	281	5%	**109**	112	-3%	**65**	61	7%	**5**	6	-17%	**9**	8	13%	**482**	468	3%
EBIT	**1,058**	1,053	0%	**613**	557	10%	**195**	172	13%	**22**	24	-8%	**-26**	-30	13%	**1,862**	1,776	5%
Net interest	**-152**	-157	3%	**-212**	-212	0%	**-40**	-40	0%	**1**	1	0%	**2**	-16	113%	**-401**	-424	5%
Income taxes	**-310**	-311	0%	**-111**	-102	-9%	**-29**	-27	-7%	**-6**	-7	14%	**25**	49	-49%	**-431**	-398	-8%
Net income attributable to Fresenius SE & Co. KGaA	**541**	538	1%	**271**	228	19%	**117**	98	19%	**17**	18	-6%	**-461**	-447	-3%	**485**	435	11%
Operating cash flow	**675**	781	-14%	**350**	378	-7%	**211**	225	-6%	**-51**	7	--	**-29**	-45	36%	**1,156**	1,346	-14%
Cash flow before acquisitions and dividends	**405**	523	-23%	**234**	272	-14%	**133**	114	17%	**-55**	0		**-36**	-54	33%	**681**	855	-20%
Total assets[1]	**13,793**	12,793	8%	**6,908**	6,860	1%	**3,403**	3,270	4%	**552**	549	1%	**51**	105	-51%	**24,707**	23,577	5%
Debt[1]	**4,970**	4,400	13%	**4,205**	4,298	-2%	**1,069**	1,096	-2%	**36**	16	125%	**-1,099**	-1,026	-7%	**9,181**	8,784	5%
Capital expenditure, gross	**282**	266	6%	**108**	100	8%	**78**	112	-30%	**4**	7	-43%	**8**	9	-11%	**480**	494	-3%
Acquisitions, gross/investments[3]	**830**	299	178%	**11**	23	-52%	**11**	1	--	**2**	0		**54**	0		**908**	323	181%
Research and development expenses	**57**	51	12%	**119**	102	17%	**–**	–	--	**0**	0		**16**	21	-24%	**192**	174	10%
Employees (per capita on balance sheet date)[1]	**81,994**	77,442	6%	**24,057**	22,851	5%	**35,015**	33,321	5%	**3,200**	3,110	3%	**852**	828	3%	**145,118**	137,552	6%
Key figures																		
EBITDA margin	**20.1%**	19.7%		**24.5%**	24.6%		**13.3%**	12.7%		**5.6%**	5.8%					**19.4%**	19.0%	
EBIT margin	**15.7%**	15.6%		**20.8%**	20.5%		**10.0%**	9.3%		**4.6%**	4.6%					**15.4%**	15.0%	
Depreciation and amortization in % of sales	**4.4%**	4.2%		**3.7%**	4.1%		**3.3%**	3.3%		**1.0%**	1.2%					**4.0%**	4.0%	
Operating cash flow in % of sales	**10.0%**	11.6%		**11.9%**	13.9%		**10.8%**	12.2%		**-10.6%**	1.4%					**9.6%**	11.4%	
ROOA[1]	**12.2%**	12.5%		**12.4%**	11.9%		**8.2%**	7.8%		**14.1%**	22.2%					**11.2%**	11.6%	

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

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 THIRD QUARTER (UNAUDITED)

	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other[1]			Fresenius Group		
by business segment, € in millions	**2011**	2010	Change	**2011**	2010	Change	**2011**	2010	Change	**2011**	2010	Change	**2011**	2010	Change	**2011**	2010	Change
Sales	**2,295**	2,366	-3%	**979**	978	0%	**657**	617	6%	**167**	179	-7%	**-13**	-5	-160%	**4,085**	4,135	-1%
thereof contribution to consolidated sales	**2,287**	2,365	-3%	**967**	968	0%	**657**	617	6%	**167**	179	-7%	**7**	6	17%	**4,085**	4,135	-1%
thereof intercompany sales	**8**	1	--	**12**	10	20%	**0**	0		**–**	–	--	**-20**	-11	-82%	**0**	0	
contribution to consolidated sales	**56%**	57%		**24%**	24%		**16%**	15%		**4%**	4%		**0%**	0%		**100%**	100%	
EBITDA	**478**	477	0%	**239**	250	-4%	**94**	83	13%	**12**	11	9%	**-5**	-5	0%	**818**	816	0%
Depreciation and amortization	**100**	96	4%	**37**	40	-8%	**22**	21	5%	**2**	2	0%	**2**	2	0%	**163**	161	1%
EBIT	**378**	381	-1%	**202**	210	-4%	**72**	62	16%	**10**	9	11%	**-7**	-7	0%	**655**	655	0%
Net interest	**-48**	-55	13%	**-69**	-71	3%	**-14**	-13	-8%	**–**	0		**6**	-4	--	**-125**	-143	13%
Income taxes	**-115**	-118	3%	**-35**	-42	17%	**-11**	-10	-10%	**-3**	-3	0%	**-24**	9	--	**-188**	-164	-15%
Net income attributable to Fresenius SE & Co. KGaA	**198**	192	3%	**90**	92	-2%	**45**	36	25%	**8**	6	33%	**-113**	-131	14%	**228**	195	17%
Operating cash flow	**328**	296	11%	**145**	189	-23%	**90**	92	-2%	**-58**	-28	-107%	**1**	-8	113%	**506**	541	-6%
Cash flow before acquisitions and dividends	**222**	202	10%	**110**	148	-26%	**51**	64	-20%	**-60**	-31	-94%	**0**	-13	100%	**323**	370	-13%
Capital expenditure, gross	**112**	95	18%	**38**	43	-12%	**38**	29	31%	**2**	3	-33%	**4**	4	0%	**194**	174	11%
Acquisitions, gross/investments	**40**	71	-44%	**5**	0		**6**	1	--	**–**	0		**0**	0		**51**	72	-29%
Research and development expenses	**19**	17	12%	**39**	37	5%	**–**	–	--	**0**	0		**6**	6	0%	**64**	60	7%
Key figures																		
EBITDA margin	**20.8%**	20.2%		**24.4%**	25.6%		**14.3%**	13.5%		**7.2%**	6.1%					**20.0%**	19.7%	
EBIT margin	**16.5%**	16.1%		**20.6%**	21.5%		**11.0%**	10.0%		**6.0%**	5.0%					**16.0%**	15.8%	
Depreciation and amortization in % of sales	**4.4%**	4.1%		**3.8%**	4.1%		**3.3%**	3.4%		**1.2%**	1.1%					**4.0%**	3.9%	
Operating cash flow in % of sales	**14.3%**	12.5%		**14.8%**	19.3%		**13.7%**	14.9%		**-34.7%**	-15.6%					**12.4%**	13.1%	

[1] Including special items from the acquisition of APP Pharmaceuticals, Inc.

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

CONTENT NOTES

GENERAL NOTES

1. PRINCIPLES

I. GROUP STRUCTURE

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

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

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

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

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

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

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

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

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

III. BASIS OF PRESENTATION

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, 2010.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The condensed consolidated financial statements and management report for the first three quarters and the third quarter ended September 30, 2011 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, 2010, published in the 2010 Annual Report.

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

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

The results of operations for the first three quarters ended September 30, 2011 are not necessarily indicative of the results of operations for the fiscal year 2011.

Classifications

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

Use of estimates

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

V. RECENT PRONOUNCEMENTS, APPLIED

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

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

VI. RECENT PRONOUNCEMENTS, NOT YET APPLIED

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

In July 2011, the FASB issued **Accounting Standards Update 2011–06** (ASU 2011–06), FASB Accounting Standards Codification (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. The 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 with a corresponding deferred cost that is amortized to expense using a straight-line allocation method unless a another method better allocates the fee over the entire calendar year for which it is payable. In addition, the amendments state 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.

In July 2011, the FASB issued **Accounting Standards Update 2011–07** (ASU 2011–07), FASB ASC Topic 954, Health Care Entities – Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts and the Allowance for Doubtful Accounts for Certain Health Care Entities, in order to provide financial statement users with greater transparency about a health care entity's net patient service revenue and the related allowance for doubtful accounts. The amendments require health care entities that recognize significant amounts of patient service revenue at the time the services are rendered even though they do not assess the patient's ability to pay to present the provision for bad debts related to patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts) on their statement of operations. The provision for bad debts must be reclassified from an operating expense to a deduction from patient service revenue. Additionally, these health care entities are required to provide enhanced disclosures about their policies for recognizing revenue and assessing bad debts. The amendments also require disclosures of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. For public entities, the disclosures required under ASU 2011–07 are effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2011, with early adoption permitted. The amendments to the presentation of the provision for bad debts related to patient service revenue in the statement of operations should be applied retrospectively to all prior periods presented. The Fresenius Group is currently evaluating the impact of ASU 2011–07 on its operations.

In June 2011, the FASB issued **Accounting Standards Update 2011–05** (ASU 2011–05), FASB ASC Topic 220, Comprehensive Income – Presentation of Comprehensive Income. The amendments in ASU 2011–05 require that all non-owner changes in stockholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but continuous statements. In the two statement approach, the first statement should present total net income and its components followed consecutively by a second statement presenting total other comprehensive income, the components of other comprehensive income and total of comprehensive income. The disclosures required under ASU 2011–05 are effective retrospectively for fiscal years and interim periods within those years, beginning after December 15, 2011, with earlier adoption permitted. As the Fresenius Group currently presents two separate but continuous statements of net income and comprehensive income, the Fresenius Group is already in compliance with the amended guidance issued in ASU 2011–05.

In May 2011, the FASB issued **Accounting Standards Update 2011–04** (ASU 2011–04), FASB ASC Topic 820, Fair Value Measurement – Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs. The amendments in ASU 2011–04 result in common fair value measurement and disclosure requirements in U.S. GAAP and IFRSs. These amendments include clarifications of the application of highest and best use and valuation premise concepts, the measurement of the fair value of an instrument classified in a reporting entity's shareholders' equity, and disclosures about fair value measurements. ASU 2011–04 also changes the measurement or disclosure requirements related to measuring the fair value of financial instruments that are managed within a portfolio, the application of premiums and discounts in a fair value measurement, and additional disclosure about fair value measurements. The disclosures required under ASU 2011–04 are effective for interim and annual reporting periods beginning on or after December 15, 2011. Earlier adoption by public entities is not permitted. The Fresenius Group will apply the guidance under ASU 2011–04 beginning January 1, 2012.

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

2. ACQUISITIONS AND INVESTMENTS

The Fresenius Group made acquisitions and investments of €908 million and €323 million in the first three quarters of 2011 and 2010, respectively. Of this amount, €886 million was paid in cash and €22 million was assumed obligations in the first three quarters of 2011.

In the first three quarters of 2011, Fresenius Medical Care spent €830 million on acquisitions, which consisted of the following:

AMERICAN ACCESS CARE

On October 1, 2011, Fresenius Medical Care acquired the U.S. based company American Access Care Holdings, LLC (AAC). AAC operates 28 freestanding out-patient interventional radiology centers in 12 states in the U.S. primarily dedicated to the vascular access needs of dialysis patients. The acquired operations will add approximately US$175 million in annual revenue and are expected to be accretive to earnings in the first year after closing of the transaction. The transaction was financed from cash flow from operations and available borrowing facilities.

LIBERTY DIALYSIS

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

During the first quarter of 2011, Fresenius Medical Care loaned US$294 million (€218 million) to Renal Advantage Partners, LLC, the parent company of Renal Advantage, Inc., which included a US$60 million (€44 million) conversion right for a 49% minority equity interest in Renal Advantage Partners, LLC. The conversion right was exercised and became effective May 1, 2011. The remaining loan and the participation received resulting from the exercise of the conversion right are classified within other non-current assets in the consolidated statement of financial position. Additionally, Fresenius Medical Care has entered into agreements to provide renal products and pharmaceutical supplies as well as other services to Renal Advantage, Inc. and Liberty Dialysis, Inc.

INTERNATIONAL DIALYSIS CENTERS

On January 4, 2011, Fresenius Medical Care announced the signing of a purchase agreement to acquire International Dialysis Centers (IDC), Euromedic International's dialysis service business, for a preliminary purchase price of €529 million. The increase over the original purchase price of €485 million reflects adjustments for the seller's final cash and debt positions at closing and the effects of the delay in closing resulting from the regulatory approval process. IDC treats over 8,200 hemodialysis patients predominantly in Central and Eastern Europe and operates a total of 70 clinics in 9 countries. With the exception of Portugal, where the review is still ongoing, closing occurred on June 30, 2011 following final regulatory approvals by the relevant anti-trust authorities which included a mandate for the divestiture of five of the acquired clinics. In the meantime, the divesture process has been started and a preliminary review of the purchase price allocation took place. Based on those activities, Fresenius Medical Care adjusted the identified goodwill to approximately €403 million at September 30, 2011; in addition, intangible assets of €65 million have been identified. Fresenius Medical Care expects to complete the purchase price allocation by the end of 2011.

Further acquisition spending related mainly to the purchase of dialysis clinics.

Fresenius Kabi spent €11 million on acquisitions in the first three quarters of 2011.

In the first three quarters of 2011, Fresenius Helios spent €11 million on acquisitions, mainly for the completed acquisition of the Gesundheitszentren Landkreis Rottweil GmbH, Germany, in May 2011. Furthermore, Fresenius Helios made an additional purchase price payment for the HELIOS St. Marienberg Klinik Helmstedt GmbH, Germany.

Fresenius Vamed spent €2 million on acquisitions in the first three quarters of 2011.

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

NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

Net income attributable to Fresenius SE & Co. KGaA for the first three quarters of 2011 in the amount of €485 million includes several special items relating to the acquisition of APP Pharmaceuticals, Inc. (APP) in 2008. These special items in a total amount of -€80 million (before tax: -€100 million) are described in note 4, Other financial result. Net income attributable to Fresenius SE & Co. KGaA before special items was €565 million (Q1–3 2010: €495 million).

3. SALES

Sales by activity were as follows:

€ in millions	Q1–3/2011	Q1–3/2010
Sales of services	7,182	7,145
Sales of products and related goods	4,592	4,321
Sales from long-term production contracts	314	354
Other sales	1	1
Sales	**12,089**	11,821

4. OTHER FINANCIAL RESULT

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

The Contingent Value Rights (CVR) awarded to the APP shareholders were traded on the NASDAQ Stock Exchange in the United States. Following a request to the U.S. Securities and Exchange Commission, in the first quarter of 2011, the CVR were deregistered and delisted from the NASDAQ due to the expiration of the underlying agreement and became valueless. As a result, an income of €5 million was recognized in the first three quarters of 2011 (Q1–3 2010: income of €33 million resulting from the valuation of the liability).

The issued Mandatory Exchangeable Bonds (MEB) matured on August 14, 2011. Due to their contractual definition, they included derivative financial instruments that were measured at fair value. This measurement resulted in an expense (before tax) of €105 million in the first three quarters of 2011 (Q1–3 2010: expense before tax of €131 million).

5. TAXES

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

Furthermore, during the first three quarters of 2011, there were no 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 2010 Annual Report.

6. EARNINGS PER SHARE

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

	Q1–3/2011	Q1–3/2010
Numerators, € in millions		
Net income attributable to Fresenius SE Co. KGaA	485	435
less preference on preference shares	n/a	1
less effect from dilution due to Fresenius Medical Care shares and MEB	2	4
Income available to all classes of shares	483	430
Denominators in number of shares		
Weighted-average number of ordinary shares outstanding	162,676,589	80,796,498
Weighted-average number of preference shares outstanding	0	80,796,498
Weighted-average number of shares outstanding of all classes	162,676,589	161,592,996
Potentially dilutive ordinary shares	1,573,205	556,879
Potentially dilutive preference shares	0	556,879
Weighted-average number of ordinary shares outstanding assuming dilution	164,249,794	81,353,377
Weighted-average number of preference shares outstanding assuming dilution	0	81,353,377
Weighted-average number of shares outstanding of all classes assuming dilution	164,249,794	162,706,754
Basic earnings per ordinary share in €	2.98	2.69
Preference per preference share in € [1]	n/a	0.01
Basic earnings per preference share in €	n/a	2.70
Fully diluted earnings per ordinary share in €	2.94	2.65
Preference per preference share in € [1]	n/a	0.01
Fully diluted earnings per preference share in €	n/a	2.66

[1] Until December 31, 2010

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

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

7. CASH AND CASH EQUIVALENTS

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

€ in millions	Sept. 30, 2011	Dec. 31, 2010
Cash	638	650
Time deposits and securities (with a maturity of up to 90 days)	16	119
Total cash and cash equivalents	654	769

As of September 30, 2011 and December 31, 2010, earmarked funds of €94 million and €65 million, respectively, were included in cash and cash equivalents.

8. TRADE ACCOUNTS RECEIVABLE

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

€ in millions	Sept. 30, 2011	Dec. 31, 2010
Trade accounts receivable	3,456	3,252
less allowance for doubtful accounts	349	317
Trade accounts receivable, net	3,107	2,935

9. INVENTORIES

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

€ in millions	Sept. 30, 2011	Dec. 31, 2010
Raw materials and purchased components	389	350
Work in process	308	255
Finished goods	985	874
less reserves	70	68
Inventories, net	1,612	1,411

10. OTHER CURRENT AND NON-CURRENT ASSETS

Investments and long-term loans comprised investments of €247 million as of September 30, 2011 (December 31, 2010: €190 million), that were accounted for under the equity method. In the first three quarters of 2011, income of €16 million (Q1–3 2010: €2 million) resulting from this valuation was included in general and administrative expenses in the consolidated statement of income. Furthermore, other non-current assets include € 174 million that Fresenius Medical Care loaned to Renal Advantage Partners, LLC.

11. GOODWILL AND OTHER INTANGIBLE ASSETS

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

AMORTIZABLE INTANGIBLE ASSETS

€ in millions	Sept. 30, 2011			Dec. 31, 2010		
	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Patents, product and distribution rights	612	168	444	617	139	478
Technology	82	23	59	83	19	64
Non-compete agreements	186	134	52	184	125	59
Other	567	299	268	484	278	206
Total	1,447	624	823	1,368	561	807

NON-AMORTIZABLE INTANGIBLE ASSETS

€ in millions	Sept. 30, 2011			Dec. 31, 2010		
	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Tradenames	171	0	171	173	0	173
Management contracts	7	0	7	4	0	4
Goodwill	11,886	0	11,886	11,464	0	11,464
Total	12,064	0	12,064	11,641	0	11,641

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

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

€ in millions	Q4/2011	2012	2013	2014	2015	Q1–3/2016
Estimated amortization expenses	36	102	96	90	82	58

The carrying amount of goodwill has developed as follows:

€ in millions	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate/ Other	**Fresenius Group**
Carrying amount as of January 1, 2010	**5,214**	**3,466**	**1,626**	**44**	**6**	**10,356**
Additions	324	30	1	4	0	359
Reclassifications	162	0	0	0	0	162
Foreign currency translation	392	195	0	0	0	587
Carrying amount as of December 31, 2010	**6,092**	**3,691**	**1,627**	**48**	**6**	**11,464**
Additions	470	8	72	0	0	550
Foreign currency translation	-97	-31	0	0	0	-128
Carrying amount as of September 30, 2011	**6,465**	**3,668**	**1,699**	**48**	**6**	**11,886**

As of September 30, 2011 and December 31, 2010, the carrying amounts of the other non-amortizable intangible assets were €162 million and €161 million, respectively, for Fresenius Medical Care as well as €16 million, respectively, for Fresenius Kabi.

12. DEBT AND CAPITAL LEASE OBLIGATIONS

SHORT-TERM DEBT

The Fresenius Group had short-term debt of €203 million and €606 million at September 30, 2011 and December 31, 2010, respectively. As of September 30, 2011, this debt consisted of borrowings by certain subsidiaries of the Fresenius Group under lines of credit with commercial banks.

At December 31, 2010, the accounts receivable facility of Fresenius Medical Care was classified as short-term debt. During the third quarter of 2011, the accounts receivable facility was renewed for a period of three years. As a result, it has been classified as long-term debt at September 30, 2011. As of September 30, 2011, there were no borrowings under the accounts receivable facility (December 31, 2010: €382 million).

LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

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

€ in millions	**Sept. 30, 2011**	Dec. 31, 2010
Fresenius Medical Care 2006 Senior Credit Agreement	**2,152**	2,211
2008 Senior Credit Agreement	**1,394**	1,484
Euro Notes	**800**	800
European Investment Bank Agreements	**526**	531
Capital lease obligations	**48**	54
Other	**233**	259
Subtotal	**5,153**	5,339
less current portion	**1,288**	420
Long-term debt and capital lease obligations, less current portion	**3,865**	4,919

Fresenius Medical Care 2006 Senior Credit Agreement

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

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

The latest amendment was closed on September 21, 2011. It included, among other things, a change to the definition of Fresenius Medical Care's consolidated leverage ratio, which is used to determine the applicable margin, to allow for the reduction of all cash and cash equivalents from consolidated funded debt.

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

	Sept. 30, 2011			
	Maximum amount available		**Balance outstanding**	
	US$ in millions	€ in millions	**US$ in millions**	**€ in millions**
Revolving Credit	1,200	889	**135**	**100**
Term Loan A	1,245	922	**1,245**	**922**
Term Loan B	1,526	1,130	**1,526**	**1,130**
Total	3,971	2,941	**2,906**	**2,152**

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

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

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

2008 Senior Credit Agreement

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

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

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

	Sept. 30, 2011			
	Maximum amount available	€ in millions	**Balance outstanding**	**€ in millions**
Revolving Credit Facilities	US$550 million	407	**US$0 million**	**0**
Term Loan A	US$687 million	509	**US$687 million**	**509**
Term Loan D (in US$)	US$977 million	724	**US$977 million**	**724**
Term Loan D (in €)	€161 million	161	**€161 million**	**161**
Total		1,801		**1,394**

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

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

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

Euro Notes

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

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

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

European Investment Bank Agreements

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

		Maximum amount available € in millions		Book value € in millions	
	Maturity	**Sept. 30, 2011**	Dec. 31, 2010	**Sept. 30, 2011**	Dec. 31, 2010
Fresenius SE & Co. KGaA	2013	**196**	196	**196**	196
FMC-AG & Co. KGaA	2013/2014	**271** [1]	271 [1]	**262** [1]	263 [1]
HELIOS Kliniken GmbH	2019	**68**	72	**68**	72
Loans from EIB		**535**	539	**526**	531

[1] Difference due to foreign currency translation

The majority of the loans are denominated in euros. The U.S. dollar denominated borrowings of FMC-AG & Co. KGaA amounted to US$165 million (€122 million) at September 30, 2011.

Accounts receivable facility of Fresenius Medical Care

In August 2011, the accounts receivable facility of Fresenius Medical Care was renewed to July 31, 2014 and increased by US$100 million to US$800 million.

As the accounts receivable facility was renewed annually in the past, it has historically been classified as a short-term debt. Since the recent renewal extended the due date to 2014, the accounts receivable facility has been reclassified into long-term debt. As of September 30, 2011, there were no borrowings under the accounts receivable facility (December 31, 2010: €382 million).

CREDIT LINES

In addition to the financial liabilities described above, 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 September 30, 2011, the additional financial cushion resulting from unutilized credit facilities was approximately €1.8 billion.

13. SENIOR NOTES

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

				Book value € in millions	
	Notional amount	Maturity	Interest rate	**Sept. 30, 2011**	Dec. 31, 2010
Fresenius Finance B.V. 2006/2013	€500 million	Jan. 31, 2013	5.00%	**500**	500
Fresenius Finance B.V. 2006/2016	€650 million	Jan. 31, 2016	5.50%	**636**	635
Fresenius US Finance II, Inc. 2009/2015	€275 million	July 15, 2015	8¾%	**264**	261
Fresenius US Finance II, Inc. 2009/2015	US$500 million	July 15, 2015	9.00%	**355**	356
Fresenius Medical Care US Finance, Inc. 2007/2017	US$500 million	July 15, 2017	6⅞%	**367**	370
FMC Finance VI S.A. 2010/2016	€250 million	July 15, 2016	5.50%	**248**	247
FMC Finance VII S.A. 2011/2021	€300 million	Feb. 15, 2021	5.25%	**291**	0
FMC Finance VIII S.A. 2011/2018	€400 million	Sept. 15, 2018	6.50%	**393**	0
Fresenius Medical Care US Finance, Inc. 2011/2021	US$650 million	Feb. 15, 2021	5.75%	**476**	0
Fresenius Medical Care US Finance II, Inc. 2011/2018	US$400 million	Sept. 15, 2018	6.50%	**292**	0
Senior Notes				**3,822**	2,369

On October 17, 2011, FMC Finance VIII S.A. issued €100 million of unsecured, floating-rate Senior Notes at par, which are due on October 15, 2016. The Senior Notes carry interest of three-month EURIBOR plus 350 basis points. Net proceeds will be used for acquisitions, to repay indebtedness and for general corporate purposes.

On September 14, 2011, Fresenius Medical Care US Finance II, Inc. and FMC Finance VIII S.A. issued unsecured Senior Notes of US$400 million and €400 million, respectively. The Senior Notes are due in 2018. Net proceeds were used for acquisitions, to refinance indebtedness and for general corporate purposes.

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

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

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

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

14. MANDATORY EXCHANGEABLE BONDS

To finance the acquisition of APP Pharmaceuticals, Inc., Mandatory Exchangeable Bonds (MEB) in an aggregate nominal amount of €554.4 million were issued by Fresenius Finance (Jersey) Ltd. in July 2008. Fresenius Finance B.V. subscribed for these MEB at 100% of their principal amount. Afterwards, the MEB were on-lent to Fresenius SE (since January 28, 2011: Fresenius SE & Co. KGaA), who placed the MEB in the market. The bonds carried a coupon of 5 5/8% per annum and matured on August 14, 2011. Upon maturity, the bonds were mandatorily exchangeable into ordinary shares of Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA). Each holder of an MEB received 1,418 ordinary shares of FMC-AG & Co. KGaA per MEB, corresponding to a final conversion price of €35.26. The ordinary shares of FMC-AG & Co. KGaA were owned by Fresenius SE & Co. KGaA and there was no issuance of new shares. Fresenius SE & Co. KGaA's shareholding in FMC-AG & Co. KGaA was thus reduced by 15,722,644 ordinary shares to 30.4% of the ordinary share capital.

The MEB were shown under short-term liabilities in an amount of €554 million until their maturity on August 14, 2011.

The derivative financial instruments embedded in the MEB were measured at fair value and were shown separately in the consolidated statement of financial position within short-term accrued expenses and other short-term liabilities until the maturity of the MEB.

15. TRUST PREFERRED SECURITIES

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

16. PENSIONS AND SIMILAR OBLIGATIONS

DEFINED BENEFIT PENSION PLANS

At September 30, 2011, the pension liability of the Fresenius Group was €412 million. The current portion of the pension liability of €12 million is recognized in the consolidated statement of financial position within short-term accrued expenses and other short-term liabilities. The non-current portion of €400 million is recorded as pension liability.

Contributions to Fresenius Group's pension fund were €3 million in the first three quarters of 2011. The Fresenius Group expects approximately €5 million contributions to the pension fund during 2011.

The net periodic benefit cost of the defined benefit pension plans of €32 million was comprised of the following components:

€ in millions	Q1–3/2011	Q1–3/2010
Service cost	14	11
Interest cost	26	25
Expected return on plan assets	-13	-13
Amortization of unrealized actuarial losses, net	5	3
Amortization of prior service costs	–	–
Amortization of transition obligations	–	–
Settlement loss	–	–
Net periodic benefit cost	**32**	26

17. NONCONTROLLING INTEREST

NONCONTROLLING INTEREST SUBJECT TO PUT PROVISIONS

As of September 30, 2011 and December 31, 2010, the Fresenius Group's potential obligations under noncontrolling interest subject to put options were €232 million and €209 million, respectively, of which, at September 30, 2011, €73 million were exercisable.

NONCONTROLLING INTEREST NOT SUBJECT TO PUT PROVISIONS

As of September 30, 2011 and December 31, 2010, noncontrolling interest not subject to put provisions in the Group was as follows:

€ in millions	Sept. 30, 2011	Dec. 31, 2010
Noncontrolling interest not subject to put provisions in Fresenius Medical Care AG & Co. KGaA	4,024	3,574
Noncontrolling interest not subject to put provisions in HELIOS Kliniken GmbH	0	4
Noncontrolling interest not subject to put provisions in VAMED AG	25	23
Noncontrolling interest not subject to put provisions in the business segments		
Fresenius Medical Care	110	110
Fresenius Kabi	60	46
Fresenius Helios	129	119
Fresenius Vamed	2	3
Total noncontrolling interest not subject to put provisions	**4,350**	3,879

Due to the maturity of the MEB on August 14, 2011, Fresenius SE & Co. KGaA's shareholding in Fresenius Medical Care AG & Co. KGaA was reduced by 15,722,644 ordinary shares to 30.4% of the ordinary share capital.

In the first three quarters of 2011, noncontrolling interest not subject to put provisions increased by €471 million to €4,350 million. The change resulted from the noncontrolling interest not subject to put provisions in profit of €423 million, additions due to the maturity of the Mandatory Exchangeable Bonds of €298 million, less dividend payments of €177 million as well as noncontrolling interest not subject to put provisions in stock options, currency effects and first-time consolidations in a total amount of €73 million.

18. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

SUBSCRIBED CAPITAL

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

During the first three quarters of 2011, 591,739 stock options were exercised. Consequently, at September 30, 2011, the subscribed capital of Fresenius SE & Co. KGaA consisted of 163,041,829 bearer ordinary shares. The shares are issued as non-par value shares. The proportionate amount of the subscribed capital is €1.00 per share.

CONDITIONAL CAPITAL

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

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

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

The following table shows the development of the Conditional Capital:

in €	Ordinary shares	Preference shares	Total
Conditional Capital I Fresenius AG Stock Option Plan 1998	495,255	495,255	990,510
Conditional Capital II Fresenius AG Stock Option Plan 2003	1,743,159	1,743,159	3,486,318
Conditional Capital III Fresenius SE Stock Option Plan 2008	3,100,000	3,100,000	6,200,000
Total Conditional Capital as of January 1, 2011	**5,338,414**	**5,338,414**	**10,676,828**
Conversion of the preference shares into ordinary shares in combination with the change of legal form	5,337,526	-5,337,526	0
Fresenius AG Stock Option Plan 1998 – options exercised	-87,642	0	-87,642
Fresenius AG Stock Option Plan 2003 – options exercised	-399,279	-888	-400,167
Fresenius SE Stock Option Plan 2008 – options exercised	-103,930	0	-103,930
Total Conditional Capital as of September 30, 2011	**10,085,089**	**0**	**10,085,089**

AUTHORIZED CAPITAL

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

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

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

DIVIDENDS

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

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

OTHER NOTES

19. LEGAL PROCEEDINGS

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

Further information regarding legal disputes, court proceedings and investigations can be found in detail in the consolidated financial statements in the 2010 Annual Report. In the following, only the changes during the first three quarters ended September 30, 2011 compared to the information provided in the consolidated financial statements are described. These changes should be read in conjunction with the overall information in the consolidated financial statements in the 2010 Annual Report; defined terms or abbreviations having the same meaning as in the 2010 Annual Report.

W.R. GRACE & CO. LAWSUIT

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

BAXTER PATENT DISPUTE „TOUCHSCREEN INTERFACES" (1)

Baxter has asked the Court to enforce the judgment on the one patent remaining valid at this time, and compel payment to Baxter of the funds of US$20 million currently in the escrow. A hearing is scheduled for December 2, 2011.

BAXTER PATENT DISPUTE "LIBERTY CYCLER"

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

RENAL CARE GROUP – COMPLAINT "METHOD II"

On June 17, 2011, the District Court entered summary judgment against Renal Care Group, Inc. (RCG) for US$83 million on one of the False Claims Act counts of the complaint. On June 23, 2011, Fresenius Medical Care appealed to the United States Court of Appeals for the Sixth Circuit. Although Fresenius Medical Care cannot provide any assurance of the outcome, Fresenius Medical Care believes that RCG's operation of its Method II supply company was in compliance with applicable law, that no relief is due to the United States, that the decisions made by the District Court on March 22, 2010 and June 17, 2011 will be reversed, and that its position in the litigation will ultimately be sustained.

FRESENIUS MEDICAL CARE HOLDINGS – QUI TAM COMPLAINT (MASSACHUSETTS)

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

SUBPOENA "NEW YORK"

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

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

20. FINANCIAL INSTRUMENTS

VALUATION OF FINANCIAL INSTRUMENTS

Estimation of fair values of financial instruments

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

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

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

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

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

The carrying amounts of derivatives embedded in the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) corresponded with their fair values. The MEB matured on August 14, 2011. The embedded derivatives were measured at fair value, which was estimated based on a Black-Scholes model. The CVR were traded on the stock exchange in the United States and were therefore valued with the current stock exchange price until December 31, 2010. In the first quarter of 2011, the CVR were deregistered and delisted from the NASDAQ due to the expiration of the underlying agreement and became valueless.

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

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

Fair value of financial instruments

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

€ in millions	Sept. 30, 2011 Carrying amount	Sept. 30, 2011 Fair value	Dec. 31, 2010 Carrying amount	Dec. 31, 2010 Fair value
Cash and cash equivalents	**654**	**654**	769	769
Assets recognized at carrying amount	**3,290**	**3,287**	2,950	2,950
Liabilities recognized at carrying amount	**9,800**	**9,947**	10,031	10,259
Liabilities recognized at fair value	**15**	**15**	133	133
Noncontrolling interest subject to put provisions recognized at fair value	**232**	**232**	209	209
Derivatives for hedging purposes	**-148**	**-148**	-225	-225

Derivative and non-derivative financial instruments recognized at fair value are classified according to the three-tier fair value hierarchy. For the fair value measurement of derivatives for hedging purposes, significant other observable inputs are used. Therefore, they are classified as Level 2 in accordance with the defined fair value hierarchy levels. The derivatives embedded in the MEB were also classified as Level 2. Until December 31, 2010, the valuation of the CVR was based on the current stock exchange price, they were therefore classified as Level 1. The class liabilities recognized at fair value consisted of embedded derivatives and the CVR and was consequently classified in its entirety as the lower hierarchy Level 2. As of September 30, 2011, this class no longer existed due to the expiration of the CVR and the maturity of the MEB. The valuation of the noncontrolling interests subject to put provisions is determined using significant unobservable inputs, they are therefore classified as Level 3.

FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

€ in millions	Sept. 30, 2011 Assets	Sept. 30, 2011 Liabilities	Dec. 31, 2010 Assets	Dec. 31, 2010 Liabilities
Interest rate contracts (current)	0	97	–	43
Interest rate contracts (non-current)	0	65	1	115
Foreign exchange contracts (current)	35	15	8	49
Foreign exchange contracts (non-current)	2	5	5	2
Derivatives designated as hedging instruments [1]	**37**	**182**	14	209
Interest rate contracts (current)	0	–	0	2
Foreign exchange contracts (current) [1]	27	24	10	34
Foreign exchange contracts (non-current) [1]	4	10	1	7
Derivatives embedded in the MEB (current)	0	0	0	111
Derivatives not designated as hedging instruments	**31**	**34**	11	154

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

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

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

Derivatives for hedging purposes were recognized at gross value within other assets in an amount of €68 million and other liabilities in an amount of €216 million.

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

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

	Q1–3/2011		
€ in millions	Gain or loss recognized in other comprehensive income (loss) (effective portion)	Gain or loss reclassified from accumulated other comprehensive income (loss) (effective portion)	Gain or loss recognized in the consolidated statement of income
Interest rate contracts	-52	-5	-7
Foreign exchange contracts	-9	2	–
Derivatives in cash flow hedging relationships [1]	**-61**	**-3**	**-7**
Foreign exchange contracts			4
Derivatives in fair value hedging relationships			**4**
Derivatives designated as hedging instruments	**-61**	**-3**	**-3**

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

	Q1–3/2010		
€ in millions	Gain or loss recognized in other comprehensive income (loss) (effective portion)	Gain or loss reclassified from accumulated other comprehensive income (loss) (effective portion)	Gain or loss recognized in the consolidated statement of income
Interest rate contracts	-91	-4	–
Foreign exchange contracts	-13	-10	–
Derivatives in cash flow hedging relationships [1]	**-104**	**-14**	**–**
Foreign exchange contracts			-19
Derivatives in fair value hedging relationships			**-19**
Derivatives designated as hedging instruments	**-104**	**-14**	**-19**

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

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

	Gain or loss recognized in the consolidated statement of income	
€ in millions	**Q1–3/2011**	Q1–3/2010
Interest rate contracts	**2**	0
Foreign exchange contracts	**57**	-76
Derivatives embedded in the MEB	**-100**	-126
Derivatives not designated as hedging instruments	**-41**	-202

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 €66 million of losses in the course of normal business during the next 12 months in interest expense.

Gains and losses from foreign exchange contracts and the corresponding underlying transactions are accounted for as cost of sales, selling, general and administrative expenses and net interest. Gains and losses resulting from interest rate contracts are recognized as net interest in the consolidated statement of income. The position other financial result in the consolidated statement of income includes gains and losses from the valuation of the derivatives embedded in the MEB which was made until August 14, 2011 (see note 4, Other financial result).

MARKET RISK

General

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

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

Derivative financial instruments

Foreign exchange risk management

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

As of September 30, 2011, the notional amounts of foreign exchange contracts totaled €3,824 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 €12 million and €5 million, respectively.

As of September 30, 2011, the Fresenius Group was party to foreign exchange contracts with a maximum maturity of 50 months.

Interest rate risk management

The Fresenius Group enters into interest rate swaps and, on a small scale, into interest rate options in order to hedge against interest rate exposures. These interest rate derivatives are mainly designated as cash flow hedges. Part of the interest rate swaps are used to convert variable interest rates into fixed rates whereas others were entered into in anticipation of future debt issuances.

As of September 30, 2011, the interest rate swaps had a notional volume of US$4,150 million (€3,073 million) and €866 million as well as fair values of -US$179 million and -€29 million, respectively, which expire between 2011 and 2016.

21. SUPPLEMENTARY INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of September 30, 2011, the equity ratio was 40.7% and the debt ratio (debt/total assets) was 37.2%. As of September 30, 2011, the net debt/EBITDA ratio was 2.7.

The aims of the capital management and further information can be found in the consolidated financial statements in the 2010 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	stable

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

22. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

GENERAL

The consolidated segment reporting shown on pages 25 to 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 September 30, 2011.

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 228,239 patients in its 2,874 own dialysis clinics.

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

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

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

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

NOTES ON THE BUSINESS SEGMENTS

Explanations regarding the notes on the business segments can be found in the consolidated financial statements in the 2010 Annual Report.

RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS

€ in millions	Q1–3/2011	Q1–3/2010
Total EBIT of reporting segments	1,888	1,806
General corporate expenses Corporate/Other (EBIT)	-26	-30
Group EBIT	1,862	1,776
Net interest	-401	-424
Other financial result	-100	-98
Income before income taxes	1,361	1,254

RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	Sept. 30, 2011	Dec. 31, 2010
Short-term debt	**203**	606
Short-term loans from related parties	**3**	2
Current portion of long-term debt and capital lease obligations	**1,288**	420
Trust preferred securities of Fresenius Medical Care Capital Trusts (current)	**0**	468
Long-term debt and capital lease obligations, less current portion	**3,865**	4,919
Senior Notes	**3,822**	2,369
Debt	**9,181**	8,784
less cash and cash equivalents	**654**	769
Net debt	**8,527**	8,015

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

23. STOCK OPTIONS

FRESENIUS SE & CO. KGAA STOCK OPTION PLANS

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

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

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

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

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

Transactions during the first three quarters of 2011

On July 1, 2011, Fresenius SE & Co. KGaA awarded 1,135,440 stock options under the 2008 Plan, including 198,660 to members of the Management Board of Fresenius Management SE, at an exercise price of €71.28, a fair value of €19.10 each and a total fair value of €22 million, which will be amortized over the three year vesting period.

During the first three quarters of 2011, Fresenius SE & Co. KGaA received cash of €22 million from the exercise of 591,739 stock options.

Under the 1998 Plan, 44,382 stock options were outstanding and exercisable at September 30, 2011. No options were held by the members of the Fresenius Management SE Management Board. 1,526,163 convertible bonds were outstanding and exercisable under the 2003 Plan. The members of the Fresenius Management SE Management Board held 306,150 convertible bonds. Out of 4,115,596 outstanding stock options issued under the 2008 Plan, 790,642 were exercisable and 758,520 were held by the members of the Fresenius Management SE Management Board.

At September 30, 2011, 2,361,187 options for ordinary shares were outstanding and exercisable. As of September 30, 2011, total unrecognized compensation cost related to non-vested options granted under the 2003 Plan and the 2008 Plan was €27 million. This cost is expected to be recognized over a weighted-average period of 2.3 years.

FRESENIUS MEDICAL CARE AG & CO. KGAA STOCK OPTION PLANS

Fresenius Medical Care AG & Co. KGaA Long Term Incentive Program 2011

On May 12, 2011, the Fresenius Medical Care AG & Co. KGaA Stock Option Plan 2011 (2011 SOP) was established by resolution of Fresenius Medical Care AG & Co. KGaA's (FMC-AG & Co. KGaA) Annual General Meeting (AGM). The 2011 SOP, together with the Phantom Stock Plan 2011, which was established by resolution of Fresenius Medical Care Management AG's (FMC Management AG) Management and Supervisory Boards, forms FMC-AG & Co. KGaA's Long Term Incentive Program 2011 (2011 Incentive Program). Under the 2011 Incentive Program, participants will be granted awards, which will consist of a combination of stock options and phantom stock. At the time of each grant, the participants will be able to choose a ratio based on the value of the stock options vs. the value of the phantom stock in a range between 75:25 and 50:50. The conversion of stock options vs. phantom stock is determined using the fair value assessment pursuant to the binomial model. With respect to grants made in July, the fair value assessment will be conducted on the day following FMC-AG & Co. KGaA's AGM and with respect to the grants made in December, on the first Monday in October.

Members of the Management Board of FMC Management AG, members of the management boards of FMC-AG & Co. KGaA's affiliated companies and the managerial staff members of FMC-AG & Co. KGaA and of certain affiliated companies are entitled to participate in the 2011 Incentive Program. With respect to participants who are members of FMC Management AG's Management Board, FMC Management AG's Supervisory Board has sole authority to grant stock options and exercise other decision making powers under the 2011 Incentive Program (including decisions regarding certain adjustments and forfeitures). FMC Management AG has such authority with respect to all other participants in the 2011 Incentive Program. Awards under the 2011 Incentive Program can be granted on the last Monday in July and/or the first Monday in December each year.

The awards under the 2011 Incentive Program are subject to a four-year vesting period. The vesting of the awards granted is subject to achievement of performance targets measured over a four-year period beginning with the first day of the year of the grant. For each such year, the performance target is achieved if FMC-AG & Co. KGaA's adjusted basic income per ordinary share (Adjusted EPS), as calculated in accordance with the 2011 Incentive Program, increases by at least 8% year over year during the vesting period or, if this is not the case, the compounded annual growth rate of the Adjusted EPS reflects an increase of at least 8% per year of the adjusted EPS during the four-year vesting period beginning with the Adjusted EPS for the year of grant as compared to the Adjusted EPS for the year preceding such grant. At the end of the vesting period, one-fourth of the awards granted are forfeited for each year in which the performance target is not met or exceeded. Vesting of the portion or portions of a grant for a year or years in which the performance target is met does not occur until completion of the four-year vesting period.

The 2011 Incentive Program was established with a conditional capital increase up to €12 million subject to the issue of up to 12 million non-par value bearer ordinary shares with a nominal value of €1.00 each. Under the 2011 Incentive Program, up to 12 million stock options can be issued, each of which can be exercised to obtain one ordinary share, with up to 2 million stock options designated for members of the Management Board of FMC Management AG, up to 2.5 million stock options designated for members of management boards of direct or indirect subsidiaries of FMC-AG & Co. KGaA and up to 7.5 million stock options designated for managerial staff members of FMC-AG & Co. KGaA and such subsidiaries. FMC-AG & Co. KGaA may issue new shares to fulfill the stock option obligations or FMC-AG & Co. KGaA may issue shares that it has acquired or which FMC-AG & Co. KGaA itself has in its own possession.

The exercise price of stock options granted under the 2011 Incentive Program shall be the average stock exchange price on the Frankfurt Stock Exchange of FMC-AG & Co. KGaA's ordinary shares during the 30 calendar days immediately prior to each grant date. Stock options granted under the 2011 Incentive Program have an eight-year term and can be exercised only after a four-year vesting period. Stock options granted under the 2011 Incentive Program to US participants are non-qualified stock options under the United States Internal Revenue Code of 1986, as amended. Options under the 2011 Incentive Program are not transferable by a participant or a participant's heirs, and may not be pledged, assigned, or disposed of otherwise.

Phantom stock awards under the 2011 Incentive Program entitle the holders to receive payment in Euro from FMC-AG & Co. KGaA upon exercise of the phantom stock. The payment per phantom share in lieu of the issuance of such stock shall be based upon the stock exchange price on the Frankfurt Stock Exchange of one of FMC-AG & Co. KGaA's ordinary shares on the exercise date. Phantom stock will be granted over a five-year period of time and will have a five-year term but can be exercised only after a four-year vesting period, or as otherwise expressly stated in the plan, beginning with the first day of the year of the grant.

Transactions during the first three quarters of 2011

On July 25, 2011, FMC-AG & Co. KGaA awarded 1,922,571 options under the 2011 Incentive Program, including 307,515 options granted to members of the Management Board of FMC Management AG at an exercise price of €52.48, a fair value of €13.44 each and a total fair value of €26 million, which will be amortized over the four-year vesting period. FMC-AG & Co. KGaA awarded 213,243 phantom shares, including 29,313 phantom shares granted to members of the Management Board of FMC Management AG, at a measurement date fair value of €48.01 each and a total fair value of €10 million, which will be amortized over the four-year vesting period.

24. RELATED PARTY TRANSACTIONS

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

Prof. Dr. h. c. Roland Berger, a member of the Supervisory Board of Fresenius SE & Co. KGaA, is a partner and was the chairman of the supervisory board of Roland Berger Strategy Consultants until August 1, 2010. In the first three quarters of 2011, the Fresenius Group paid €0.5 million for consulting services rendered to this company.

Klaus-Peter Müller, a member of the Supervisory Board of Fresenius SE & Co. KGaA, is the chairman of the supervisory board of Commerzbank AG. The Fresenius Group maintains business relations with Commerzbank under customary conditions. In the first three quarters of 2011, the Fresenius Group paid €0.6 million to Commerzbank AG for services provided in connection with the Senior Notes issuances of Fresenius Medical Care.

Dr. Gerhard Rupprecht, a member of the Supervisory Board of Fresenius SE & Co. KGaA, was a member of the management board of Allianz SE until December 31, 2010 and the chairman of the management board of Allianz Deutschland AG until June 30, 2010. Dr. Franceso De Meo, a member of the Management Board of the general partner of Fresenius SE & Co. KGaA, was a member of the supervisory board of Allianz Private Krankenversicherungs-AG until July 6, 2011. In the first three quarters of 2011, the Fresenius Group paid €3 million for insurance premiums to Allianz.

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

25. SUBSEQUENT EVENTS

On October 12, 2011, Fresenius Helios announced the conclusion of a contract to acquire 94.7% of the share capital in the Damp Holding AG, Germany. The Damp Group (Damp) operates seven acute care hospitals and four post acute care hospitals with a total of 4,112 beds (thereof 2,649 in acute care) and is among the ten largest private hospital operators in Germany. In addition, Damp operates eight outpatient medical care centers, two nursing care facilities with a total of 606 beds and a wellness resort. The company has 5,971 full-time employees. In 2010, Damp achieved sales of €487 million and an operating profit (EBIT) of €21 million. Acute care contributed 73% to total sales, post acute care 20%. The parties agreed not to disclose the purchase price. The acquisition is still subject to the approval of local and antitrust authorities. Due to the geographic proximity of the HELIOS hospital Schwerin, HELIOS has to divest the Damp hospital Wismar (505 beds, sales of approximately €60 million) to secure regulatory clearance of the transaction. HELIOS anticipates to close the transaction in the first half of 2012. The acquisition is expected to be accretive to Fresenius Group's earnings per share in 2013. The acquisition will be financed from cash flow and debt.

Furthermore, Fresenius Helios announced the conclusion of a contract to acquire 51% of the share capital in the Katholisches Klinikum Duisburg GmbH, Germany, on October 31, 2011. The acquisition is subject to the approval of the Federal Cartel Authority and will be financed from cash flow.

For 2012, these two acquisitions and Fresenius Medical Care's recently announced acquisitions are not expected to lead to Group leverage above the target range of 2.5 to 3.0 net debt/EBITDA.

The renal pharmaceutical joint venture between Fresenius Medical Care and Galenica, Vifor Fresenius Medical Care Renal Pharma Ltd. (Vifor), received approval from the responsible European Union antitrust commission and formal closing occurred on November 1, 2011. Upon closing, Vifor will operate worldwide, except for in Turkey and Ukraine, where antitrust approval has not yet been granted.

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

26. CORPORATE GOVERNANCE

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

FINANCIAL CALENDAR

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

Subject to change

FRESENIUS SHARE INFORMATION

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

FRESENIUS ADR INFORMATION

	ADR
Ratio	8 ADR = 1 share
CUSIP	35804M105
ISIN	US35804M1053
Ticker symbol	FSNUY
Structure	Sponsored Level 1 ADR
Trading location	OTC-market

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Chairman of the Supervisory Board: Dr. Gerd Krick

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