FRESENIUS

100 Years | Forward Thinking Healthcare.

Quarterly Financial Report of Fresenius Group

applying United States Generally Accepted Accounting Principles

(U.S. GAAP)

1st – 3rd Quarter and 3rd Quarter 2012

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FRESENIUS GROUP FIGURES AT A GLANCE

Fresenius is a health care group providing products and services for dialysis, hospitals and the medical care of patients at home. In addition, Fresenius focuses on hospital operation, as well as on engineering and services for hospitals and other health care facilities. In the first three quarters of 2012, Group sales were €14.1 billion. As of September 30, 2012, more than 163,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

SALES, EARNINGS, AND CASH FLOW

€ in millions	Q3/2012	Q3/2011	Change	Q1–3/2012	Q1–3/2011	Change
Sales[1]	**4,864**	4,043	20%	**14,100**	11,970	18%
EBIT	**784**	655	20%	**2,224**[2]	1,862	19%
Net income[3]	**248**	202	23%	**682**	565	21%
Earnings per share in €[3]	**1.40**	1.24	13%	**3.98**	3.47	15%
Operating cash flow	**671**	506	33%	**1,807**	1,156	56%

BALANCE SHEET AND INVESTMENTS

€ in millions	Sept. 30, 2012	Dec. 31, 2011	Change
Total assets	**30,225**	26,321	15%
Non-current assets	**21,604**	19,170	13%
Equity[4]	**12,532**	10,577	18%
Net debt	**9,556**	9,164	4%
Investments[5]	**2,803**	1,388	102%

RATIOS

€ in millions	Q3/2012	Q3/2011	Q1–3/2012	Q1–3/2011
EBITDA margin	**20.1%**	20.2%	**19.8%**	19.6%
EBIT margin	**16.1%**	16.2%	**15.8%**	15.6%
Depreciation and amortization in % of sales	**4.0**	4.0	**4.0**	4.0
Operating cash flow in % of sales	**13.8**	12.5	**12.8**	9.7
Equity ratio (September 30/December 31)			**41.5%**	40.2%
Net debt/EBITDA (September 30/December 31)[6]			**2.53**	2.83

[1] Previous year's sales were adjusted according to a U.S. GAAP accounting change. The sales adjustment of -€119 million in the first three quarters of 2011 (Q3: -€42 million) and of -€161 million for the full year 2011 solely relates to Fresenius Medical Care North America.
[2] Adjusted for one-time costs of €7 million (non-financing expenses) related to the offer to the shareholders of RHÖN-KLINIKUM AG.
[3] Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain of €34 million (Q3: €0 million) at Fresenius Medical Care and for one-time costs of €31 million (Q3: €5 million) related to the offer to the shareholders of RHÖN-KLINIKUM AG. 2011 adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds and the Contingent Value Rights.
[4] Equity including noncontrolling interest
[5] Investments in property, plant and equipment and intangible assets, acquisitions (Q1–3). Excluding an investment of cash in the amount of €801 million by Fresenius SE & Co. KGaA.
[6] Pro forma including Damp Group and Liberty Dialysis Holdings, Inc., adjusted for one-time costs of €7 million (non-financing expenses) related to the offer to the shareholders of RHÖN-KLINIKUM AG.

INFORMATION ON THE BUSINESS SEGMENTS

FRESENIUS MEDICAL CARE – Dialysis products, Dialysis care

US$ in millions	Q1–3/2012	Q1–3/2011	Change
Sales [1]	10,095	9,306	8%
EBIT	1,659	1,488	11%
Net income [2]	790	761	4%
Operating cash flow	1,467	950	55%
Investments/Acquisitions	2,244	1,585	42%
R & D expenses	83	81	3%
Employees, per capita on balance sheet date (September 30/December 31)	90,039	83,476	8%

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

€ in millions	Q1–3/2012	Q1–3/2011	Change
Sales	3,363	2,950	14%
EBIT	700	613	14%
Net income [3]	330	271	22%
Operating cash flow	452	350	29%
Investments/Acquisitions	189	119	59%
R & D expenses	136	119	14%
Employees, per capita on balance sheet date (September 30/December 31)	25,521	24,106	6%

FRESENIUS HELIOS – Hospital operation

€ in millions	Q1–3/2012	Q1–3/2011	Change
Sales	2,347	1,950	20%
EBIT	232	195	19%
Net income [4]	148	117	26%
Operating cash flow	157	211	-26%
Investments/Acquisitions	655	89	--
Employees, per capita on balance sheet date (September 30/December 31)	42,544	37,198	14%

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

€ in millions	Q1–3/2012	Q1–3/2011	Change
Sales	536	480	12%
EBIT	24	22	9%
Net income [5]	16	17	-6%
Operating cash flow	68	-51	--
Investments/Acquisitions	48	6	--
Order intake	322	335	-4%
Employees, per capita on balance sheet date (September 30/December 31)	4,439	3,724	19%

[1] Previous year's sales were adjusted according to a U.S. GAAP accounting change. The sales adjustment amounts to -US$167 million in the first three quarters of 2011; the 2011 sales adjustment amounts to -US$224 million.
[2] Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA – adjusted for a non-taxable investment gain of US$140 million in the first three quarters of 2012.
[3] Net income attributable to shareholders of Fresenius Kabi AG
[4] Net income attributable to shareholders of HELIOS Kliniken GmbH
[5] Net income attributable to shareholders of VAMED AG

FRESENIUS SHARE

In the third quarter of 2012, the Fresenius share continued its upswing and reached a new all-time high of €90.58. With an increase of 26% compared to the year-end closing price of 2011, the shares continued to significantly outperform the DAX.

FIRST THREE QUARTERS OF 2012

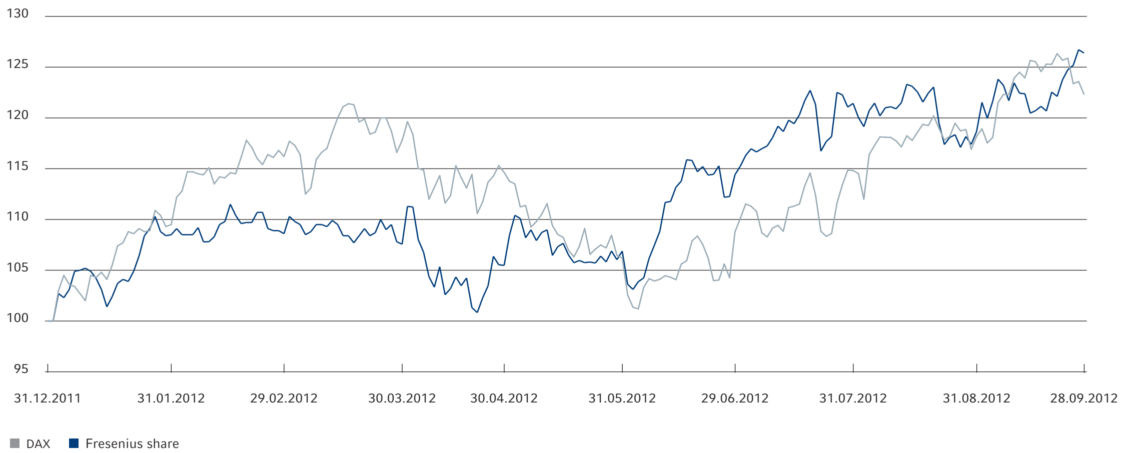
At the beginning of 2012, the capital markets were driven by positive economic signs. In the course of the year, they became more volatile as the European debt crisis fears intensified. The Fresenius share successfully continued its upward trend despite these turbulences and benefited from excellent operating results as well as the completion of major acquisitions. In September 2012, the capital markets recovered again, supported by the decision of the European Central Bank and the U.S. Fed for stimulus measures to boost the economies.

The Fresenius share continued to outperform the DAX in 2012. On September 28, 2012, the Fresenius share reached a new all-time high of €90.58 and closed end of September at €90.34, an increase of 26% comparted to the 2011 year-end quotation. In the same period, the DAX increased by 22% to 7,216 points.

The average daily trading volume of the Fresenius share was impacted by low trading volumes during the summer break. By the end of the third quarter, neither the Fresenius share nor the DAX improved their average daily trading volume.

RELATIVE SHARE PRICE PERFORMANCE VS. DAX

31.12.2011 = 100



KEY DATA OF THE FRESENIUS SHARE

	Q1–3/2012	2011	Change
Number of shares (September 30/December 31)	**177,944,610**	163,237,336	9%
Quarter-end quotation in €	**90.34**	71.48	26%
High in €	**90.58**	75.62	20%
Low in €	**72.02**	59.90	20%
Ø Trading volume (number of shares per trading day)	**499,550**	502,241	-1%
Market capitalization, € in millions (September 30/December 31)	**16,075**	11,668	38%

MANAGEMENT REPORT

Fresenius' third quarter results demonstrate continued business strength and solid fundamentals, particularly in light of the excellent comparable prior-year quarter. Fresenius Kabi and Fresenius Helios stood out with strong financial results. The Company's broad geographic coverage and diversified business provide stability to continue on its profitable growth path.

FRESENIUS REPORTS STRONG SALES AND EARNINGS GROWTH IN THE FIRST THREE QUARTERS AND FULLY CONFIRMS 2012 OUTLOOK

- Group earnings at new single-quarter all-time high of €248 million
- Excellent operating cash flow development – Cash flow margin increases to 12.8%
- Sales and earnings guidance fully confirmed

	Q1–3/2012	at actual rates	in constant currency
Sales[1]	€14.1 bn	+18%	+12%
EBIT[2]	€2.2 bn	+19%	+13%
Net income[3]	€682 m	+21%	+15%

HEALTH CARE INDUSTRY

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

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

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

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

Health care structures are being reviewed and possible cost-cutting potential identified in order to contain the steadily rising health care expenditures. However, such measures cannot compensate for the cost pressures arising from medical advances and demographic change. Market-based elements are being introduced increasingly in the health care system to create incentives for cost and quality-conscious behavior. 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] Previous year's sales were adjusted according to a U.S. GAAP accounting change. The sales adjustment of -€119 million in the first three quarters of 2011 and of -€161 million for the full year 2011 solely relates to Fresenius Medical Care North America.
[2] Adjusted for one-time costs of €7 million (non-financing expenses) related to the offer to the shareholders of RHÖN-KLINIKUM AG.
[3] Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain of €34 million at Fresenius Medical Care and for one-time costs of €31 million related to the offer to the shareholders of RHÖN-KLINIKUM AG. 2011 adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds and the Contingent Value Rights.

RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

SALES

Group sales increased by 18% (12% in constant currency) to €14,100 million (Q1–3 2011[1]: €11,970 million). Organic sales growth was 5%. Acquisitions contributed a further 8%. Divestitures reduced sales growth by 1%. Currency translation had a positive effect of 6%. This is mainly attributable to the strengthening of the U.S. dollar against the euro by 9% in the first three quarters of 2012 compared to the first three quarters of 2011.

Organic sales growth in North America was 3%, and in Europe 5%. Organic sales growth was again strong in Asia-Pacific with 11% and in Latin America with 19%. The sales decrease in Africa was due to the volatility in Fresenius Vamed's project business.

EARNINGS

Group EBITDA[2] grew by 19% (13% in constant currency) to €2,786 million (Q1–3 2011: €2,344 million). Group EBIT[2] increased by 19% (13% in constant currency) to €2,224 million (Q1–3 2011: €1,862 million). The EBIT margin improved by 20 basis points to 15.8% (Q1–3 2011: 15.6%).

Group net interest was -€480 million (Q1–3 2011: -€401 million). Lower average interest rates were more than offset by incremental debt due to acquisition financing and currency translation effects.

The other financial result of -€37 million includes one-time costs for the offer to the shareholders of RHÖN-KLINIKUM AG, primarily related to financing commitments.

The Group tax rate[3] improved to 30.1% (Q1–3 2011: 30.9%).

Noncontrolling interest increased to €537 million (Q1–3 2011: €445 million), of which 93% was attributable to the noncontrolling interest in Fresenius Medical Care.

SALES BY REGION

€ in millions	**Q1–3/2012**	Q1–3/2011	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/ Divestitures	% of total sales
North America	**5,977**	4,869	23%	11%	12%	3%	9%	42%
Europe	**5,711**	5,046	13%	0%	13%	5%	8%	40%
Asia-Pacific	**1,372**	1,145	20%	9%	11%	11%	0%	10%
Latin America	**815**	661	23%	1%	22%	19%	3%	6%
Africa	**225**	249	-10%	-2%	-8%	-8%	0%	2%
Total	**14,100**	11,970	18%	6%	12%	5%	7%	100%

SALES BY BUSINESS SEGMENT

€ in millions	**Q1–3/2012**	Q1–3/2011	Change at actual rates	Currency translations effects	Change at constant rates	Organic Growth	Acquisitions/ Divestitures	% of total sales
Fresenius Medical Care[1]	**7,882**	6,616	19%	8%	11%	4%	7%	56%
Fresenius Kabi	**3,363**	2,950	14%	4%	10%	9%	1%	24%
Fresenius Helios	**2,347**	1,950	20%	0%	20%	5%	15%	16%
Fresenius Vamed	**536**	480	12%	0%	12%	1%	11%	4%

[1] Previous year's sales were adjusted according to a U.S. GAAP accounting change. The sales adjustment of -€119 million in the first three quarters of 2011 and of -€161 million for the full year 2011 solely relates to Fresenius Medical Care North America.
[2] Adjusted for one-time costs of €7 million (non-financing expenses) related to the offer to the shareholders of RHÖN-KLINIKUM AG.
[3] Adjusted for the non-taxable investment gain at Fresenius Medical Care and for one-time costs of €44 million related to the offer to the shareholders of RHÖN-KLINIKUM AG. 2011 adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds.

EARNINGS

€ in millions	**Q3/2012**	Q3/2011	**Q1–3/2012**	Q1–3/2011
EBIT	**784**	655	**2,224**[1]	1,862
Net income[2]	**248**	202	**682**	565
Net income[3]	**243**	228	**685**	485
Earnings per share in €[2]	**1.40**	1.24	**3.98**	3.47
Earnings per share in €[3]	**1.37**	1.40	**4.00**	2.98

Group net income[2] increased by 21% (15% in constant currency) to €682 million (Q1–3 2011: €565 million). Earnings per share increased by 15% to €3.98 (Q1–3 2011: €3.47). The average number of shares grew to approx. 171 million in the first three quarters of 2012, primarily due to the May 2012 capital increase

Group net income[3] was €685 million or €4.00 per share (including the non-taxable investment gain at Fresenius Medical Care and one-time costs related to the offer to the shareholders of RHÖN-KLINIKUM AG).

RECONCILIATION

The Group's U.S. GAAP financial results as of September 30, 2012 comprise special items. Net income attributable to shareholders of Fresenius SE & Co. KGaA in the first three quarters of 2012 was adjusted for a non-taxable investment gain of €34 million at Fresenius Medical Care as well as one-time costs of €31 million related to the offer to the shareholders of RHÖN-KLINIKUM AG. Adjusted earnings represent the Group's business operations in the reporting period.

RECONCILIATION

€ in millions	**Q1–3/2012 before special items**	non-taxable investment gain at Fresenius Medical Care	one-time costs related to the offer to the shareholders of RHÖN-KLINIKUM AG	**Q1–3/2012 according to U.S. GAAP**
Sales	**14,100**			**14,100**
Costs of sales	**-9,497**			**-9,497**
Gross profit	**4,603**			**4,603**
Selling, general and administrative expenses	**-2,165**		-7	**-2,172**
Research and development expenses	**-214**			**-214**
EBIT	**2,224**		-7	**2,217**
Investment gain		109		**109**
Interest result	**-480**			**-480**
Other financial result			-37	**-37**
Net income before taxes	**1,744**	109	-44	**1,809**
Income taxes	**-525**		13	**-512**
Net income	**1,219**	109	-31	**1,297**
Less noncontrolling interest	**-537**	-75		**-612**
Net income attributable to shareholders of Fresenius SE & Co. KGaA	**682**	34	-31	**685**

[1] Adjusted for one-time costs of €7 million (non-financing expenses) related to the offer to the shareholders of RHÖN-KLINIKUM AG.
[2] Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain of €34 million (Q3: €0 million) at Fresenius Medical Care and for one-time costs of €31 million (Q3: €5 million) related to the offer to the shareholders of RHÖN-KLINIKUM AG. 2011 adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds and the Contingent Value Rights.
[3] Net income attributable to shareholders of Fresenius SE & Co. KGaA

INVESTMENTS BY BUSINESS SEGMENT

€ in millions	Q1–3/2012	Q1–3/2011	thereof property, plant and equipment	thereof acquisitions	Change	% of total
Fresenius Medical Care	**1,688**	1,112	351	1,337	52%	60%
Fresenius Kabi	**189**	119	159	30	59%	7%
Fresenius Helios	**655**	89	88	567	--	23%
Fresenius Vamed	**48**	6	6	42	--	2%
Corporate/Other	**223**	62	7	216	--	8%
Total	**2,803**	1,388	611	2,192	102%	100%

INVESTMENTS

The Fresenius Group spent €611 million on property, plant and equipment (Q1–3 2011: €480 million). Acquisition spending was €2,192 million (Q1–3 2011: €908 million). This relates primarily to Fresenius Medical Care's acquisition of Liberty Dialysis Holdings, Inc. as well as to the acquisition of Damp Group by Fresenius Helios.

CASH FLOW

Operating cash flow increased to €1,807 million (Q1–3 2011: €1,156 million). This was mainly driven by strong earnings growth and tight working capital management, especially regarding trade accounts receivable. The cash flow margin improved to 12.8% (Q1–3 2011: 9.7%). Net capital expenditure was €564 million (Q1–3 2011: €475 million). Free cash flow before acquisitions and dividends was €1,243 million (Q1–3 2011: €681 million). Free cash flow after acquisitions and dividends was -€823 million (Q1–3 2011: -€538 million).

ASSET AND LIABILITY STRUCTURE

The Group's total assets increased by 15% (15% in constant currency) to €30,225 million (Dec. 31, 2011: €26,321 million). Current assets grew by 21% (20% in constant currency) to €8,621 million (Dec. 31, 2011: €7,151 million). This includes the proceeds of the capital increase which were invested in short-term instruments. Non-current assets increased by 13% (12% in constant currency) to €21,604 million (Dec. 31, 2011: €19,170 million), mainly due to the recent acquisitions.

CASH FLOW STATEMENT (SUMMARY)

€ in millions	Q1–3/2012	Q1–3/2011	Change
Net income	**1,297**	930	39%
Depreciation and amortization	**562**	482	17%
Change in accruals for pensions	**20**	-5	--
Cash flow	**1,879**	1,407	34%
Change in working capital	**37**	-331	111%
Changes in mark-to-market evaluation of the MEB and the CVR	**0**	80	-100%
Investment gain [1]	**-109**	0	
Operating cash flow	**1,807**	1,156	56%
Property, plant and equipment	**-583**	-491	-19%
Proceeds from the sale of property, plant and equipment	**19**	16	19%
Cash flow before acquisitions and dividends	**1,243**	681	83%
Cash used for acquisitions, net	**-1,655**	-881	-88%
Dividends paid	**-411**	-338	-22%
Free cash flow paid after acquisitions and dividends	**-823**	-538	-53%
Financial Investments	**-801**	0	
Cash provided by/used for financing activities	**1,958**	433	---
Effect of exchange rates on change in cash and cash equivalents	**-1**	-10	90%
Net change in cash and cash equivalents	**333**	-115	--

[1] Q1–3 2012: €109 million non-taxable investment gain of Fresenius Medical Care AG & Co. KGaA; thereof €34 million attributable to shareholders of Fresenius SE & Co. KGaA

Total shareholders' equity increased by 18% (18% in constant currency) to €12,532 million, mainly due to the capital increase (Dec. 31, 2011: €10,577 million). The equity ratio was 41.5% (Dec. 31, 2011: 40.2%).

Group debt grew by 16% (15% in constant currency) to €11,325 million (Dec. 31, 2011: €9,799 million), primarily resulting from acquisition financing. Net debt increased by 4% (4% in constant currency) to €9,556 million (Dec. 31, 2011: €9,164 million). Net debt comprises the proceeds of the capital increase.

As of September 30, 2012, the net debt/EBITDA ratio[1] was 2.53 (Dec. 31, 2011: 2.83). At identical exchange rates for net debt and EBITDA, the ratio was also 2.53.

THIRD QUARTER OF 2012

Group sales increased by 20% to €4,864 million (Q3 2011[2]: €4,043 million). In constant currency, sales increased by 13%. Organic sales growth was 6%, acquistions contributed a further 8%. Divestitures reduced sales growth by 1%.

EBIT increased by 20% at actual rates to €784 million (Q3 2011: €655 million). In constant currency, EBIT increased by 11%.

Group net income[3] reached a new single-quarter all-time high of €248 million (Q3 2011: €202 million), an increase of 23%. In constant currency, growth of 15% was achieved. Earnings per share[3] increased by 13% to €1.40 per share (Q3 2011: €1.24). In constant currency, earnings per share improved by 6%. Group net income[4] including special items reached €243 million (Q3 2011: €228 million). Earnings per share[4] including special items was €1.37.

Investments in property, plant and equipment increased to €223 million (Q3 2011: €194 million). Acquisition spending was €95 million (Q3 2011: €51 million).

[1] Pro forma including Damp Group and Liberty Dialysis Holdings, Inc., adjusted for one-time costs of €7 million (non-financing expenses) related to the offer to the shareholders of RHÖN-KLINIKUM AG.
[2] Previous year's sales were adjusted according to a U.S. GAAP accounting change. The sales adjustment of -€42 million in Q3 2011 and of -€161 million for the full year 2011 solely relates to Fresenius Medical Care North America.
[3] Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for one-time costs of €5 million related to the offer to the shareholders of RHÖN-KLINIKUM AG. 2011 adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds and the Contingent Value Rights.
[4] Net income attributable to shareholders of 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, 2012, Fresenius Medical Care was treating 256,521 patients in 3,135 dialysis clinics.

US$ in millions	**Q3/2012**	Q3/2011	Change	**Q1–3/2012**	Q1–3/2011	Change
Sales [1]	**3,418**	3,184	7%	**10,095**	9,306	8%
EBITDA	**720**	675	7%	**2,106**	1,902	11%
EBIT	**568**	534	6%	**1,659**	1,488	11%
Net income [2]	**270**	279	- 3%	**790**	761	4%
Employees (Sept. 30/Dec. 31)				**90,039**	83,476	8%

FIRST THREE QUARTERS OF 2012

- Strong operating cash flow margin of 14.5%
- Debt maturity profile improved – Syndicated loan successfully renewed

Sales increased by 8% to US$10,095 million (Q1–3 2011[1]: US$9,306 million). Organic sales growth was 4%. Acquisitions contributed a further 8%. Divestitures reduced sales growth by 1%. Currency translation had a negative effect of 3%.

Sales in dialysis services increased by 11% (in constant currency: 13%) to US$7,688 million (Q1–3 2011: US$6,905 million). Dialysis product sales grew by 6% in constant currency to US$2,407 million (Q1–3 2011: US$2,401 million).

In North America sales grew 12% to US$6,602 million (Q1–3 2011: US$5,888 million). Dialysis services sales grew by 14% to US$6,007 million (Q1–3 2011: US$5,289 million). Average revenue per treatment for U.S. clinics increased to US$349 in the third quarter of 2012 (Q3 2011: US$345). Dialysis product sales were US$595 million (Q1–3 2011: US$599 million).

Sales outside North America ("International" segment) grew by 2% (in constant currency: 10%) to US$3,470 million (Q1–3 2011: US$3,405 million). Sales in dialysis services increased by 4% (in constant currency: 12%) to US$1,680 million (Q1–3 2011: US$1,616 million). Dialysis product sales of US$1,790 million remained close to the previous year's level of US$1,789 million at actual rates. In constant currency, dialysis product sales grew by 8%.

EBIT increased by 11% to US$1,659 million (Q1–3 2011: US$1,488 million). The EBIT margin increased to 16.4% (Q1–3 2011: 16.0%).

The EBIT margin in North America increased to 18.2% (Q1–3 2011: 17.6%). In the International segment the EBIT margin improved to 17.2% (Q1–3 2011: 17.0%).

Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA for the first three quarters of 2012 was US$930 million, an increase of 22% compared to the corresponding period of 2011. This includes a non-taxable investment gain of US$140 million related to the acquisition of Liberty Dialysis Holdings, Inc. (Liberty), including its 51% stake in Renal Advantage Partners, LLC (RAI). The gain is a result of measuring the 49% equity interest in RAI held by the company at its fair value at the time of the Liberty acquisition. Excluding this investment gain, net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA increased by 4% to US$790 million (Q1–3 2011: US$761 million).

The operating cash flow increased by 55% to US$1,467 million compared to US$950 million for the same period in 2011, supported by favorable development of working capital items. The cash flow margin improved to 14.5% (Q1–3 2011: 10.2%).

[1] Previous year's sales were adjusted according to a U.S. GAAP accounting change. The sales adjustment amounts to -US$167million in the first three quarters of 2011 (Q3: -US$58 million); the 2011 sales adjustment amounts to -US$224 million.
[2] Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA – adjusted for a non-taxable investment gain of US$140 million in the first three quarters of 2012. (Q3: US$0 million).

Successful Renewal of Credit Agreement

Fresenius Medical Care successfully renewed its syndicated credit agreement including a revolving facility and a long term loan. The refinancing of those facilities was well received in the market. The company entered into a US$3.85 billion syndicated credit agreement, comprised of 5-year revolving facilities (including a US$200 million U.S. dollar facility, a €500 million euro facility and a US$400 million multi-currency facility) and a 5-year US$2.6 billion term loan. Proceeds from the credit facilities were used to refinance the company's existing credit facilities, which otherwise would have matured on March 31, 2013, and for general corporate purposes.

THIRD QUARTER OF 2012

Fresenius Medical Care increased sales by 7% to US$3,418 million (Q3 2011[1]: US$3,184 million). Organic sales growth was 4%. Acquisitions contributed a further 8%. Divestitures reduced sales growth by 1%. Currency translation had a negative effect of 4%. EBIT improved by 6% to US$568 million (Q3 2011: US$534 million). Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA for the third quarter of 2012 was US$270 million (Q3 2011: US$279 million).

Please see page 17 of the Management Report for the 2012 outlook of Fresenius Medical Care.

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

[1] Previous year's sales were adjusted according to a U.S. GAAP accounting change. The sales adjustment amounts to -US$58 million in Q3 2011; the 2011 sales adjustment amounts to -US$224 million.

FRESENIUS KABI

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

€ in millions	Q3/2012	Q3/2011	Change	Q1–3/2012	Q1–3/2011	Change
Sales	**1,129**	979	15%	**3,363**	2,950	14%
EBITDA	**287**	239	20%	**817**	722	13%
EBIT	**248**	202	23%	**700**	613	14%
Net income[1]	**120**	90	33%	**330**	271	22%
Employees (Sept. 30/Dec. 31)				**25,521**	24,106	6%

FIRST THREE QUARTERS 2012

- Continued strong organic sales growth of 9%
- 2012 outlook fully confirmed

Sales increased by 14% to €3,363 million (Q1–3 2011: €2,950 million). Organic sales growth was 9%. Currency translation had an effect of 4%. Acquisitions contributed 1%.

In Europe sales grew by 7% (organic growth: 6%) to €1,449 million (Q1–3 2011: €1,360 million). Sales in North America increased by 21% to €910 million (Q1–3 2011: €755 million). Strong organic growth of 10% was supported mainly by continued competitor supply constraints as well as new product launches. In Asia-Pacific sales increased by 26% (organic growth: 15%) to €642 million (Q1–3 2011: €511 million). Sales in Latin America and Africa increased by 12% (organic growth: 14%) to €362 million (Q1–3 2011: €324 million).

EBIT grew by 14% to €700 million (Q1–3 2011: €613 million). EBIT growth was driven particularly by excellent earnings growth in North America and the emerging markets. The EBIT margin of 20.8% remained at the strong previous year's level.

Net income[1] increased by 22% to €330 million (Q1–3 2011: €271 million).

Fresenius Kabi's operating cash flow increased by 29% to €452 million (Q1–3 2011: €350 million). The strong increase was favorably influenced by extraordinary payments of trade accounts receivable. The cash flow margin was excellent at 13.4% (Q1–3 2011: 11.9%). Cash flow before acquisitions and dividends improved to €322 million (Q1–3 2011: €234 million).

THIRD QUARTER OF 2012

In the third quarter of 2012, sales increased by 15% at actual rates and by 9% in constant currency to €1,129 million (Q3 2011: €979 million). Organic sales growth was 8%, acquisitions contributed 1%. EBIT grew by 23% to €248 million (Q3 2011: €202 million). The EBIT margin was 22.0% (Q3 2011: 20,6%). Net income[1] increased by 33% to €120 million (Q3 2011: €90 million).

Please see page 17 of the Management Report for the 2012 outlook of Fresenius Kabi.

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

FRESENIUS HELIOS

Fresenius Helios is one of the largest private hospital operators in Germany. HELIOS owns 72 hospitals, including six maximum care hospitals in Berlin-Buch, Duisburg, Erfurt, Krefeld, Schwerin and Wuppertal. HELIOS treats more than 2.7 million patients per year, thereof more than 750,000 inpatients, and operates more than 23,000 beds.

€ in millions	**Q3/2012**	Q3/2011	Change	**Q1–3/2012**	Q1–3/2011	Change
Sales	**822**	657	25%	**2,347**	1,950	20%
EBITDA	**111**	94	18%	**312**	260	20%
EBIT	**82**	72	14%	**232**	195	19%
Net income [1]	**57**	45	27%	**148**	117	26%
Employees (Sept. 30/Dec. 31)				**42,544**	37,198	14%

FIRST THREE QUARTERS 2012

- Excellent sales growth of 20%
- 2012 outlook fully confirmed

Sales increased by 20% to €2,347 million (Q1–3 2011: €1,950 million). Strong organic sales growth contributed 5%, acquisitions contributed 17% to sales growth. Divestitures reduced sales growth by 2%. In the third quarter of 2012, HELIOS' Swiss post-acute care clinic was sold to Fresenius Vamed and retrospectively deconsolidated as of January 1, 2012.

EBIT grew by 19% to €232 million (Q1–3 2011: €195 million). The EBIT margin was 9.9% (Q1–3 2011: 10.0%).

Net income [1] increased by 26% to €148 million (Q1–3 2011: €117 million).

Sales of the established hospitals grew by 5% to €2,023 million. EBIT improved by 21% to €235 million. The EBIT margin increased to 11.6% (Q1–3 2011: 10.2%) driven by excellent operating results and a one-time gain. Sales of the acquired hospitals (consolidation <1 year) were €324 million. As expected, EBIT was -€3 million. Restructuring of these hospitals is on track.

THIRD QUARTER OF 2012

In the third quarter of 2012, sales increased by 25% to €822 million (Q3 2011: €657 million). Organic sales growth was 5%, aquisitions contributed 22% to sales growth. This is mainly attributable to the consolidation of Damp Group. Divestitures had a negative effect of 2%. EBIT increased by 14% to €82 million (Q3 2011: €72 million). The EBIT margin was 10.0% (Q3 2011: 11.0%). Net income [1] grew by 27% to €57 million (Q3 2011: €45 million).

Please see page 18 of the Management Report for the 2012 outlook of Fresenius Helios.

One-time costs relating to the offer to the shareholders of RHÖN-KLINIKUM AG are included in the segment "Corporate/Other".

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

FRESENIUS VAMED

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

€ in millions	Q3/2012	Q3/2011	Change	Q1–3/2012	Q1–3/2011	Change
Sales	**188**	167	13%	**536**	480	12%
EBITDA	**12**	12	0%	**30**	27	11%
EBIT	**10**	10	0%	**24**	22	9%
Net income [1]	**6**	8	-25%	**16**	17	-6%
Employees (Sept. 30/Dec. 31)				**4,439**	3,724	19%

FIRST THREE QUARTERS 2012

- Accelerated Q3 order intake of €166 million exceeds H1 order intake of €156 million
- Outlook improved – 2012 sales and EBIT now expected at upper end of range

Sales increased by 12% to €536 million (Q1–3 2011: €480 million). Acquisitions contributed 11% to sales growth. In the third quarter of 2012, HELIOS' Swiss post-acute care clinic was transferred to Fresenius Vamed and retrospectively consolidated as of January 1, 2012. Sales in the project business were €285 million (Q1–3 2011: €311 million). Sales in the service business increased to €251 million (Q1–3 2011: €169 million).

EBIT increased by 9% to €24 million (Q1–3 2011: €22 million). The EBIT margin reached 4.5% (Q1–3 2011: 4.6%).

Net income[1] was €16 million (Q1–3 2011: €17 million).

The order intake was €322 million (Q1–3 2011: €335 million). In the third quarter of 2012, Fresenius Vamed again received supply contracts for medical-technical equipment in China with an order volume of €40 million. The order for the San Fernando General Hospital in the Republic of Trinidad and Tobago was extended by €65 million. In addition, Fresenius Vamed received an order for the reconstruction and expansion of an Austrian rheumatology clinic with a total volume of €37 million. Order backlog was €878 million as of September 30, 2012 (Dec. 31, 2011: €845 million).

THIRD QUARTER OF 2012

Sales in the third quarter of 2012 grew by 13% to €188 million (Q3 2011: €167 million). Organic sales growth was 2%. Acquisitions contributed a further 11%. EBIT remained at the previous year's level of €10 million. EBIT margin was 5.3% (Q3 2011: 6.0%). Net income[1] was €6 million (Q3 2011: €8 million).

Please see page 18 of the Management Report for the 2012 outlook of Fresenius Vamed.

[1] Net income attributable to shareholders of VAMED AG

EMPLOYEES

As of September 30, 2012, the Fresenius Group increased the number of its employees by 9% to 163,463 (Dec. 31, 2011: 149,351), mainly due to acquisitions.

EMPLOYEES BY BUSINESS SEGMENT

Number of employees	**Sept. 30, 2012**	Dec. 31, 2011	Change
Fresenius Medical Care	**90,039**	83,476	8%
Fresenius Kabi	**25,521**	24,106	6%
Fresenius Helios	**42,544**	37,198	14%
Fresenius Vamed	**4,439**	3,724	19%
Corporate/Other	**920**	847	9%
Total	**163,463**	149,351	9%

RESEARCH AND DEVELOPMENT

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

RESEARCH AND DEVELOPMENT EXPENSES BY BUSINESS SEGMENT

€ in millions	**Q1–3/2012**	Q1–3/2011	Change
Fresenius Medical Care	**65**	57	14%
Fresenius Kabi	**136**	119	14%
Fresenius Helios	**–**	–	--
Fresenius Vamed	**0**	0	
Corporate/Other	**13**	16	-19%
Total	**214**	192	11%

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

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

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

DIALYSIS

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

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

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

Our R & D strategy is aligned with this focus:

- develop innovative products in areas where we hold a leading position, such as blood volume replacement and clinical nutrition
- develop new formulations non-patented
- develop own generic drug formulations for the date when drugs go off-patent
- continue to develop and refine our existing portfolio of pharmaceuticals and medical devices.

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

ANTIBODY THERAPIES

Fresenius Biotech develops innovative therapies with trifunctional antibodies for the treatment of cancer. In the field of polyclonal antibodies, Fresenius Biotech has successfully marketed ATG-Fresenius S for many years. ATG-Fresenius S is an immunosuppressive agent used to prevent and treat graft rejection following organ transplantation.

Fresenius Biotech's sales increased by 15% to €25.8 million compared to €22.4 million in the first three quarters of 2011. Removab sales grew by 22% to €3.3 million (Q1–3 2011: €2.7 million). ATG Fresenius S sales increased by 14% to €22.5 million (Q1–3 2011: €19.7 million). Fresenius Biotech's EBIT was -€15 million (Q1–3 2011: -€19 million).

In July 2012, ATG-Fresenius S was added to the list of reimbursable medications for stem cell transplantation. Besides Germany and Austria, ATG-Fresenius S can now be actively marketed in another relevant country for this additional indication.

OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the 2011 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 43 to 48 in the Notes of this report.

SUBSEQUENT EVENTS

There were no significant changes in the Group position or the Health Care sector since the end of the third quarter of 2012.

OUTLOOK 2012

FRESENIUS GROUP

Based on the Group's financial results in the first three quarters of 2012, Fresenius confirms its guidance. For 2012, Fresenius expects sales[1] to increase by 12% to 14% and net income[2] to increase by 14% to 16%, both in constant currency.

The net debt/EBITDA ratio is projected to be <3.0 at year-end (including the acquisition of Fenwal Holdings, Inc.).

FRESENIUS MEDICAL CARE

Fresenius Medical Care confirms its sales and earnings outlook for 2012. The company expects sales to grow to ~US$14 billion[3]. Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA is expected to grow to ~US$1.14 billion[3]. This does neither include the investment gain in the amount of US$140 million in the first three quarters of 2012 nor does it consider charges of up to US$70 million after tax mainly related to the intended renegotiation of the distribution, manufacturing and supply agreement for iron products in North America to reflect changes in the market and a donation to the American Society of Nephrology Foundation to establish the Ben J. Lipps Research Fellowship Program. These potential special charges translate into up to €17 million after tax for the Fresenius Group.

In summary, Fresenius Medical Care confirms its guidance for the full year at the lower end of the previously indicated range. The company anticipates some special collection efforts related to services performed in prior years and other initiatives in the fourth quarter that will help to achieve its guidance.

[1] Previous year's sales were adjusted according to a U.S. GAAP accounting change. The sales adjustment of -€119 million in the first three quarters of 2011 and of -€161 million for the full year 2011 solely relates to Fresenius Medical Care North America.
[2] Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain (€34 million) and potential special charges (up to €17 million) at Fresenius Medical Care as well as for one-time costs (€31 million) related to the offer to the shareholders of RHÖN-KLINIKUM AG. 2011 adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds and the Contingent Value Rights.
[3] Fresenius Medical Care defines the ~ sign as a +/- 0–2% deviation from the respective numbers.

FRESENIUS KABI

Fresenius Kabi fully confirms its outlook for 2012, which was raised in September 2012. The company targets organic sales growth of approx. 9%. Furthermore, Fresenius Kabi forecasts an EBIT margin of approx. 20.5%.

FRESENIUS HELIOS

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

FRESENIUS VAMED

Fresenius Vamed improves its outlook for 2012 and now expects to grow both sales and EBIT at the upper end of the targeted range of 5% to 10%.

FRESENIUS BIOTECH

For 2012, Fresenius Biotech now expects an EBIT of ~-€25 million. Previously, the company expected an EBIT of -€25 million to -€30 million.

INVESTMENTS

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

EMPLOYEES

The number of employees in the Group will continue to rise. We expect that the number of employees will increase to more than 165,000 mainly due to the acquisitions by Fresenius Medical Care and Fresenius Helios.

RESEARCH AND DEVELOPMENT

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

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

GROUP FINANCIAL OUTLOOK 2012

	Targets 2012
Sales [1], growth (in constant currency)	12% – 14%
Net income [2], growth (in constant currency)	14% – 16%

[1] Previous year's sales were adjusted according to a U.S. GAAP accounting change. The sales adjustment of -€161 million for the full year 2011 solely relates to Fresenius Medical Care North America.
[2] Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain (€34 million) and potential special charges (up to €17 million) at Fresenius Medical Care as well as for one-time costs (€31 million) related to the offer to the shareholders of RHÖN-KLINIKUM AG. 2011 adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds and the Contingent Value Rights.

OUTLOOK 2012 BY BUSINESS SEGMENT

		Previous guidance	New guidance
Fresenius Medical Care	Sales	~US$14.0 bn [1]	lower end of range
	Net income [2]	~US$1.14 bn [1]	lower end of range
Fresenius Kabi	Sales, growth (organic)	~9%	confirmed
	EBIT-margin	~20.5%	confirmed
Fresenius Helios	Sales, growth (organic)	3% – 5%	confirmed
	EBIT	€310 m – €320 m (upper end of range)	confirmed
Fresenius Vamed	Sales, growth	5% – 10%	upper end of range
	EBIT, growth	5% – 10%	upper end of range
Fresenius Biotech	EBIT	-€25 m – -€30 m	~-€25 m

[1] Fresenius Medical Care defines the ~ sign as a +/- 0 – 2% deviation from the respective numbers.
[2] Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA – adjusted for a non-taxable investment gain of US$140 million in the first three quartes of 2012 and potential special charges of up to US$70 million after tax.

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

€ in millions	Q3/2012	Q3/2011	Q1–3/2012	Q1–3/2011
Sales	**4,864**	4,043	**14,100**	11,970
Cost of sales	**-3,285**	-2,698	**-9,497**	-8,042
Gross profit	**1,579**	1,345	**4,603**	3,928
Selling, general and administrative expenses	**-721**	-626	**-2,172**	-1,874
Research and development expenses	**-74**	-64	**-214**	-192
Operating income (EBIT)	**784**	655	**2,217**	1,862
Investment gain	**1**	0	**109**	0
Net interest	**-167**	-125	**-480**	-401
Other financial result	**-8**	51	**-37**	-100
Financial result	**-174**	-74	**-408**	-501
Income before income taxes	**610**	581	**1,809**	1,361
Income taxes	**-175**	-188	**-512**	-431
Net income	**435**	393	**1,297**	930
Less noncontrolling interest	**192**	165	**612**	445
Net income attributable to shareholders of Fresenius SE & Co. KGaA	**243**	228	**685**	485
Earnings per ordinary share in €	**1.37**	1.40	**4.00**	2.98
Fully diluted earnings per ordinary share in €	**1.35**	1.38	**3.95**	2.94

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	Q3/2012	Q3/2011	Q1–3/2012	Q1–3/2011
Net income	**435**	393	**1,297**	930
Other comprehensive income (loss)				
Foreign currency translation	**-214**	246	**1**	-209
Cash flow hedges	**10**	-92	**24**	-58
Actuarial gains/losses on defined benefit pension plans	**7**	-4	**10**	5
Income taxes related to components of other comprehensive income (loss)	**1**	30	**-18**	20
Other comprehensive income (loss)	**-196**	180	**17**	-242
Total comprehensive income	**239**	573	**1,314**	688
Comprehensive income attributable to noncontrolling interest subject to put provisions	**1**	22	**32**	20
Comprehensive income attributable to noncontrolling interest not subject to put provisions	**77**	257	**570**	294
Comprehensive income attributable to shareholders of Fresenius SE & Co. KGaA	**161**	294	**712**	374

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, 2012	Dec. 31, 2011
Cash and cash equivalents	968	635
Trade accounts receivable, less allowance for doubtful accounts	3,581	3,234
Accounts receivable from and loans to related parties	22	13
Inventories	1,756	1,717
Other current assets	1,966	1,184
Deferred taxes	328	368
I. Total current assets	8,621	7,151
Property, plant and equipment	4,685	4,210
Goodwill	14,708	12,669
Other intangible assets	1,002	981
Other non-current assets	1,045	1,185
Deferred taxes	164	125
II. Total non-current assets	21,604	19,170
Total assets	30,225	26,321
Trade accounts payable	756	807
Short-term accounts payable to related parties	12	21
Short-term accrued expenses and other short-term liabilities	3,197	2,898
Short-term debt	249	171
Short-term loans from related parties	2	3
Current portion of long-term debt and capital lease obligations	931	1,852
Current portion of Senior Notes	500	0
Short-term accruals for income taxes	190	184
Deferred taxes	45	52
A. Total short-term liabilities	5,882	5,988
Long-term debt and capital lease obligations, less current portion	4,229	3,777
Senior Notes, less current portion	5,414	3,996
Long-term accrued expenses and other long-term liabilities	454	409
Pension liabilities	499	484
Long-term accruals for income taxes	174	200
Deferred taxes	619	573
B. Total long-term liabilities	11,389	9,439
I. Total liabilities	17,271	15,427
II. Noncontrolling interest subject to put provisions	422	317
A. Noncontrolling interest not subject to put provisions	5,030	4,606
Subscribed capital	178	163
Capital reserve	3,145	2,115
Other reserves	4,117	3,658
Accumulated other comprehensive income	62	35
B. Total Fresenius SE & Co. KGaA shareholders' equity	7,502	5,971
III. Total shareholders' equity	12,532	10,577
Total liabilities and shareholders' equity	30,225	26,321

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	Q1–3/2012	Q1–3/2011
Operating activities		
Net income	1,297	930
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities		
Depreciation and amortization	562	482
Change in deferred taxes	31	35
Gain/loss on sale of fixed assets	8	-4
Changes in assets and liabilities, net of amounts from businesses acquired or disposed of		
Trade accounts receivable, net	-145	-196
Inventories	-13	-209
Other current and non-current assets	2	-27
Accounts receivable from/payable to related parties	-19	8
Trade accounts payable, accrued expenses and other short-term and long-term liabilities	136	132
Accruals for income taxes	-52	5
Net cash provided by operating activities	1,807	1,156
Investing activities		
Purchase of property, plant and equipment	-583	-491
Proceeds from sales of property, plant and equipment	19	16
Acquisitions and investments, net of cash acquired and net purchases of intangible assets	-2,635	-886
Proceeds from divestitures	179	5
Net cash used in investing activities	-3,020	-1,356
Financing activities		
Proceeds from short-term loans	128	102
Repayments of short-term loans	-116	-112
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	713	428
Repayments of long-term debt and capital lease obligations	-1,505	-617
Proceeds from the issuance of bearer ordinary shares	1,014	0
Payments of additional costs of the capital increase	-16	0
Proceeds from the issuance of Senior Notes	1,755	1,390
Changes of accounts receivable securitization program	10	-363
Proceeds from the exercise of stock options	110	71
Redemption of trust preferred securities of Fresenius Medical Care Capital Trusts	0	-465
Dividends paid	-411	-338
Change in noncontrolling interest	-134	–
Exchange rate effect due to corporate financing	-1	-1
Net cash provided by financing activities	1,547	95
Effect of exchange rate changes on cash and cash equivalents	-1	-10
Net increase/decrease in cash and cash equivalents	333	-115
Cash and cash equivalents at the beginning of the reporting period	635	769
Cash and cash equivalents at the end of the reporting period	968	654

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

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

	Ordinary shares		Preference shares		Subscribed Capital	
	Number of shares in thousand	Amount € in thousands	Number of shares in thousand	Amount € in thousands	Amount € in thousands	Amount € in millions
As of December 31, 2010	81,225	81,225	81,225	81,225	162,450	162
Conversion of the preference shares into ordinary shares	81,225	81,225	-81,225	-81,225	0	0
Proceeds from the exercise of stock options	592	592	0	0	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						
Actuarial gains on defined benefit pension plans						
Comprehensive income (loss)						
As of September 30, 2011	163,042	163,042	0	0	163,042	163
As of December 31, 2011	163,237	163,237	0	0	163,237	163
Issuance of bearer ordinary shares	13,800	13,800	0	0	13,800	14
Proceeds from the exercise of stock options	908	908	0	0	908	1
Compensation expense related to stock options						
Dividends paid						
Purchase of noncontrolling interest not subject to put provisions						
Purchase of ordinary shares of Fresenius Medical Care AG & Co. KGaA						
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						
Actuarial gains on defined benefit pension plans						
Comprehensive income						
As of September 30, 2012	**177,945**	**177,945**	**0**	**0**	**177,945**	**178**

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

	Reserves					
	Capital reserve € in millions	Other reserves € in millions	Accumulated other comprehensive income (loss) € in millions	Total Fresenius SE & Co. KGaA shareholders' equity € in millions	Noncontrolling interest not subject to put provisions € in millions	Total shareholders' equity € in millions
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
Actuarial gains on defined benefit pension plans			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
As of December 31, 2011	2,115	3,658	35	5,971	4,606	10,577
Issuance of bearer ordinary shares	989			1,003	0	1,003
Proceeds from the exercise of stock options	35			36	74	110
Compensation expense related to stock options	16			16	11	27
Dividends paid		-155		-155	-227	-382
Purchase of noncontrolling interest not subject to put provisions				0	62	62
Purchase of ordinary shares of Fresenius Medical Care AG & Co. KGaA		-71		-71	-43	-114
Change in fair value of noncontrolling interest subject to put provisions	-10			-10	-23	-33
Comprehensive income (loss)						
Net income		685		685	580	1,265
Other comprehensive income (loss)						
Cash flow hedges			6	6	0	6
Foreign currency translation			15	15	-10	5
Actuarial gains on defined benefit pension plans			6	6	0	6
Comprehensive income		685	27	712	570	1,282
As of September 30, 2012	**3,145**	**4,117**	**62**	**7,502**	**5,030**	**12,532**

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			Fresenius Group		
by business segment, € in millions	2012	2011	Change	2012	2011	Change	2012	2011	Change	2012	2011	Change	2012 [3,4]	2011 [2]	Change	2012	2011	Change
Sales	7,882	6,616	19%	3,363	2,950	14%	2,347	1,950	20%	536	480	12%	-28	-26	-8%	14,100	11,970	18%
thereof contribution to consolidated sales	7,868	6,606	19%	3,326	2,915	14%	2,347	1,950	20%	536	480	12%	23	19	21%	14,100	11,970	18%
thereof intercompany sales	14	10	40%	37	35	6%	0	0		–	–	--	-51	-45	-13%	0	0	
contribution to consolidated sales	56%	55%		23%	25%		17%	16%		4%	4%		0%	0%		100%	100%	
EBITDA	1,644	1,352	22%	817	722	13%	312	260	20%	30	27	11%	-24	-17	-41%	2,779	2,344	19%
Depreciation and amortization	348	294	18%	117	109	7%	80	65	23%	6	5	20%	11	9	22%	562	482	17%
EBIT	1,296	1,058	22%	700	613	14%	232	195	19%	24	22	9%	-35	-26	-35%	2,217	1,862	19%
Net interest	-243	-152	-60%	-212	-212	0%	-50	-40	-25%	–	1	-100%	25	2	--	-480	-401	-20%
Income taxes	-361	-310	-16%	-131	-111	-18%	-29	-29	0%	-7	-6	-17%	16	25	-36%	-512	-431	-19%
Net income attributable to shareholders of Fresenius SE & Co. KGaA [5]	617	541	14%	330	271	22%	148	117	26%	16	17	-6%	-426	-461	8%	685	485	41%
Operating cash flow	1,146	675	70%	452	350	29%	157	211	-26%	68	-51	--	-16	-29	45%	1,807	1,156	56%
Cash flow before acquisitions and dividends	803	405	98%	322	234	38%	79	133	-41%	62	-55	--	-23	-36	36%	1,243	681	83%
Total assets [1]	16,907	15,096	12%	7,653	7,282	5%	4,239	3,495	21%	663	594	12%	763	-146	--	30,225	26,321	15%
Debt [1]	6,529	5,573	17%	4,439	4,395	1%	1,307	1,104	18%	70	44	59%	-1,020	-1,317	23%	11,325	9,799	16%
Capital expenditure, gross	351	282	24%	159	108	47%	88	78	13%	6	4	50%	7	8	-13%	611	480	27%
Acquisitions, gross/investments [8]	1,337	830	61%	30	11	173%	567	11	--	42	2	--	1,017	54	--	2,993	908	--
Research and development expenses	65	57	14%	136	119	14%	–	–	--	0	0		13	16	-19%	214	192	11%
Employees (per capita on balance sheet date) [1]	90,039	83,476	8%	25,521	24,106	6%	42,544	37,198	14%	4,439	3,724	19%	920	847	9%	163,463	149,351	9%
Key figures																		
EBITDA margin	20.9%	20.4%		24.3%	24.5%		13.3%	13.3%		5.6%	5.6%					19.8% [6]	19.6%	
EBIT margin	16.4%	16.0%		20.8%	20.8%		9.9%	10.0%		4.5%	4.6%					15.8% [6]	15.6%	
Depreciation and amortization in % of sales	4.4%	4.4%		3.5%	3.7%		3.4%	3.3%		1.1%	1.0%					4.0%	4.0%	
Operating cash flow in % of sales	14.5%	10.2%		13.4%	11.9%		6.7%	10.8%		12.7%	-10.6%					12.8%	9.7%	
ROOA [1]	11.5%	12.0%		13.3%	12.4%		8.3%	8.4%		13.1%	16.0%					11.1% [7]	10.9%	

[1] 2011: December 31
[2] Including special items from the acquisition of APP Pharmaceuticals, Inc.
[3] Including special item from the acquisition of Liberty Dialysis Holdings, Inc.
[4] Including one-time costs related to the offer to the shareholders of RHÖN-KLINIKUM AG
[5] Fresenius Medical Care: excluding special item from the acquisition of Liberty Dialysis Holdings, Inc.
[6] Before one-time costs related to the offer to the shareholders of RHÖN-KLINIKUM AG
[7] The underlying pro forma EBIT does not include one-time costs related to the offer to the shareholders of RHÖN-KLINIKUM AG.
[8] 2012: includes an investment of cash in the amount of €801 million by Fresenius SE & Co. KGaA

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			Fresenius Group		
by business segment, € in millions	2012	2011	Change	2012	2011	Change	2012	2011	Change	2012	2011	Change	2012[2,3]	2011[1]	Change	2012	2011	Change
Sales	**2,732**	2,253	21%	**1,129**	979	15%	**822**	657	25%	**188**	167	13%	**-7**	-13	46%	**4,864**	4,043	20%
thereof contribution to consolidated sales	**2,728**	2,245	22%	**1,117**	967	16%	**822**	657	25%	**188**	167	13%	**9**	7	29%	**4,864**	4,043	20%
thereof intercompany sales	**4**	8	-50%	**12**	12	0%	**0**	0		**–**	–	--	**-16**	-20	20%	**0**	0	
contribution to consolidated sales	**56%**	56%		**23%**	24%		**17%**	16%		**4%**	4%		**0%**	0%		**100%**	100%	
EBITDA	**575**	478	20%	**287**	239	20%	**111**	94	18%	**12**	12	0%	**-5**	-5	0%	**980**	818	20%
Depreciation and amortization	**121**	100	21%	**39**	37	5%	**29**	22	32%	**2**	2	0%	**5**	2	150%	**196**	163	20%
EBIT	**454**	378	20%	**248**	202	23%	**82**	72	14%	**10**	10	0%	**-10**	-7	-43%	**784**	655	20%
Net interest	**-86**	-48	-79%	**-70**	-69	-1%	**-17**	-14	-21%	**–**	–	--	**6**	6	0%	**-167**	-125	-34%
Income taxes	**-122**	-115	-6%	**-47**	-35	-34%	**-7**	-11	36%	**-3**	-3	0%	**4**	-24	117%	**-175**	-188	7%
Net income attributable to shareholders of Fresenius SE & Co. KGaA[4]	**216**	198	9%	**120**	90	33%	**57**	45	27%	**6**	8	-25%	**-156**	-113	-38%	**243**	228	7%
Operating cash flow	**427**	328	30%	**164**	145	13%	**78**	90	-13%	**10**	-58	117%	**-8**	1	--	**671**	506	33%
Cash flow before acquisitions and dividends	**295**	222	33%	**123**	110	12%	**48**	51	-6%	**8**	-60	113%	**-9**	0		**465**	323	44%
Capital expenditure, gross	**137**	112	22%	**41**	38	8%	**42**	38	11%	**2**	2	0%	**1**	4	-75%	**223**	194	15%
Acquisitions, gross/investments[5]	**33**	40	-18%	**24**	5	--	**5**	6	-17%	**21**	–	--	**-139**	0		**-56**	51	--
Research and development expenses	**22**	19	16%	**48**	39	23%	**–**	–	--	**0**	0		**4**	6	-33%	**74**	64	16%
Key figures																		
EBITDA margin	**21.1%**	21.2%		**25.4%**	24.4%		**13.5%**	14.3%		**6.4%**	7.2%					**20.1%**	20.2%	
EBIT margin	**16.6%**	16.8%		**22.0%**	20.6%		**10.0%**	11.0%		**5.3%**	6.0%					**16.1%**	16.2%	
Depreciation and amortization in % of sales	**4.5%**	4.4%		**3.5%**	3.8%		**3.5%**	3.3%		**1.1%**	1.2%					**4.0%**	4.0%	
Operating cash flow in % of sales	**15.7%**	14.5%		**14.5%**	14.8%		**9.5%**	13.7%		**5.3%**	-34.7%					**13.8%**	12.5%	

[1] Including special items from the acquisition of APP Pharmaceuticals, Inc.
[2] Including special item from the acquisition of Liberty Dialysis Holdings, Inc.
[3] Including one-time costs related to the offer to the shareholders of RHÖN-KLINIKUM AG
[4] Fresenius Medical Care: excluding special item from the acquisition of Liberty Dialysis Holdings, Inc.
[5] 2012: includes a reduction in the amount of €150 million of investment of cash by Fresenius SE & Co. KGaA

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

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GENERAL NOTES

1. PRINCIPLES

I. GROUP STRUCTURE

Fresenius is a worldwide operating health care group with products and services for dialysis, the hospital and the medical care of patients at home. Further areas of activity are hospital operations as well as engineering and services for hospitals and other health care facilities. In addition to the activities of the parent company Fresenius SE & Co. KGaA, Bad Homburg v. d. Höhe, the operating activities were split into the following legally-independent business segments (subgroups) as of September 30, 2012:

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

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

II. BASIS OF PRESENTATION

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, 2011.

III. 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, 2012 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, 2011, published in the 2011 Annual Report.

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

The consolidated financial statements for the first three quarters and the third quarter ended September 30, 2012 include all adjustments that, in the opinion of the Management Board, are of a normal and recurring nature and are necessary to provide an appropriate view of the assets and liabilities, financial position and results of operations of the Fresenius Group.

The results of operations for the first three quarters ended September 30, 2012 are not necessarily indicative of the results of operations for the fiscal year 2012.

Classifications

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

In the business segment Fresenius Medical Care, sales have been restated to reflect the adoption of Accounting Standards Update 2011-07. Specifically, bad debt expense in the amount of US$58 million (€42 million) and US$167 million (€119 million) was reclassified from selling, general and administrative expenses as a reduction of sales for the third quarter and the first three quarters of 2011, respectively. In addition, in the business segment Fresenius Medical Care, freight expense in the amount of US$36 million (€25 million) and US$107 million (€76 million) was reclassified from selling, general and administrative expenses to cost of sales to harmonize the presentation for all business segments for the third quarter and the first three quarters of 2011, respectively.

Use of estimates

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

IV. RECENT PRONOUNCEMENTS, APPLIED

The Fresenius Group has prepared its consolidated financial statements at September 30, 2012 in conformity with U.S. GAAP in force for interim periods on January 1, 2012.

The Fresenius Group applied the following standards, as far as they are relevant for Fresenius Group's business, for the first time in the first three quarters ended September 30, 2012:

In July 2011, the Financial Accounting Standards Board (FASB) issued **Accounting Standards Update 2011-07** (ASU 2011-07), FASB Accounting Standards Codification (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 adopted the provisions of ASU 2011-07 as of January 1, 2012 and has restated the financial results of 2011 accordingly.

In June 2011, the FASB issued **Accounting Standards Update 2011-05** (ASU 2011-05), FASB ASC Topic 220, Comprehensive Income – Presentation of Comprehensive Income. In December 2011, the FASB issued **Accounting Standards Update 2011-12** (ASU 2011-12), FASB ASC Topic 220, Comprehensive Income – Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05. ASU 2011-12 defers certain income statement and other comprehensive income (OCI) statement presentation requirements noted in ASU 2011-05. ASU 2011-05 still requires that all components of comprehensive income 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 OCI, the components of OCI and total of comprehensive income. Additionally, the requirement for adjustments to the components and their related tax effects to be presented on the face of the statement in which the components of OCI are presented or in the notes to the financial statements remains for year-end disclosure. The disclosures required 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 in compliance with presentation of FASB ASC Topic 220, Comprehensive Income – Presentation of Comprehensive Income.

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 has applied the guidance under ASU 2011-04 since January 1, 2012, and there has not been a material impact on the results of the Fresenius Group.

V. RECENT PRONOUNCEMENTS, NOT YET APPLIED

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

In December 2011, the FASB issued **Accounting Standards Update 2011-11** (ASU 2011-11), FASB ASC Topic 210, Balance Sheet – Disclosures about Offsetting Assets and Liabilities. This amendment requires disclosing and reconciling the gross and net amounts for financial instruments that are offset in the statement of financial position, and the amounts for financial instruments that are subject to master netting arrangements and other similar clearing and repurchase arrangements. ASU 2011-11 is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

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

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

2. ACQUISITIONS, DIVESTITURES AND INVESTMENTS

The Fresenius Group made acquisitions and investments of €2,993 million and €908 million in the first three quarters of 2012 and 2011, respectively. Of this amount, €2,765 million was paid in cash and €228 million was assumed obligations in the first three quarters of 2012.

FRESENIUS MEDICAL CARE

Acquisition of Liberty Dialysis Holdings, Inc.

On February 28, 2012, Fresenius Medical Care acquired 100% of the equity of Liberty Dialysis Holdings, Inc. (LD Holdings), the owner of Liberty Dialysis and owner of a 51% stake in Renal Advantage Partners, LLC (the Liberty Acquisition). This transaction was accounted for as a business combination, subject to finalization of the acquisition accounting which will be finalized in the near future. LD Holdings mainly provided dialysis services in the United States through the 263 clinics it owned (the Acquired Clinics).

Total consideration for the Liberty Acquisition was US$2,180 million, consisting of US$1,695 million cash, net of cash acquired and US$485 million non-cash consideration. Accounting standards for business combinations require previously held equity interests to be fair valued with the difference to book value to be recognized as a gain or loss in income. Prior to the Liberty Acquisition, Fresenius Medical Care had a 49% equity investment in Renal Advantage Partners, LLC, the fair value of which, US$202 million, is included as non-cash consideration. The estimated fair value has been determined based on the discounted cash flow method, utilizing an approximately 13% discount rate. In addition to Fresenius Medical Care's investment, it also had a loan receivable from Renal Advantage Partners, LLC of US$279 million, at a fair value of US$283 million, which was retired as part of the transaction.

The following table summarizes the current estimated fair values of assets acquired and liabilities assumed at the date of the acquisition. Any adjustments to acquisition accounting, net of related income tax effects, will be recorded with a corresponding adjustment to goodwill.

US$ in millions	
Assets held for sale	163
Trade accounts receivable	156
Other current assets	30
Deferred tax assets	15
Property, plant and equipment	174
Intangible assets and other assets	86
Goodwill	1,990
Accounts payable, accrued expenses and other short-term liabilities	-128
Income tax payable and deferred taxes	-43
Short-term borrowings and other financial liabilities and long-term debt and capital lease obligations	-72
Other liabilities	-26
Noncontrolling interests (subject and not subject to put provisions)	-165
Total acquisition cost	**2,180**
Less, at fair value, non-cash contributions	
Investment at acquisition date	-202
Long-term Notes Receivable	-283
Total non-cash items	-485
Net Cash paid	**1,695**

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

Goodwill in the amount of US$1,990 million was acquired as part of the Liberty Acquisition. Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill arises principally due to the fair value placed on acquiring an established stream of future cash flows versus building a similar franchise. Of the goodwill recognized in this acquisition, approximately US$436 million is expected to be deductible for tax purposes and amortized over a 15 year period.

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

LD Holdings' results have been included in the consolidated statement of income since February 29, 2012. Specifically, LD Holdings has contributed sales and operating income in the amount of US$503 million (€392 million) and US$125 million (€98 million) before taxes, respectively, to the consolidated income. This amount for operating income does not include synergies which may have resulted at consolidated entities outside LD Holdings since the acquisition closed. In addition, the results include those of divested Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) clinics prior to their divestiture.

The fair valuation of Fresenius Medical Care's investment at the time of the Liberty Acquisition resulted in a non-taxable gain of US$140 million and is presented in the separate line item investment gain in the consolidated statement of income. The retirement of the loan receivable resulted in a benefit of US$9 million which was recognized in net interest.

Divestitures

In connection with the United States Federal Trade Commission (FTC) consent order relating to the Liberty Acquisition, Fresenius Medical Care agreed to divest a total of 62 renal dialysis centers. In the first three quarters of 2012, 24 of the 61 clinics sold were FMC-AG & Co. KGaA clinics, which resulted in a US$33.5 million gain.

In the first three quarters of 2012, the income tax expense related to the sale of these clinics of approximately US$22.0 million has been recorded in the line item income taxes in the consolidated statement of income, resulting in a net gain of approximately US$11.5 million. The after-tax gain was offset by the after-tax effects of the costs associated with the Liberty Acquisition.

Pro forma financial information

The following financial information, on a pro forma basis, reflects the consolidated results of operations as if the Liberty Acquisition and the divestitures described before had been consummated on January 1, 2011. The pro forma information includes adjustments primarily for elimination of the investment gain and the gain from the retirement of debt. The pro forma financial information is not necessarily indicative of the results of operations as it would have been had the transactions been consummated on January 1, 2011.

€ in millions	Q1–3/2012 pro forma	Q1–3/2011 pro forma
Sales	**14,180**	12,303
Net income attributable to shareholders of Fresenius SE & Co. KGaA	**650**	565
Basic earnings per ordinary share in €	**3.80**	3.47
Fully diluted earnings per ordinary share in €	**3.75**	3.43

FRESENIUS KABI

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

In 2011, Fenwal Holdings, Inc. had sales of US$614 million with an adjusted EBITDA of US$90 million. The company, with about 4,900 employees worldwide, runs a state-of-the-art R & D center and operates five manufacturing facilities.

Financial terms were not disclosed. The transaction will be financed initially from existing funds, whereas the proceeds of the May 2012 capital increase exceed the transaction value.

The transaction is subject to the approvals by the relevant antitrust authorities, and is expected to close in the fourth quarter of 2012.

FRESENIUS HELIOS

In the first three quarters of 2012, Fresenius Helios spent €567 million on acquisitions, mainly for the acquisition of 94.7% of the share capital in the Damp Holding AG (Damp), Germany, completed in March 2012. The transaction could be closed after approval by local and antitrust authorities.

The Fresenius Group has consolidated Damp as of March 31, 2012.

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

The preliminary purchase price allocation is as follows:

€ in millions	
Working capital and other assets	65
Assets	252
Other liabilities	-133
Goodwill	366
Total acquisition cost	**550**

The acquisition increased the total assets of the Fresenius Group by €0.7 billion. The capitalized goodwill in an amount of €0.4 billion is not deductible for tax purposes.

FRESENIUS VAMED

In the first three quarters of 2012, Fresenius Vamed spent €42 million on acquisitions, mainly for the acquisition of H.C. Hospital Consulting S.p.A., Italy, and the intercompany acquisition of the HELIOS Klinik Zihlschlacht AG, Switzerland, from HELIOS Kliniken GmbH.

CORPORATE / OTHER

In May 2012, Fresenius SE & Co. KGaA invested most of the proceeds of the capital increase temporarily in the amount of €952 million in German Federal Treasury Notes. Thereof, €200 million became due in September 2012 of which €50 million were reinvested in German Federal Treasury Notes and €150 million were transferred as bank deposit into cash and cash equivalents. Thereafter, as of September 30, 2012, German Federal Treasury Notes with a fair value of €801 million remained.

In November and December 2011, Fresenius SE & Co. KGaA purchased 1,399,996 ordinary shares of Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA). In January and February 2012, Fresenius SE & Co. KGaA purchased further 2,100,004 ordinary shares of FMC-AG & Co. KGaA. Therefore, the voting rights in FMC-AG & Co. KGaA increased to 31.2% at September 30, 2012. A total of 3.5 million shares were acquired with a total transaction volume of approximately €184 million.

Offer to the shareholders of RHÖN-KLINIKUM AG

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

At the end of the offer period, 84.3% of RHÖN-KLINIKUM AG shares had been tendered. The minimum acceptance threshold of more than 90% was not met. Consequently, the tender offer was not consummated.

Relating to the offer to the shareholders of RHÖN-KLINIKUM AG, until September 5, 2012, Fresenius acquired 6.9 million shares of RHÖN-KLINIKUM AG. This is equivalent to 5.0% of the subscribed capital of RHÖN-KLINIKUM AG.

NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the first three quarters of 2012 in the amount of €685 million includes a special item relating to the acquisition of Liberty Dialysis Holdings, Inc. by Fresenius Medical Care. This special item in an amount of €34 million (before noncontrolling interest: €109 million) is described in note 4, Investment gain.

Furthermore, net income attributable to shareholders of Fresenius SE & Co. KGaA for the first three quarters of 2012 includes special items in the amount of -€31 million relating to the offer to the shareholders of RHÖN-KLINIKUM AG. These are shown in the following table:

€ in millions	EBIT	EBT	Net income
Financing costs	0	-37	-26
Other costs	-7	-7	-5
Total one-time costs	**-7**	**-44**	**-31**

Net income attributable to shareholders of Fresenius SE & Co. KGaA before special items was €682 million.

3. SALES

Sales by activity were as follows:

€ in millions	Q1–3/2012	Q1–3/2011
Sales of services	**8,800**	7,182
less patient service bad debt provision	**-161**	-119
Sales of products and related goods	**5,156**	4,592
Sales from long-term production contracts	**287**	314
Other sales	**18**	1
Sales	**14,100**	11,970

4. INVESTMENT GAIN

Fresenius Medical Care's acquisition of the remaining 51% stake in Renal Advantage Partners, LLC, in addition to its 49% equity investment held previously, represents a business combination achieved in stages in which the previous equity investment was measured at its fair value at the date of the acquisition of Liberty Dialysis Holdings, Inc. The resultant non-taxable income of US$140 million (€109 million) is presented in the separate line item investment gain in the consolidated statement of income.

5. OTHER FINANCIAL RESULT

In the first three quarters of 2012, the item other financial result in the amount of -€37 million comprises the financing costs, mainly the costs for the financing commitment, related to the offer to the shareholders of RHÖN-KLINIKUM AG.

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

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

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

6. TAXES

Fresenius Medical Care filed claims for refunds contesting the Internal Revenue Service's (IRS) disallowance of Fresenius Medical Care Holdings, Inc.'s (FMCH) civil settlement payment deductions taken by FMCH in prior year tax returns. As a result of a settlement agreement with the IRS, Fresenius Medical Care received a partial refund in September 2008 of US$37 million, inclusive of interest and preserved the right to pursue claims in the United States Courts for refunds of all other disallowed deductions, which totaled approximately US$126 million. On December 22, 2008, Fresenius Medical Care filed a complaint for complete refund in the United States District Court for the District of Massachusetts, styled as Fresenius Medical Care Holdings, Inc. v. United States. On August 15, 2012, a jury entered a verdict for FMCH granting additional deductions of US$95 million. The District Court is now considering the terms of the judgment to be entered against the United States to reflect the amount of the tax refund due to FMCH.

During the first three quarters of 2012, there were no further material changes relating to tax audits, accruals for income taxes, unrecognized tax benefits as well as recognized and accrued payments for interest and penalties. Explanations regarding the tax audits and further information can be found in the consolidated financial statements in the 2011 Annual Report.

7. EARNINGS PER SHARE

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

	Q1–3/2012	Q1–3/2011
Numerators, € in millions		
Net income attributable to shareholders of Fresenius SE & Co. KGaA	685	485
less effect from dilution due to Fresenius Medical Care shares	2	2
Income available to all classes of shares	683	483
Denominators in number of shares		
Weighted-average number of ordinary shares outstanding	171,263,663	162,676,589
Potentially dilutive ordinary shares	1,563,508	1,573,205
Weighted-average number of ordinary shares outstanding assuming dilution	172,827,171	164,249,794
Basic earnings per ordinary share in €	4.00	2.98
Fully diluted earnings per ordinary share in €	3.95	2.94

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8. CASH AND CASH EQUIVALENTS

As of September 30, 2012 and December 31, 2011, cash and cash equivalents were as follows:

€ in millions	Sept. 30, 2012	Dec. 31, 2011
Cash	946	627
Time deposits and securities (with a maturity of up to 90 days)	22	8
Total cash and cash equivalents	**968**	635

As of September 30, 2012 and December 31, 2011, earmarked funds of €52 million and €40 million, respectively, were included in cash and cash equivalents.

9. TRADE ACCOUNTS RECEIVABLE

As of September 30, 2012 and December 31, 2011, trade accounts receivable were as follows:

€ in millions	Sept. 30, 2012	Dec. 31, 2011
Trade accounts receivable	3,985	3,617
less allowance for doubtful accounts	404	383
Trade accounts receivable, net	**3,581**	3,234

10. INVENTORIES

As of September 30, 2012 and December 31, 2011, inventories consisted of the following:

€ in millions	Sept. 30, 2012	Dec. 31, 2011
Raw materials and purchased components	441	385
Work in process	286	326
Finished goods	1,114	1,076
less reserves	85	70
Inventories, net	**1,756**	1,717

11. OTHER CURRENT AND NON-CURRENT ASSETS

The German Federal Treasury Notes, in which most of the proceeds of the capital increase were temporarily invested, are shown in the amount of €801 million within other current assets as of September 30, 2012.

Investments and long-term loans comprised investments of €484 million at September 30, 2012 (December 31, 2011: €537 million), mainly regarding the joint venture between Fresenius Medical Care and Galenica Ltd., that were accounted for under the equity method. In the first three quarters of 2012, income of €11 million (Q1–3 2011: €16 million) resulting from this valuation was included in selling, general and administrative expenses in the consolidated statement of income. Furthermore, investments and long-term loans included €181 million as of December 31, 2011 that Fresenius Medical Care loaned to Renal Advantage Partners, LLC.

12. GOODWILL AND OTHER INTANGIBLE ASSETS

As of September 30, 2012 and December 31, 2011, intangible assets, split into amortizable and non-amortizable intangible assets, consisted of the following:

AMORTIZABLE INTANGIBLE ASSETS

	Sept. 30, 2012			Dec. 31, 2011		
€ in millions	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Patents, product and distribution rights	598	211	387	582	182	400
Technology	90	30	60	86	25	61
Non-compete agreements	245	160	85	201	144	57
Other	639	354	285	596	317	279
Total	**1,572**	**755**	**817**	1,465	668	797

NON-AMORTIZABLE INTANGIBLE ASSETS

€ in millions	**Sept. 30, 2012** Acquisition cost	Accumulated amortization	Carrying amount	Dec. 31, 2011 Acquisition cost	Accumulated amortization	Carrying amount
Tradenames	**179**	**0**	**179**	178	0	178
Management contracts	**6**	**0**	**6**	6	0	6
Goodwill	**14,708**	**0**	**14,708**	12,669	0	12,669
Total	**14,893**	**0**	**14,893**	12,853	0	12,853

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

€ in millions	Q4/2012	2013	2014	2015	2016	Q1–3/2017
Estimated amortization expenses	30	111	104	95	91	65

The carrying amount of goodwill has developed as follows:

€ in millions	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate/ Other	**Fresenius Group**
Carrying amount as of January 1, 2011	**6,092**	**3,691**	**1,627**	**48**	**6**	**11,464**
Additions	822	14	95	0	0	931
Foreign currency translation	186	88	0	0	0	274
Carrying amount as of December 31, 2011	**7,100**	**3,793**	**1,722**	**48**	**6**	**12,669**
Additions	1,648	5	369	9	0	2,031
Reclassifications	0	0	-18	18	0	0
Foreign currency translation	6	2	0	0	0	8
Carrying amount as of September 30, 2012	**8,754**	**3,800**	**2,073**	**75**	**6**	**14,708**

As of September 30, 2012 and December 31, 2011, the carrying amounts of the other non-amortizable intangible assets were €169 million and €168 million, respectively, for Fresenius Medical Care as well as €16 million, respectively, for Fresenius Kabi.

13. DEBT AND CAPITAL LEASE OBLIGATIONS

SHORT-TERM DEBT

The Fresenius Group had short-term debt of €249 million and €171 million at September 30, 2012 and December 31, 2011, respectively. As of September 30, 2012, this debt consisted of borrowings by certain subsidiaries of the Fresenius Group under lines of credit with commercial banks.

LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

As of September 30, 2012 and December 31, 2011, long-term debt and capital lease obligations consisted of the following:

€ in millions	Sept. 30, 2012	Dec. 31, 2011
Fresenius Medical Care 2006 Senior Credit Agreement	**1,670**	2,161
2008 Senior Credit Agreement	**1,205**	1,326
Euro Notes	**894**	800
European Investment Bank Agreements	**504**	527
Accounts receivable facility of Fresenius Medical Care	**423**	413
Capital lease obligations	**87**	53
Other	**377**	349
Subtotal	**5,160**	5,629
less current portion	**931**	1,852
Long-term debt and capital lease obligations, less current portion	**4,229**	3,777

On September 30, 2012, €1.631 million was reclassified from Current portion of long-term debt and capital lease obligations to Long-term debt and capital lease obligations as a result of entering into the new Fresenius Medical Care 2012 Credit Agreement on October 30, 2012 (see note 25, Subsequent events, for further details on this agreement).

Fresenius Medical Care 2006 Senior Credit Agreement

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

Since entering into the 2006 Senior Credit Agreement, Fresenius Medical Care arranged several amendments with the Lenders and effected voluntary prepayments of the Term Loans, which led to a change in the total amount available under this facility.

The following tables show the available and outstanding amounts under the Fresenius Medical Care 2006 Senior Credit Agreement at September 30, 2012 and December 31, 2011:

	September 30, 2012			
	Maximum amount available		Balance outstanding	
	US$ in millions	€ in millions	US$ in millions	€ in millions
Revolving Credit	1,200	928	**275**	**213**
Term Loan A	1,125	870	**1,125**	**870**
Term Loan B	759	587	**759**	**587**
Total	3,084	2,385	**2,159**	**1,670**

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

In addition, at September 30, 2012 and December 31, 2011, Fresenius Medical Care had letters of credit outstanding in the amount of US$160 million and US$181 million, respectively, which were not included above as part of the balance outstanding at those dates but which reduce available borrowings under the Revolving Credit Facility.

As of September 30, 2012, FMC-AG & Co. KGaA and its subsidiaries were in compliance with all covenants under the Fresenius Medical Care 2006 Senior Credit Agreement.

On October 30, 2012, FMC-AG & Co. KGaA entered into a new US$3,850 million syndicated credit agreement with a large group of banks and institutional lenders which replace the amended Fresenius Medical Care 2006 Senior Credit Agreement (see note 25, Subsequent events).

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, 2012 and December 31, 2011:

	September 30, 2012			
	Maximum amount available		**Balance outstanding**	
		€ in millions		**€ in millions**
Revolving Credit Facilities	US$550 million	426	**US$0 million**	**0**
Term Loan A	US$387 million	299	**US$387 million**	**299**
Term Loan D (in US$)	US$965 million	747	**US$965 million**	**747**
Term Loan D (in €)	€159 million	159	**€159 million**	**159**
Total		1,631		**1,205**

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

As of September 30, 2012, the Fresenius Group was in compliance with all covenants under the 2008 Senior Credit Agreement.

Euro Notes

As of September 30, 2012 and December 31, 2011, Euro Notes (Schuldscheindarlehen) of the Fresenius Group consisted of the following:

	Maturity	Interest rate	Book value/nominal value € in millions Sept. 30, 2012	Dec. 31, 2011
Fresenius Finance B.V. 2008/2012	April 2, 2012	5.59%	**0**	62
Fresenius Finance B.V. 2008/2012	April 2, 2012	variable	**0**	138
Fresenius Finance B.V. 2007/2012	July 2, 2012	5.51%	**0**	26
Fresenius Finance B.V. 2007/2012	July 2, 2012	variable	**0**	74
Fresenius Finance B.V. 2008/2014	April 2, 2014	5.98%	**112**	112
Fresenius Finance B.V. 2008/2014	April 2, 2014	variable	**88**	88
Fresenius Finance B.V. 2007/2014	July 2, 2014	5.75%	**38**	38
Fresenius Finance B.V. 2007/2014	July 2, 2014	variable	**62**	62
Fresenius SE & Co. KGaA 2012/2016	April 4, 2016	3.36%	**156**	0
Fresenius SE & Co. KGaA 2012/2016	April 4, 2016	variable	**129**	0
Fresenius SE & Co. KGaA 2012/2018	April 4, 2018	4.09%	**72**	0
Fresenius SE & Co. KGaA 2012/2018	April 4, 2018	variable	**43**	0
Fresenius Medical Care AG & Co. KGaA 2009/2012	Oct. 27, 2012	7.41%	**36**	36
Fresenius Medical Care AG & Co. KGaA 2009/2012	Oct. 27, 2012	variable	**119**	119
Fresenius Medical Care AG & Co. KGaA 2009/2014	Oct. 27, 2014	8.38%	**12**	15
Fresenius Medical Care AG & Co. KGaA 2009/2014	Oct. 27, 2014	variable	**27**	30
Euro Notes			**894**	800

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

The Euro Notes issued by FMC-AG & Co. KGaA of €155 million, which were due on October 27, 2012, are shown as current portion of long-term debt and capital lease obligations in the consolidated statement of financial position.

As of September 30, 2012, the Fresenius Group was in compliance with all of its covenants under the Euro Notes.

European Investment Bank Agreements

The following table shows the amounts outstanding under the European Investment Bank (EIB) facilities as of September 30, 2012 and December 31, 2011:

	Maturity	Maximum amount available € in millions Sept. 30, 2012	Dec. 31, 2011	Book value € in millions Sept. 30, 2012	Dec. 31, 2011
Fresenius SE & Co. KGaA	2013	**196**	196	**196**	196
Fresenius Medical Care AG & Co. KGaA	2013/2014	**253** [1]	271 [1]	**248** [1]	267 [1]
HELIOS Kliniken GmbH	2019	**60**	64	**60**	64
Loans from EIB		**509**	531	**504**	527

[1] Difference due to foreign currency translation and repayments

The majority of the loans are denominated in euros. The U.S. dollar denominated borrowings of FMC-AG & Co. KGaA amounted to US$140 million (€108 million) on September 30, 2012.

The loans issued by Fresenius SE & Co. KGaA and FMC-AG & Co. KGaA, which are due in June and September 2013 are shown as current portion of long-term debt and capital lease obligations in the consolidated statement of financial position.

As of September 30, 2012, the Fresenius Group was in compliance with the respective covenants.

CREDIT LINES

In addition to the financial liabilities described before, the Fresenius Group maintains additional credit facilities which have not been utilized, or have only been utilized in part, as of the reporting date. At September 30, 2012, the additional financial cushion resulting from unutilized credit facilities was approximately €1.8 billion.

14. SENIOR NOTES

As of September 30, 2012 and December 31, 2011, Senior Notes of the Fresenius Group consisted of the following:

				Book value € in millions	
	Notional amount	Maturity	Interest rate	**Sept. 30, 2012**	Dec. 31, 2011
Fresenius Finance B.V. 2006/2013	€500 million	Jan. 31, 2013	5.00%	**500**	500
Fresenius Finance B.V. 2006/2016	€650 million	Jan. 31, 2016	5.50%	**644**	637
Fresenius Finance B.V. 2012/2019	€500 million	Apr. 15, 2019	4.25%	**500**	0
Fresenius US Finance II, Inc. 2009/2015	€275 million	July 15, 2015	8.75%	**267**	264
Fresenius US Finance II, Inc. 2009/2015	US$500 million	July 15, 2015	9.00%	**375**	372
FMC Finance VI S.A. 2010/2016	€250 million	July 15, 2016	5.50%	**248**	248
FMC Finance VII S.A. 2011/2021	€300 million	Feb. 15, 2021	5.25%	**294**	294
FMC Finance VIII S.A. 2011/2016	€100 million	Oct. 15, 2016	variable	**100**	100
FMC Finance VIII S.A. 2011/2018	€400 million	Sept. 15, 2018	6.50%	**395**	395
FMC Finance VIII S.A. 2012/2019	€250 million	July 31, 2019	5.25%	**243**	0
Fresenius Medical Care US Finance, Inc. 2007/2017	US$500 million	July 15, 2017	6.875%	**383**	383
Fresenius Medical Care US Finance, Inc. 2011/2021	US$650 million	Feb. 15, 2021	5.75%	**499**	498
Fresenius Medical Care US Finance II, Inc. 2011/2018	US$400 million	Sept. 15, 2018	6.50%	**306**	305
Fresenius Medical Care US Finance II, Inc. 2012/2019	US$800 million	July 31, 2019	5.625%	**619**	0
Fresenius Medical Care US Finance II, Inc. 2012/2022	US$700 million	Jan. 31, 2022	5.875%	**541**	0
Senior Notes				**5,914**	3,996

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

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

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

The Senior Notes issued by Fresenius Finance B.V. which are due on January 31, 2013 are shown as current portion of Senior Notes in the consolidated statement of financial position.

As of September 30, 2012, the Fresenius Group was in compliance with all of its covenants.

15. PENSIONS AND SIMILAR OBLIGATIONS

DEFINED BENEFIT PENSION PLANS

At September 30, 2012, the pension liability of the Fresenius Group was €512 million. The current portion of the pension liability of €13 million is recognized in the consolidated statement of financial position within short-term accrued expenses and other short-term liabilities. The non-current portion of €499 million is recorded as pension liability.

Contributions to Fresenius Group's pension fund were €11 million in the first three quarters of 2012. The Fresenius Group expects approximately €13 million contributions to the pension fund during 2012.

Defined benefit pension plans' net periodic benefit costs of €42 million (Q1–3 2011: €32 million) were comprised of the following components:

€ in millions	**Q1–3/2012**	Q1–3/2011
Service cost	**14**	14
Interest cost	**28**	26
Expected return on plan assets	**-12**	-13
Amortization of unrealized actuarial losses, net	**12**	5
Amortization of prior service costs	**–**	–
Amortization of transition obligations	**–**	–
Settlement loss	**0**	–
Net periodic benefit cost	**42**	32

16. NONCONTROLLING INTEREST

NONCONTROLLING INTEREST SUBJECT TO PUT PROVISIONS

As of September 30, 2012 and December 31, 2011 the Fresenius Group's potential obligations under noncontrolling interest subject to put options were €422 million and €317 million, respectively, of which, at September 30, 2012, €108 million were exercisable. One put option was exercised for a total consideration of €2 million during the first three quarters of 2012.

NONCONTROLLING INTEREST NOT SUBJECT TO PUT PROVISIONS

As of September 30, 2012 and December 31, 2011, noncontrolling interest not subject to put provisions in the Fresenius Group was as follows:

€ in millions	**Sept. 30, 2012**	Dec. 31, 2011
Noncontrolling interest not subject to put provisions in Fresenius Medical Care AG & Co. KGaA	**4,620**	4,254
Noncontrolling interest not subject to put provisions in VAMED AG	**30**	28
Noncontrolling interest not subject to put provisions in the business segments		
Fresenius Medical Care	**199**	123
Fresenius Kabi	**72**	63
Fresenius Helios	**107**	136
Fresenius Vamed	**2**	2
Total noncontrolling interest not subject to put provisions	**5,030**	4,606

From November 2011 to February 2012, Fresenius SE & Co. KGaA purchased 3,500,000 ordinary shares of Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA). Therewith, Fresenius SE & Co. KGaA's shareholding in FMC-AG & Co. KGaA amounted to 31.2% of the ordinary share capital as of September 30, 2012.

Noncontrolling interest not subject to put provisions changed as follows:

€ in millions	**Q1–3/2012**
Noncontrolling interest not subject to put provisions at January 1, 2012	**4,606**
Noncontrolling interest not subject to put provisions in profit	580
Stock options	85
Dividend payments	-227
Purchase of ordinary shares of FMC-AG & Co. KGaA	-43
Currency effects, first-time consolidations and other changes	29
Noncontrolling interest not subject to put provisions at September 30, 2012	**5,030**

17. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

SUBSCRIBED CAPITAL

On May 15, 2012, Fresenius SE & Co. KGaA successfully completed a capital increase upon registration with the commercial register. In connection with the capital increase, 13.8 million new ordinary shares were issued at a price of €73.50. The transaction generated gross proceeds of €1,014.3 million and increased the subscribed capital by €13.8 million. The new shares have full dividend entitlement for the fiscal year 2012.

During the first three quarters of 2012, 907,274 stock options were exercised. Consequently, as of September 30, 2012, the subscribed capital of Fresenius SE & Co. KGaA including the new shares of the capital increase consisted of 177,944,610 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).

By resolution on May 11, 2012, the Annual General Meeting of Fresenius SE & Co. KGaA authorized the general partner, with the approval of the Supervisory Board, until May 10, 2017, to issue option bearer bonds and/or convertible bearer bonds, once or several times, for a total nominal amount of up to €2.5 billion. To fulfill the granted subscription rights, the subscribed capital of Fresenius SE & Co. KGaA was increased conditionally by up to €16,323,734 through issuing of up to 16,323,734 new bearer ordinary shares (Conditional Capital IV). The change of Fresenius SE & Co. KGaA's articles of association with regard to the Conditional Capital IV became effective upon registration with the commercial register on July 4, 2012. The conditional capital increase shall only be implemented to the extent that the holders of convertible bonds issued for cash or of warrants from option bonds issued for cash exercise their conversion or option rights and as long as no other forms of settlement are used (Conditional Capital IV). The new bearer ordinary shares shall participate in the profits from the start of the fiscal year in which they are issued.

The following table shows the development of the Conditional Capital:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 1998	888,428
Conditional Capital II Fresenius AG Stock Option Plan 2003	2,976,630
Conditional Capital III Fresenius SE Stock Option Plan 2008	6,024,524
Total Conditional Capital as of January 1, 2012	**9,889,582**
Fresenius AG Stock Option Plan 1998 – options exercised	-30,458
Fresenius AG Stock Option Plan 2003 – options exercised	-380,900
Fresenius SE Stock Option Plan 2008 – options exercised	-495,916
Conditional Capital IV, approved on May 11, 2012	16,323,734
Total Conditional Capital as of September 30, 2012	**25,306,042**

AUTHORIZED CAPITAL

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

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

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

Due to the capital increase, the Authorized Capital I decreased by €13.8 million to €26,520,000 at September 30, 2012.

CAPITAL RESERVES

In the second quarter of 2012, the capital reserves increased by €989 million in connection with Fresenius SE & Co. KGaA's capital increase. The accrued expenses less applicable tax benefit were charged in an amount of €11 million against the capital reserves.

DIVIDENDS

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

In May 2012, a dividend of €0.95 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 €155 million.

OTHER NOTES

18. LEGAL PROCEEDINGS

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

Further information regarding legal disputes, court proceedings and investigations can be found in detail in the consolidated financial statements in the 2011 Annual Report. In the following, only the changes during the first three quarters ended September 30, 2012 compared to the information provided in the consolidated financial statements are described. These changes should be read in conjunction with the overall information in the consolidated financial statements in the 2011 Annual Report; defined terms or abbreviations having the same meaning as in the 2011 Annual Report.

W.R. GRACE & CO. LAWSUIT

In January and February 2011, the U.S. Bankruptcy Court entered orders confirming the plan of reorganization and the confirmation orders were affirmed by the U.S. District Court on January 31, 2012. Multiple parties have appealed to the Third Circuit Court of Appeals and the plan of reorganization will not be implemented until the appeals are finally resolved.

BAXTER PATENT DISPUTE "TOUCHSCREEN INTERFACES" (1)

Upon the remand in 2011, the district court reduced the post verdict damages award to US$10 million and US$61 million of the escrowed funds was returned to FMCH. In the parallel reexamination of the last surviving patent, the U.S. Patent and Trademark Office and the Board of Patent Appeals and Interferences ruled that the remaining Baxter patent is invalid. On May 17, 2012, the Federal Circuit affirmed the U.S. Patent and Trademark Office's ruling and invalidated the final remaining Baxter patent. Baxter's request to the Federal Circuit for a rehearing has been denied.

BAXTER PATENT DISPUTE "LIBERTY CYCLER"

On August 27, 2012, Baxter filed suit in the U.S. District Court for the Northern District of Illinois, styled Baxter International Inc., et al., v. Fresenius Medical Care Holdings, Inc., Case No. 12-cv-06890, alleging that FMCH's Liberty™ cycler infringes certain U.S. patents that were issued to Baxter between October 2010 and June 2012. Fresenius Medical Care believes it has valid defenses to these claims, and will defend this litigation vigorously.

RENAL CARE GROUP – CLASS ACTION "ACQUISITION"

Subject to the approval of the Nashville Chancery Court, the plaintiff has agreed to dismiss the complaint with prejudice against the plaintiff and all other class members in exchange for a payment that is not material to Fresenius Medical Care.

RENAL CARE GROUP – COMPLAINT "METHOD II"

On October 5, 2012, the Sixth Circuit Court of Appeals substantially reversed the District Court, vacated the District Court judgment and damages award, and entered judgment for the FMCH defendants on the principal False Claims Act counts of the complaint. The Court of Appeals remanded the case to the District Court for further proceedings and trial only on the unjust enrichment and 'steering' counts of the complaint. Fresenius Medical Care will contest those counts if they are pursued.

FRESENIUS MEDICAL CARE HOLDINGS - QUI TAM COMPLAINT (WESTERN DISTRICT OF TEXAS)

On July 30, 2012, the Court of Appeals affirmed the District Court's judgment in FMCH's favor.

SUBPOENA "AMERICAN ACCESS CARE, LLC"

Civil investigative demands were issued under the supervision of the United States Attorneys for Rhode Island and Connecticut to American Access Care, LLC (AAC) and certain affiliated entities prior to Fresenius Medical Care's acquisition of AAC in October 2011. In March 2012, a third subpoena was issued under the supervision of the United States Attorney for the Southern District of Florida (Miami). The subpoenas cover a wide range of documents and activities of AAC, but appear to focus on coding and billing practices and procedures. Fresenius Medical Care has assumed responsibility for responding to the subpoenas and is cooperating fully with the United States Attorneys.

INTERNAL REVIEW

Fresenius Medical Care has received communications alleging certain conduct in certain countries outside the U.S. and Germany that may violate the U.S. Foreign Corrupt Practices Act (FCPA) or other anti-bribery laws. In response to the allegations, the Audit and Corporate Governance Committee of Fresenius Medical Care's Supervisory Board is conducting an internal review with the assistance of independent counsel retained for such purpose. Fresenius Medical Care voluntarily advised the U.S. Securities and Exchange Commission and the U.S. Department of Justice that allegations have been made and of Fresenius Medical Care's internal review. Fresenius Medical Care has also directed its independent counsel, in conjunction with Fresenius Medical Care's Compliance Department, to review Fresenius Medical Care's internal controls related to compliance with international anti-bribery laws and identify any potential enhancements to such controls. Fresenius Medical Care is fully committed to FCPA compliance. It cannot predict the outcome of its review.

RENEGOTIATION OF LICENSE AND DISTRIBUTION AGREEMENTS

As a result of changes in the IV Iron market, Fresenius Medical Care plans to renegotiate its 2008 license, distribution, manufacturing and supply agreement with Luitpold Pharmaceuticals, Inc. and American Regent, Inc. for Iron products sold under the Venofer brand. Such renegotiation may result in a charge of up to US$65 million, after tax.

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

19. FINANCIAL INSTRUMENTS

VALUATION OF FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and fair values as well as the fair value hierarchy levels of Fresenius Group's financial instruments as of September 30, 2012 and December 31, 2011, classified into classes:

		Sept. 30, 2012		Dec. 31, 2011	
€ in millions	Fair value hierarchy level	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Cash and cash equivalents	1	**968**	**968**	635	635
Assets recognized at carrying amount	3	**3,603**	**3,603**	3,428	3,427
Assets recognized at fair value	1	**907**	**907**	0	0
Liabilities recognized at carrying amount	2	**12,093**	**12,614**	10,627	10,874
Liabilities recognized at fair value	2	**25**	**25**	18	18
Noncontrolling interest subject to put provisions recognized at fair value	3	**422**	**422**	317	317
Derivatives for hedging purposes	2	**-112**	**-112**	-212	-212

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

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

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

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

The fair value of Fresenius Medical Care's loan to Renal Advantage Partners, LLC was based on significant unobservable inputs of comparable instruments and thus the class assets recognized at carrying amount consisting of trade accounts receivable and this loan is classified as fair value hierarchy Level 3.

The class assets recognized at fair value comprises the German Federal Treasury Notes and the acquired shares of RHÖN-KLINIKUM AG. The fair values of these assets are calculated on the basis of market information. Therefore, this class is classified as Level 1.

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

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

The CVR were traded on the stock exchange in the United States and were therefore valued with the current stock exchange price until December 31, 2010. Consequently, they were classified as Level 1. In the first quarter of 2011, the CVR were deregistered and delisted from the NASDAQ due to the expiration of the underlying agreement and became valueless.

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

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

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

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

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

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

FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

	Sept. 30, 2012		Dec. 31, 2011	
€ in millions	**Assets**	**Liabilities**	Assets	Liabilities
Interest rate contracts (current)	**–**	**34**	0	103
Interest rate contracts (non-current)	**0**	**34**	0	60
Foreign exchange contracts (current)	**11**	**22**	9	39
Foreign exchange contracts (non-current)	**2**	**–**	1	5
Derivatives designated as hedging instruments [1]	**13**	**90**	10	207
Interest rate contracts (non-current)	**0**	**10**	0	3
Foreign exchange contracts (current) [1]	**8**	**42**	43	58
Foreign exchange contracts (non-current) [1]	**–**	**1**	1	1
Derivatives not designated as hedging instruments	**8**	**53**	44	62

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

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

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

Derivatives for hedging purposes were recognized at gross value within other assets in an amount of €21 million and other liabilities in an amount of €133 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

	Q1–3/2012		
€ in millions	Gain or loss recognized in other comprehensive income (loss) (effective portion)	Gain or loss reclassified from accumulated other comprehensive income (loss) (effective portion)	Gain or loss recognized in the consolidated statement of income
Interest rate contracts	-20	-23	1
Foreign exchange contracts	26	5	0
Derivatives in cash flow hedging relationships [1]	**6**	**-18**	**1**
Foreign exchange contracts			-1
Derivatives in fair value hedging relationships			**-1**
Derivatives designated as hedging instruments	**6**	**-18**	**0**

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

	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.

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	**Q1–3/2012**	Q1–3/2011
Interest rate contracts	**-2**	2
Foreign exchange contracts	**-10**	57
Derivatives embedded in the MEB	**0**	-100
Derivatives not designated as hedging instruments	**-12**	-41

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

The Fresenius Group expects to recognize a net amount of €5 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 €49 million of losses in the course of normal business during the next 12 months in interest expense.

Gains and losses from foreign exchange contracts and the corresponding underlying transactions are accounted for as cost of sales, selling, general and administrative expenses and net interest. Gains and losses resulting from interest rate contracts are recognized as net interest in the consolidated statement of income. Until 2011, the position other financial result in the consolidated statement of income included gains and losses from the valuation of the derivatives embedded in the MEB, which was made until August 14, 2011 (see note 5, Other financial result).

MARKET RISK

General

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

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

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

Derivative financial instruments

Foreign exchange risk management

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

As of September 30, 2012, the notional amounts of foreign exchange contracts totaled €3,088 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 -€10 million and €1 million, respectively.

As of September 30, 2012, the Fresenius Group was party to foreign exchange contracts with a maximum maturity of 38 months.

Interest rate risk management

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

As of September 30, 2012, the interest rate swaps had a notional volume of US$1,200 million (€928 million) and €677 million as well as fair values of -US$36 million and -€50 million, respectively, which expire between 2012 and 2022.

20. SUPPLEMENTARY INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of September 30, 2012, the equity ratio was 41.5% and the debt ratio (debt/total assets) was 37.5%. As of September 30, 2012, the net debt/EBITDA ratio was 2.5.

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

Following the announcement of the voluntary public takeover offer to RHÖN-KLINIKUM AG shareholders, Standard & Poor's and Moody's had placed the company rating under review for a possible downgrade. Fitch affirmed the company rating and the outlook. Early September 2012, Fresenius SE & Co. KGaA announced that it has decided not to submit a new takeover offer to the shareholders of RHÖN-KLINIKUM AG for the time being. As a consequence, Standard & Poor's and Moody's confirmed the outlook with stable.

21. SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

€ in millions	Q1–3/2012	Q1–3/2011
Interest paid	505	410
Income taxes paid	475	395

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

€ in millions	Q1–3/2012	Q1–3/2011
Assets acquired	3,557	764
Liabilities assumed	-261	-56
Noncontrolling interest	-150	-1
Notes assumed in connection with acquisitions	-244	-9
Cash paid	2,902	698
Cash acquired	-141	-13
Cash paid for acquisitions, net	2,761	685

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, 2012.

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 256,521 patients in its 3,135 own dialysis clinics.

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

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

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

The segment Corporate/Other mainly comprises the holding functions of Fresenius SE & Co. KGaA as well as Fresenius Netcare GmbH, which provides services in the field of information technology and 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 related to the offer to the shareholders of RHÖN-KLINIKUM AG. Until 2011, this segment included 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 2011 Annual Report.

RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS

€ in millions	Q1–3/2012	Q1–3/2011
Total EBIT of reporting segments	2,252	1,888
General corporate expenses Corporate/Other (EBIT)	-35	-26
Group EBIT	**2,217**	1,862
Investment gain	109	0
Net interest	-480	-401
Other financial result	-37	-100
Income before income taxes	**1,809**	1,361

RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	Sept. 30, 2012	Dec. 31, 2011
Short-term debt	249	171
Short-term loans from related parties	2	3
Current portion of long-term debt and capital lease obligations	931	1,852
Current portion of Senior Notes	500	0
Long-term debt and capital lease obligations, less current portion	4,229	3,777
Senior Notes, less current portion	5,414	3,996
Debt	**11,325**	9,799
less cash and cash equivalents	968	635
less current investment of capital increase	801	0
Net debt	**9,556**	9,164

23. STOCK OPTIONS

FRESENIUS SE & CO. KGAA STOCK OPTION PLANS

As of September 30, 2012, Fresenius SE & Co. KGaA had two stock option plans in place: 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). On June 30, 2012, the term of the options granted under the Fresenius AG Stock Option Plan 1998 expired. Currently, stock options can only be granted under the 2008 Plan.

Transactions during the first three quarters of 2012

On July 2, 2012, Fresenius SE & Co. KGaA awarded 1,187,385 stock options under the 2008 Plan, including 198,660 to members of the Management Board of Fresenius Management SE, at a weighted-average exercise price of €78.40, a weighted-average fair value of €21.17 each and a total fair value of € 25 million, which will be amortized over the three year vesting period.

During the first three quarters of 2012, Fresenius SE & Co. KGaA received cash of €36 million from the exercise of 907.274 stock options.

1,022,283 convertible bonds were outstanding and exercisable under the 2003 Plan as of September 30, 2012. The members of the Fresenius Management SE Management Board held 242,290 convertible bonds. At September 30, 2012, out of 4,623,439 outstanding stock options issued under the 2008 Plan, 1,260,476 were exercisable and 957,180 were held by the members of the Fresenius Management SE Management Board.

As of September 30, 2012, 2,282,759 options for ordinary shares were outstanding and exercisable. On September 30, 2012, total unrecognized compensation cost related to non-vested options granted under the 2008 Plan was €35 million. This cost is expected to be recognized over a weighted-average period of 2.2 years.

FRESENIUS MEDICAL CARE AG & CO. KGAA STOCK OPTION PLANS

On July 30, 2012 under the Long Term Incentive Program 2011, Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) awarded 2,102,947 stock options, including 310,005 stock options granted to members of the Management Board of Fresenius Medical Care Management AG (FMC Management AG), at an exercise price of €57.30, a fair value of €12.68 each and a total fair value of €27 million which will be amortized over the four-year vesting period. FMC-AG & Co. KGaA also awarded 173,819 shares of phantom stock, including 23,407 shares of phantom stock granted to members of the Management Board of FMC Management AG at a measurement date fair value of €53.68 each and a total fair value of €9 million, which will be revalued if the fair value changes, and amortized over the four-year vesting period.

During the first three quarters of 2012, 1,975,630 stock options for ordinary shares and 7,042 stock options for preference shares were exercised. FMC-AG & Co. KGaA received cash of €60 million upon exercise of these stock options and €14 million from a related tax benefit.

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 of Roland Berger Strategy Consultants Holding GmbH. In the first three quarters of 2012, the Fresenius Group paid one or more affiliated companies of the Roland Berger group €0.2 million for consulting services rendered.

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

Dr. Franceso De Meo, a member of the Management Board of the general partner of Fresenius SE & Co. KGaA, was a member of the supervisory board of Allianz Private Krankenversicherungs-AG until July 6, 2011. In the first three quarters of 2012, the Fresenius Group paid €3.5 million for insurance premiums to the Allianz group.

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

25. SUBSEQUENT EVENTS

Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) entered into a new US$3,850 million syndicated credit facility (Fresenius Medical Care 2012 Credit Agreement) with a large group of banks and institutional investors (collectively, the Lenders) on October 30, 2012 which replaces the amended Fresenius Medical Care 2006 Senior Credit Agreement.

The new credit facility consists of:

- A 5-year Revolving Credit Facility of approximately US$1,250 million comprising a US$400 million multicurrency revolving facility, a US$200 million revolving facility and a €500 million revolving facility which will be due and payable on October 30, 2017.
- A 5-year Term Loan Facility (Term Loan A) of US$2,600 million, also scheduled to mature on October 30, 2017. The Fresenius Medical Care 2012 Credit Agreement requires 17 quarterly payments of US$50 million each, beginning in the third quarter of 2013 that permanently reduce the Term Loan Facility. The remaining balance is due on October 30, 2017.

Obligations under the Fresenius Medical Care 2012 Credit Agreement are secured by pledges of capital stock of certain material FMC-AG & Co. KGaA subsidiaries in favor of the Lenders.

There have been no significant changes in the Fresenius Group's operating environment following the end of the first three quarters of 2012. No other events of material importance on the assets and liabilities, financial position, and results of operations of the Group have occurred following the end of the first three quarters of 2012.

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 2012 Analyst Meeting, Bad Homburg v. d. H. Press conference, Bad Homburg v. d. H. Live webcast	February 26, 2013
Report on 1st quarter 2013 Conference Call Live webcast	April 30, 2013
Annual General Meeting, Frankfurt am Main, Germany	May 17, 2013
Report on 1st half 2013 Conference call Live webcast	July 30, 2013
Report on 1st – 3rd quarters 2013 Conference call Live webcast	November 5, 2013

Subject to change

FRESENIUS SHARE / ADR

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

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

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Chairman of the Supervisory Board: Dr. Gerd Krick

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