FRESENIUS

# Quarterly Financial Report of Fresenius Group

applying International Financial Reporting Standards (IFRS)

## $1^{st}$ – $3^{rd}$ Quarter and $3^{rd}$ Quarter 2014

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# FRESENIUS GROUP FIGURES AT A GLANCE

Fresenius is a global health care group providing products and services for dialysis, hospitals, and outpatient medical care. In addition, Fresenius focuses on hospital operations. We also manage projects and provide services for hospitals and other health care facilities. In 2013, Group sales were €20.5 billion. As of September 30, 2014, more than 214,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

## SALES, EARNINGS, AND CASH FLOW

| € in millions | **Q3/2014** | Q3/2013 | Change | **Q1–3/2014** | Q1–3/2013 | Change |
|---|---|---|---|---|---|---|
| Sales | **6,039** | 5,100 | 18% | **16,865** | 15,187 | 11% |
| EBIT | **819** [1] | 711 [1] | 15% | **2,208** [2] | 2,160 [1] | 2% |
| Net income [3] | **281** [1] | 244 [1] | 15% | **760** [2] | 726 [1] | 5% |
| Earnings per share in € [3] | **0.52** [1] | 0.46 [1] | 13% | **1.41** [2] | 1.36 [1] | 4% |
| Operating cash flow | **948** | 620 | 53% | **1,657** | 1,575 | 5% |

## BALANCE SHEET AND INVESTMENTS

| € in millions | **Sept. 30, 2014** | Dec. 31, 2013 | Change |
|---|---|---|---|
| Total assets | **37,781** | 32,859 | 15% |
| Non-current assets | **28,591** | 25,259 | 13% |
| Equity [4] | **15,187** | 13,595 | 12% |
| Net debt | **13,744** | 11,852 | 16% |
| Investments [5] | **2,677** | 1,126 | 138% |

## RATIOS

| € in millions | **Q3/2014** | Q3/2013 | **Q1–3/2014** | Q1–3/2013 |
|---|---|---|---|---|
| EBITDA margin | **17.4%** [1] | 18.9% [1] | **17.2%** [2] | 18.7% [1] |
| EBIT margin | **13.6%** [1] | 13.9% [1] | **13.1%** [2] | 14.2% [1] |
| Depreciation and amortization in % of sales | **3.9%** | 4.9% | **4.1%** | 4.4% |
| Operating cash flow in % of sales | **15.7%** | 12.2% | **9.8%** | 10.4% |
| Equity ratio (September 30/December 31) | | | **40.2%** | 41.4% |
| Net debt/EBITDA (September 30/December 31) [6] | | | **3.42** | 2.48 |

1 Before integration costs
2 Before integration costs and disposal gains (two HELIOS hospitals; Rhön stake)
3 Net income attributable to shareholders of Fresenius SE & Co. KGaA
4 Equity including noncontrolling interest
5 Investments in property, plant and equipment, and intangible assets, acquisitions (Q1–3)
6 2014 pro forma including acquired Rhön hospitals, acquisition at Fresenius Medical Care and excluding two HELIOS hospitals; before integration costs and disposal gains (two HELIOS hospitals; Rhön stake); 2013 pro forma excluding advances made for the acquisition of hospitals from Rhön-Klinikum AG; before integration costs

For a detailed overview of integration costs and disposal gains please see the reconciliation tables on page 8.

# INFORMATION BY BUSINESS SEGMENT

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

## FRESENIUS MEDICAL CARE – Dialysis products, Dialysis services

| US$ in millions | Q1–3/2014 | Q1–3/2013 | Change |
|---|---|---|---|
| Sales | **11,511** | 10,743 | 7% |
| EBIT | **1,591** | 1,595 | 0% |
| Net income [1] | **710** | 761 | -7% |
| Operating cash flow | **1,274** | 1,446 | -12% |
| Investments/Acquisitions | **1,891** | 818 | 131% |
| R & D expenses | **91** | 95 | -4% |
| Employees, per capita on balance sheet date (September 30/December 31) | **103,289** | 95,637 | 8% |

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

| € in millions | Q1–3/2014 | Q1–3/2013 | Change |
|---|---|---|---|
| Sales | **3,760** | 3,742 | 0% |
| EBIT [2] | **634** | 695 | -9% |
| Net income [3] | **337** | 367 | -8% |
| Operating cash flow | **432** | 303 | 43% |
| Investments/Acquisitions | **341** | 246 | 39% |
| R & D expenses | **195** | 177 | 10% |
| Employees, per capita on balance sheet date (September 30/December 31) | **33,359** | 31,961 | 4% |

## FRESENIUS HELIOS – Hospital operations

| € in millions | Q1–3/2014 | Q1–3/2013 | Change |
|---|---|---|---|
| Sales | **3,883** | 2,537 | 53% |
| EBIT [4] | **397** | 282 | 41% |
| Net income [5] | **286** | 194 | 47% |
| Operating cash flow | **404** | 186 | 117% |
| Investments/Acquisitions | **955** | 92 | -- |
| Employees, per capita on balance sheet date (September 30/December 31) | **69,197** | 42,913 | 61% |

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

| € in millions | Q1–3/2014 | Q1–3/2013 | Change |
|---|---|---|---|
| Sales | **655** | 654 | 0% |
| EBIT | **27** | 25 | 8% |
| Net income [6] | **18** | 16 | 13% |
| Operating cash flow | **-44** | -13 | -- |
| Investments/Acquisitions | **18** | 16 | 13% |
| Order intake | **678** | 380 | 78% |
| Employees, per capita on balance sheet date (September 30/December 31) | **7,694** | 7,010 | 10% |

[1] Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA
[2] Before integration costs
[3] Net income attributable to shareholders of Fresenius Kabi AG; before integration costs
[4] 2014 before integration costs and disposal gains (two HELIOS hospitals; Rhön stake)
[5] Net income attributable to shareholders of HELIOS Kliniken GmbH; 2014 before integration costs and disposal gains (two HELIOS hospitals; Rhön stake)
[6] Net income attributable to shareholders of VAMED AG

For a detailed overview of integration costs and disposal gains please see the reconciliation tables on page 8.

# FRESENIUS SHARE

The Fresenius share had a strong third quarter and closed near its all-time high at €39.20. In the first nine months, the share gained 5.4% and clearly outperformed the DAX index.

## FIRST THREE QUARTERS OF 2014

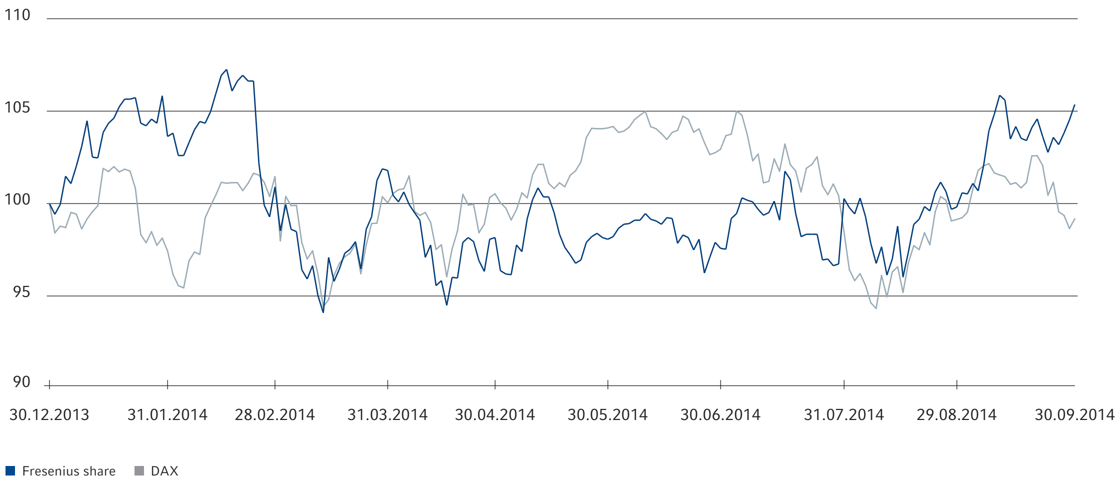
Following a strong start to the year, stock markets moved laterally in the third quarter amid geopolitical tensions and uncertainty about the world economy. In Europe, growth came to a halt. Gross domestic product in the euro zone is expected to expand by 0.8% in 2014, and GDP growth in the U.S. is forecast at 2.3%. The European Central Bank continued its expansive fiscal policy and set the key interest rate at an all-time low of 0.05%. In the third quarter, the US Federal Reserve continued to reduce its bond purchases and ended them in October. An increase in the key interest rate is not expected before 2015, depending on overall economic growth.

The Fresenius share gained 5.4% in the first nine months of 2014 and closed at €39.20 on September 30 (December 31, 2013: €37.20). Despite reaching a record high of 10,029 on July 3, the DAX fell by approximately 1% over the same period. Following the announcement of the company's Q2 results on July 31, the Fresenius share outperformed the DAX, and has been one of the strongest shares in the German benchmark index so far this year.

On August 1, the three-for-one stock split approved by the Annual General Meeting in May became effective.

RELATIVE SHARE PRICE PERFORMANCE VS. DAX

31.12.2013 = 100




KEY DATA OF THE FRESENIUS SHARE

| | Q1–3/2014 | 2013 | Change |
|---|---|---|---|
| Number of shares (September 30/December 31) | **541,203,883** | 539,084,487 | |
| Quarter-end quotation in € | **39.20** | 37.20 | 5.4% |
| High in € | **39.90** | 37.32 | 6.9% |
| Low in € | **35.00** | 27.30 | 28.2% |
| Ø Trading volume (number of shares per trading day) | **1,109,006** | 1,269,192 | -12.62% |
| Market capitalization, € in millions (September 30/December 31) | **21,215** | 20,054 | 5.8% |

# MANAGEMENT REPORT

Fresenius had a strong third quarter with growth accelerating in all four business segments. Emerging markets stood out with double-digit organic sales growth. Fresenius confirms its full year Group guidance and remains optimistic about the fundamental growth trends in its markets.

## FRESENIUS POSTS STRONG Q3 RESULTS AND CONFIRMS 2014 GROUP OUTLOOK

| | Q 3/2014 | at actual rates [4] | in constant currency [4] | Q1–3/2014 | at actual rates [5] | in constant currency [5] |
|---|---|---|---|---|---|---|
| Sales | **€6.0 bn** | +18% | +20% | **€16.9 bn** | +11% | +14% |
| EBIT | **€819 m [1]** | +15% | +17% | **€2.2 bn [2]** | +2% | +5% |
| Net income [3] | **€281 m [1]** | +15% | +17% | **€760 m [2]** | +5% | +6% |

[1] Before integration costs
[2] Before integration costs and disposal gains (two HELIOS hospitals; Rhön stake)
[3] Net income attributable to shareholders of Fresenius SE & Co. KGaA
[4] 2014 before integration costs; 2013 before integration costs
[5] 2014 before integration costs and disposal gains (two HELIOS hospitals; Rhön stake); 2013 before integration costs

For a detailed overview of integration costs and disposal gains please see the reconciliation tables on page 8.

## HEALTH CARE INDUSTRY

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

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

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

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

## RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

### SALES

Group sales increased by 11% (14% in constant currency) to €16,865 million (Q1–3/2013: €15,187 million). Organic sales growth was 4%. Acquisitions contributed 11%. Divestitures reduced sales growth by 1%.

In the first nine months, organic sales growth was 4% in North America and 3% in Europe. In Asia-Pacific organic sales growth was 5%. In Latin America organic sales growth

EARNINGS

| € in millions | Q3/2014 | Q3/2013 | Q1–3/2014 | Q1–3/2013 |
|---|---|---|---|---|
| EBIT | **819** [1] | 711 [1] | **2,208** [2] | 2,160 [1] |
| Net income [3] | **281** [1] | 244 [1] | **760** [2] | 726 [1] |
| Net income [3] | **276** | 238 | **802** | 700 |
| Earnings per share in € [3] | **0.52** [1] | 0.46 [1] | **1.41** [2] | 1.36 [1] |
| Earnings per share in € [3] | **0.51** | 0.45 | **1.49** | 1.31 |

was 10%. In Africa, the decline in sales is mainly due to fluctuations in the project business at Fresenius Vamed.

Adverse currency translation effects weighed on Group sales in Latin America (-17%), Asia-Pacific (-4%), Africa (-5%) and North America (-3%).

## EARNINGS

Group EBITDA [4] grew by 2% (5% in constant currency) to €2,900 million (Q1–3/2013: €2,834 million). Group EBIT [4] increased by 2% (5% in constant currency) to €2,208 million (Q1–3/2013: €2,160 million). The EBIT margin was 13.1% (Q1–3/2013: 14.2%).

Group net interest was -€431 million (Q1–3/2013:-€449 million). Improved financing terms as well as favorable currency effects contributed to the decrease.

The Group tax rate [4] was 29.8% and above the prior-year level (Q1–3/2013: 28.1%). This is mainly due to a special tax effect at Fresenius Medical Care in Q2/2014.

Noncontrolling interest was €488 million (Q1–3/2013: €505 million), of which 95% was attributable to the noncontrolling interest in Fresenius Medical Care.

Group net income [5] (before special items) increased by 5% (6% in constant currency) to €760 million(Q1–3/2013: €726 million). Earnings per share [5] increased by 4% (5% in constant currency) to €1.41 (Q1–3/2013: €1.36). The weighted average number of shares outstanding was 539,976,138 (Q1–3/2013: 535,366,314).

SALES BY REGION

| € in millions | Q1–3/2014 | Q1–3/2013 | Change at actual rates | Currency translations effects | Change at constant rates | Organic growth | Acquisitions/ divestitures | % of total sales |
|---|---|---|---|---|---|---|---|---|
| North America | **6,804** | 6,602 | 3% | -3% | 6% | 4% | 2% | 40% |
| Europe | **7,436** | 6,016 | 24% | 0% | 24% | 3% | 21% | 45% |
| Asia-Pacific | **1,547** | 1,437 | 8% | -4% | 12% | 5% | 7% | 9% |
| Latin America | **829** | 860 | -4% | -17% | 13% | 10% | 3% | 5% |
| Africa | **249** | 272 | -8% | -5% | -3% | -3% | 0% | 1% |
| **Total** | **16,865** | 15,187 | 11% | -3% | 14% | 4% | 10% | 100% |

SALES BY BUSINESS SEGMENT

| € in millions | Q1–3/2014 | Q1–3/2013 | Change at actual rates | Currency translations effects | Change at constant rates | Organic growth | Acquisitions/ divestitures | % of total sales |
|---|---|---|---|---|---|---|---|---|
| Fresenius Medical Care | **8,496** | 8,156 | 4% | -4% | 8% | 5% | 3% | 51% |
| Fresenius Kabi | **3,760** | 3,742 | 0% | -4% | 4% | 3% | 1% | 22% |
| Fresenius Helios | **3,883** | 2,537 | 53% | 0% | 53% | 4% | 49% | 23% |
| Fresenius Vamed | **655** | 654 | 0% | 0% | 0% | -2% | 2% | 4% |

All segment data according to U.S. GAAP

[1] Before integration costs
[2] Before integration costs and disposal gains (two HELIOS hospitals; Rhön stake)
[3] Net income attributable to shareholders of Fresenius SE & Co. KGaA
[4] 2014 before integration costs and disposal gains (two HELIOS hospitals; Rhön stake); 2013 before integration costs
[5] Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2014 before integration costs and disposal gains (two HELIOS hospitals; Rhön stake); 2013 before integration costs

Including special items, Group net income attributable to shareholders of Fresenius SE & Co. KGaA increased by 15% (16% in constant currency) to €802 million (Q1–3/2013: €700 million). Earnings per share increased by 14% (15% in constant currency) to €1.49 (Q1–3/2013: €1.31).

## RECONCILIATION

The Group's IFRS financial results as of September 30, 2014 and September 30, 2013 comprise special items. Net income attributable to shareholders of Fresenius SE & Co. KGaA excludes integration costs as well as disposal gains (two HELIOS hospitals, Rhön stake). Adjusted earnings represent the Group's business operations in the reporting period.

## INVESTMENTS

The Fresenius Group spent €862 million on property, plant and equipment (Q1–3/2013: €685 million). The Company primarily invested in the modernization and expansion of production facilities and hospitals as well as in the equipment of new, and the expansion of existing dialysis clinics.

Total acquisition spending was €1,815 million (Q1–3/2013: €441 million), including €805 million for the acquisition of hospitals from Rhön-Klinikum AG and €919 million for acquisitions at Fresenius Medical Care.

RECONCILIATION

| € in millions | **Q1–3/ 2014 (before special items)** | Fenwal integration costs | integration costs for acquired Rhön hospitals | disposal gain from two HELIOS hospitals | disposal gain from Rhön stake | **Q1–3/ 2014 according to IFRS (incl. special items)** | Q1–3/ 2013 (before special items) | Fenwal integration costs | Q1–3/ 2013 according to IFRS (incl. special items) |
|---|---|---|---|---|---|---|---|---|---|
| **Sales** | **16,865** | | | | | **16,865** | **15,187** | | **15,187** |
| **EBIT** | **2,208** | -6 | -12 | 22 | 35 | **2,247** | **2,160** | -34 | **2,126** |
| Interest result | **-431** | | | | | **-431** | **-449** | | **-449** |
| **Net income before taxes** | **1,777** | -6 | -12 | 22 | 35 | **1,816** | **1,711** | -34 | **1,677** |
| Income taxes | **-529** | 2 | 3 | -1 | -1 | **-526** | **-480** | 8 | **-472** |
| **Net income** | **1,248** | -4 | -9 | 21 | 34 | **1,290** | **1,231** | -26 | **1,205** |
| Less noncontrolling interest | **-488** | | | | | **-488** | **-505** | | **-505** |
| **Net income attributable to shareholders of Fresenius SE & Co. KGaA** | **760** | -4 | -9 | 21 | 34 | **802** | **726** | -26 | **700** |

| € in millions | **Q3/2014 (before special items)** | Fenwal integration costs | integration costs for acquired Rhön hospitals | disposal gain from two HELIOS hospitals | disposal gain from Rhön stake | **Q3/2014 according to IFRS (incl. special items)** | Q3/2013 (before special items) | Fenwal integration costs | Q3/2013 according to IFRS (incl. special items) |
|---|---|---|---|---|---|---|---|---|---|
| **Sales** | **6,039** | | | | | **6,039** | 5,100 | | 5,100 |
| **EBIT** | **819** | -3 | -4 | 0 | 0 | **812** | 711 | -7 | 704 |
| Interest result | **-148** | | | | | **-148** | -136 | | -136 |
| **Net income before taxes** | **671** | -3 | -4 | 0 | 0 | **664** | 575 | -7 | 568 |
| Income taxes | **-196** | 1 | 1 | 0 | 0 | **-194** | -158 | 1 | -157 |
| **Net income** | **475** | -2 | -3 | 0 | 0 | **470** | 417 | -6 | 411 |
| Less noncontrolling interest | **-194** | | | | | **-194** | -173 | | -173 |
| **Net income attributable to shareholders of Fresenius SE & Co. KGaA** | **281** | -2 | -3 | 0 | 0 | **276** | 244 | -6 | 238 |

INVESTMENTS BY BUSINESS SEGMENT

| € in millions | Q1–3/2014 | Q1–3/2013 | thereof property, plant and equipment | thereof acquisitions | Change | % of total |
|---|---|---|---|---|---|---|
| Fresenius Medical Care | **1,396** | 621 | 477 | 919 | 125% | 52% |
| Fresenius Kabi | **341** | 246 | 223 | 118 | 39% | 13% |
| Fresenius Helios | **955** | 92 | 143 | 812 | -- | 36% |
| Fresenius Vamed | **18** | 16 | 6 | 12 | 13% | 1% |
| Corporate/Other | **5** | 143 | 5 | 0 | -97% | 0% |
| IFRS Reconciliation | **-38** | 8 | 8 | -46 | -- | -2% |
| **Total** | **2,677** | 1,126 | 862 | 1,815 | 138% | 100% |

All segment data according to U.S. GAAP

## CASH FLOW

Operating cash flow increased by 5% to €1,657 million (Q1–3/2013: €1,575 million) with a margin of 9.8% (Q1–3/2013: 10.4%). The margin decrease was attributable to the payment for the W.R. Grace bankruptcy settlement of US$115 million[1] in Q1/2014 and increased working capital at Fresenius Medical Care.

Net capital expenditure increased to €856 million (Q1–3/2013: €668 million). Free cash flow before acquisitions and dividends was €801 million (Q1–3/2013: €907 million). Free cash flow after acquisitions and dividends was -€1,154 million (Q1–3/2013: €151 million).

## ASSET AND LIABILITY STRUCTURE

The Group's total assets increased by 15% (10% in constant currency) to €37,781 million (Dec. 31, 2013: €32,859 million). This increase is mainly attributable to the first-time consolidation of hospitals acquired from Rhön-Klinikum AG, acquisitions at Fresenius Medical Care and currency effects. Current assets grew by 21% (16% in constant currency) to €9,190 million (Dec. 31, 2013: €7,600 million). Non-current assets increased by 13% (8% in constant currency) to €28,591 million (Dec. 31, 2013: €25,259 million).

Total shareholders' equity increased by 12% (6% in constant currency) to €15,187 million (Dec. 31, 2013: €13,595 million). The equity ratio was 40.2% (Dec. 31, 2013: 41.4%).

Group debt grew by 16% (11% in constant currency) to €14,779 million (Dec. 31, 2013: €12,716 million). Net debt was €13,744 million (Dec. 31, 2013: €11,852 million). The increase is mainly due to the hospitals acquired from

CASH FLOW STATEMENT (SUMMARY)

| € in millions | Q1–3/2014 | Q1–3/2013 | Change |
|---|---|---|---|
| Net income | **1,290** | 1,205 | 7% |
| Depreciation and amortization | **692** | 674 | 3% |
| Change in accruals for pensions | **9** | 19 | -53% |
| **Cash flow** | **1,991** | 1,898 | 5% |
| Change in working capital | **-334** | -323 | -3% |
| **Operating cash flow** | **1,657** | 1,575 | 5% |
| Property, plant and equipment | **-871** | -689 | -26% |
| Proceeds from the sale of property, plant and equipment | **15** | 21 | -29% |
| **Cash flow before acquisitions and dividends** | **801** | 907 | -12% |
| Cash used for acquisitions, net | **-1,434** | -298 | -- |
| Dividends paid | **-521** | -458 | -14% |
| **Free cash flow paid after acquisitions and dividends** | **-1,154** | 151 | -- |
| Cash provided by/used for financing activities | **1,284** | -142 | -- |
| Effect of exchange rates on change in cash and cash equivalents | **41** | -21 | -- |
| **Net change in cash and cash equivalents** | **171** | -12 | -- |

[1] See Annual Report 2013 according to IFRS, page 113 f.

Rhön-Klinikum AG, the acquisitions at Fresenius Medical Care as well as currency effects.

As of September 30, 2014, the net debt/EBITDA ratio was 3.42[1] (Dec. 31, 2013: 2.48[2]).

## THIRD QUARTER OF 2014

Group sales increased by 18% to €6,039 million (Q3/2013: €5,100 million). In constant currency, sales increased by 20%. Organic sales growth was 6%, acquisitions contributed a further 15%, divestments reduced sales growth by 1%. EBIT[3] increased by 15% at actual rates (17% in constant currency) to €819 million (Q3/2013: €711 million). In Q3/2014, the EBIT margin was 13.6% (Q3/2013: 13.9%).

Group net income[4] (before special items) increased by 15% to €281 million (Q3/2013: €244 million). In constant currency, growth of 17% was achieved. Earnings per share[4] was €0.52 (Q3/2013: €0.46). In constant currency, earnings per share improved by 15%. Including special items, Group net income attributable to shareholders of Fresenius SE & Co. KGaA increased by 16% to €276 million (Q3/2013: €238 million). Earnings per share increased by 13% to €0.51 (Q3/2013: €0.45). In constant currency, earnings per share improved by 16%.

Operating cash flow increased by 53% to €948 million (Q3/2013: €620 million) with a margin of 15.7% (Q3/2013: 12.2%). The strong Q3/2014 margin is due to the very good sequential and year-on-year cash flow development in all business segments.

Investments in property, plant and equipment increased to €335 million (Q3/2013: €252 million). Acquisition spending was €645 million (Q3/2013: €291 million).

[1] Pro forma including acquired Rhön hospitals, acquisition at Fresenius Medical Care and excluding two HELIOS hospitals; before integration costs and disposal gains (two HELIOS hospitals; Rhön stake)
[2] Pro forma excluding advances made for the acquisition of hospitals from Rhön-Klinikum AG; before integration costs
[3] 2014 before integration costs; 2013 before integration costs
[4] Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2014 before integration costs; 2013 before integration costs

# BUSINESS SEGMENTS

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

## 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, 2014, Fresenius Medical Care was treating 283,135 patients in 3,349 dialysis clinics.**

| US$ in millions | Q3/2014 | Q3/2013 | Change | Q1–3/2014 | Q1–3/2013 | Change |
|---|---|---|---|---|---|---|
| Sales | **4,113** | 3,666 | 12% | **11,511** | 10,743 | 7% |
| EBITDA | **767** | 722 | 6% | **2,105** | 2,074 | 1% |
| EBIT | **590** | 557 | 6% | **1,591** | 1,595 | 0% |
| Net income [1] | **271** | 273 | -1% | **710** | 761 | -7% |
| Employees (Sept. 30/Dec. 31) | | | | **103,289** | 95,637 | 8% |

- **7% organic sales growth in Q3**
- **17.3% operating cash flow margin in Q3**
- **2014 guidance confirmed**

### FIRST THREE QUARTERS OF 2014

Sales increased by 7% (8% in constant currency) to US$11,511 million (Q1–3/2013: US$10,743 million). Organic sales growth was 5%. Acquisitions contributed 4%, while divestitures reduced sales growth by 1%.

Sales in dialysis services increased by 8% (10% in constant currency) to US$8,928 million (Q1–3/2013: US$8,235 million). Dialysis product sales grew by 3% (3% in constant currency) to US$2,583 million (Q1–3/2013: US$2,508 million).

In North America, sales grew by 7% to US$7,624 million (Q1–3/2013: US$7,099 million). Dialysis services sales increased by 8% to US$7,015 million (Q1–3/2013: US$6,485 million). Dialysis product sales decreased by 1% to US$609 million (Q1–3/2013: US$614 million).

Sales outside North America ("International" segment) increased by 6% (9% in constant currency) to US$3,843 million (Q1–3/2013: US$3,619 million). Sales in dialysis services increased by 9% to US$1,913 million (Q1–3/2013: US$1,750 million). Dialysis product sales increased by 3% to US$1,930 million (Q1–3/2013: US$1,869 million).

EBIT was US$1,591 million (Q1–3/2013: US$1,595 million). The EBIT margin was 13.8% (Q1–3/2013: 14.8%). EBIT was impacted by sequestration and rebasing of Medicare's reimbursement rate in the United States.

Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA was US$710 million (Q1–3/2013: US$761 million).

Operating cash flow was US$1,274 million (Q1–3/2013: US$1,446 million). The decrease was mainly attributable to the payment for the W.R. Grace bankruptcy settlement of US$115 million and increased working capital in Q1/2014. The cash flow margin was 11.1% (Q1–3/2013: 13.5%).

### THIRD QUARTER OF 2014

Fresenius Medical Care increased sales by 12% (13% in constant currency) to US$4,113 million (Q3/2013: US$3,666 million). Organic sales growth was 7%, acquisitions contributed 7%, divestments had a negative effect of 1%. Adverse currency translation effects reduced sales by 1%. EBIT

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

increased by 6% to US$590 million (Q3/2013: US$557 million). The EBIT margin was 14.3% (Q3/2013: 15.2%). Net income[1] was US$271 million, a decrease of 1% (Q3/2013: US$273 million). Operating cash flow increased to US$712 million (Q3/2013: US$605 million), the cash flow margin was 17.3% (Q3/2013: 16.5%).

Please see page 17 of the Management Report for the 2014 outlook of Fresenius Medical Care.

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

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

## 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 | Q3/2014 | Q3/2013 | Change | Q1–3/2014 | Q1–3/2013 | Change |
|---|---|---|---|---|---|---|
| Sales | **1,294** | 1,223 | 6% | **3,760** | 3,742 | 0% |
| EBITDA [1] | **272** | 277 | -2% | **785** | 852 | -8% |
| EBIT [1] | **223** | 226 | -1% | **634** | 695 | -9% |
| Net income [2] | **120** | 125 | -4% | **337** | 367 | -8% |
| Employees (Sept. 30/Dec. 31) | | | | **33,359** | 31,961 | 4% |

- **5% organic sales growth in Q3**
- **Sequential EBIT margin increase by 40 bps to 17.2% in Q3**
- **2014 guidance: 4% to 6% organic sales growth confirmed, EBIT-margin of approximately 17% expected**

### FIRST THREE QUARTERS OF 2014

Sales were €3,760 million (Q1–3/2013: €3,742 million). In constant currency, sales increased by 4%. Organic sales growth was 3%. Acquisitions contributed 1% sales growth. Adverse currency translation effects (-4%) were mainly driven by the weaker currencies in the United States and Argentina against the Euro.

Sales in Europe grew by 1% (organic sales growth: 2%) to €1,538 million (Q1–3/2013: €1,524 million). Sales in North America decreased by 3% (organic sales growth: 0%) to €1,118 million (Q1–3/2013: €1,158 million). Asia-Pacific sales increased by 5% (organic sales growth: 7%) to €723 million (Q1–3/2013: €689 million). Sales in Latin America/Africa increased by 3% (organic sales growth: 13%) to €381 million (Q1–3/2013: €371 million).

EBIT [1] was €634 million (Q1–3/2013: €695 million), a decrease of 6% in constant currency. Besides currency headwinds, EBIT was impacted by lower HES sales and the easing of drug shortages in North America. The EBIT margin of 16.9% was in line with expectations and our guidance range. Net income [2] was €337 million (Q1–3/2013: €367 million).

Operating cash flow was €432 million (Q1–3/2013: €303 million) with a margin of 11.5% (Q1–3/2013: 8.1%).

Integration costs for Fenwal were €6 million (pre-tax) in Q1–3/2014. These costs are reported in the Group Corporate/Other segment.

### THIRD QUARTER OF 2014

In the third quarter of 2014, Fresenius Kabi increased sales by 6% to €1,294 million (Q3/2013: €1,223 million). In constant currency, sales increased by 7%. Organic sales growth was 5%, acquisitions contributed 2%. EBIT [1] was €223 million (Q3/2013: €226 million), an increase of 1% in constant currency. Sequentially, the EBIT margin improved by 40 bps to 17.2% in Q3/2014. Fresenius Kabi's net income [2] decreased by 4% to €120 million (Q3/2013: €125 million). Operating cash flow was €217 million (Q3/2013: €65 million) with a margin of 16.8% (Q3/2013: 5.3%).

Please see page 17 of the Management Report for the 2014 outlook of Fresenius Kabi.

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

## FRESENIUS HELIOS

**Fresenius Helios is Germany's largest hospital operator. HELIOS owns 110 hospitals, thereof 86 acute care clinics including seven maximum care hospitals in Berlin-Buch, Duisburg, Erfurt, Krefeld, Schwerin, Wiesbaden and Wuppertal and 24 post-acute care clinics. HELIOS treats more than 4.2 million patients p.a., thereof more than 1.2 million inpatients, and operates more than 34,000 beds.**

| € in millions | Q3/2014 | Q3/2013 | Change | Q1–3/2014 | Q1–3/2013 | Change |
|---|---|---|---|---|---|---|
| Sales | 1,362 | 842 | 62% | 3,883 | 2,537 | 53% |
| EBITDA | 190[1] | 133 | 43% | 534[2] | 368 | 45% |
| EBIT | 147[1] | 103 | 43% | 397[2] | 282 | 41% |
| Net income[3] | 107[1] | 75 | 43% | 286[2] | 194 | 47% |
| Employees (Sept. 30/Dec. 31) | | | | 69,197 | 42,913 | 61% |

- **6% organic sales growth in Q3**
- **Sequential EBIT margin increase of 30 bps to 10.8% in Q3**
- **2014 guidance fully confirmed**

### FIRST THREE QUARTERS OF 2014

Sales increased by 53% to €3,883 million (Q1–3/2013: €2,537 million). The strong increase is mainly due to the acquired hospitals from Rhön-Klinikum AG. The divestment of two HELIOS hospitals reduced sales growth by 2%. Organic sales growth was 4%.

EBIT[2] grew by 41% to €397 million (Q1–3/2013: €282 million). The EBIT margin was 10.2% (Q1–3/2013: 11.1%). The margin decline is due to the consolidation of the newly acquired hospitals.

Net income[2,3] increased by 47% to €286 million (Q1–3/2013: €194 million).

Sales of the established hospitals grew by 4% to €2,583 million. EBIT improved by 4% to €287 million. The EBIT margin was 11.1% (Q1–3/2013: 11.1%).

Sales of the acquired hospitals were €1,300 million, EBIT was €110 million and EBIT margin was 8.5%.

The integration of the acquired hospitals is progressing as planned. Integration costs are now expected to be between €60–80 million (before: approximately €80 million) in total for 2014 and 2015. Fresenius Helios confirms expected cost synergies of approximately €85 million p.a. by 2015.

### THIRD QUARTER OF 2014

In the third quarter of 2014, Fresenius Helios improved sales to €1,362 million (Q3/2013: €842 million), an increase of 62%. Organic sales growth was 6%, acquisitions contributed 58% to sales growth, divestments reduced sales by 2%. EBIT[1] increased by 43% to €147 million (Q3/2013: €103 million). Sequentially, the EBIT margin increased by 30 bps from 10.5% in Q2/2014 to 10.8% in Q3/2014. Q3/2014 EBIT margin of the acquired hospitals decreased by 20 bps sequentially to 8.9% due to the first time consolidation of the acquired hospital in Wiesbaden (HSK) as of June 30, 2014. Net income[1,3] increased by 43% to €107 million (Q3/2013: €75 million).

Please see page 17 of the Management Report for the 2014 outlook of Fresenius Helios.

[1] 2014 before integration costs
[2] 2014 before integration costs and disposal gains (two HELIOS hospitals; Rhön stake)
[3] Net income attributable to shareholders of HELIOS Kliniken GmbH

For a detailed overview of integration costs and disposal gains please see the reconciliation tables on page 8.

## FRESENIUS VAMED

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

| € in millions | Q3/2014 | Q3/2013 | Change | Q1–3/2014 | Q1–3/2013 | Change |
|---|---|---|---|---|---|---|
| Sales | **257** | 233 | 10% | **655** | 654 | 0% |
| EBITDA | **15** | 13 | 15% | **35** | 32 | 9% |
| EBIT | **12** | 10 | 20% | **27** | 25 | 8% |
| Net income [1] | **8** | 7 | 14% | **18** | 16 | 13% |
| Employees (Sept. 30/Dec. 31) | | | | **7,694** | 7,010 | 10% |

- **7% organic sales growth in Q3**
- **Record quarterly order intake of €378 million in Q3**
- **2014 guidance: flat organic sales growth expected, 5%–10% EBIT growth expectation confirmed**

### FIRST THREE QUARTERS OF 2014

Sales were €655 million (Q1–3/2013: €654 million). Organic sales growth was -2%, acquisitions contributed 2%. Sales in the project business decreased by 8% to €306 million (Q1–3/2013: €332 million), mainly due to project delays in Russia and Ukraine. Sales in the service business grew by 8% to €349 million (Q1–3/2013: €322 million).

EBIT grew by 8% to €27 million (Q1–3/2013: €25 million) with a margin of 4.1% (Q1–3/2013: 3.8%).

Net income [1] increased by 13% to €18 million (Q1–3/2013: €16 million).

Order intake increased by 78% to €678 million (Q1–3/2013: €380 million), mainly driven by the modernization contract with the University Hospital Schleswig-Holstein in Germany. As of September 30, 2014, order backlog increased to €1,504 million (Dec. 31, 2013: €1,139 million).

### THIRD QUARTER OF 2014

Sales in the third quarter of 2014 were €257 million (Q3/2013: €233 million). Organic sales growth was 7%. EBIT increased by 20% to €12 million (Q3/2013: €10 million) with a margin of 4.7% (Q3/2013: 4.3%). Net income [1] increased by 14% to €8 million (Q3/2013: €7 million). In Q3/2014, order intake increased to a record level of €378 million.

Please see page 18 of the Management Report for the 2014 outlook of Fresenius Vamed.

[1] Net income attributable to shareholders of Vamed AG

## EMPLOYEES

As of September 30, 2014, the number of employees increased by 20% to 214,401 (Dec. 31, 2013: 178,337). This is mainly due to the acquisition of hospitals from Rhön-Klinikum AG.

EMPLOYEES BY BUSINESS SEGMENT

| Number of employees | Sept. 30, 2014 | Dec 31, 2013 | Change |
|---|---|---|---|
| Fresenius Medical Care | **103,289** | 95,637 | 8% |
| Fresenius Kabi | **33,359** | 31,961 | 4% |
| Fresenius Helios | **69,197** | 42,913 | 61% |
| Fresenius Vamed | **7,694** | 7,010 | 10% |
| Corporate/Other | **862** | 816 | 6% |
| **Total** | **214,401** | 178,337 | 20% |

## RESEARCH AND DEVELOPMENT

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

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

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

RESEARCH AND DEVELOPMENT EXPENSES
BY BUSINESS SEGMENT

| € in millions | Q1–3/2014 | Q1–3/2013 | Change |
|---|---|---|---|
| Fresenius Medical Care | **67** | 72 | -7% |
| Fresenius Kabi | **195** | 177 | 10% |
| Fresenius Helios | **–** | – | -- |
| Fresenius Vamed | **0** | 0 | |
| Corporate/Other | **1** | 3 | -67% |
| IFRS Reconciliation | **2** | 42 | -95% |
| **Total** | **265** | 294 | -10% |

All segment data according to U.S. GAAP

### DIALYSIS

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

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

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

## OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the consolidated financial statements and the management report as of December 31, 2013 applying Section 315a HBG in accordance with IFRS, there have been no material changes in Fresenius' overall opportunities and risk situation.

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

In addition, we report on legal proceedings, currency and interest risks on pages 46 to 52 in the Notes of this report.

## SUBSEQUENT EVENTS

On October 29, 2014, Fresenius Medical Care US Finance II, Inc., issued US$900 million aggregate principal amount of US$-denominated unsecured Senior Notes to repay Term Loan A-2 under the Fresenius Medical Care 2012 Credit Agreement as well as other short-term debt, and for acquisitions and general corporate purposes. The Senior Notes, issued at par, consist of US$500 million with a coupon of 4.125% Senior Notes due 2020 and US$400 million with a coupon of 4.75% Senior Notes due 2024.

On November 6, 2014, Fresenius Kabi and its partners Sistema JSFC and Zenitco Finance Management LLC announced they had agreed to terminate the joint venture agreement announced in April 2014. The intention was to combine Fresenius Kabi's Russian and CIS business with the partners' subsidiary CJSC Binnopharm.

Besides the items mentioned, there were no significant changes in the Fresenius Group's operating environment following the end of the third quarter of 2014. No other events of material importance on the assets and liabilities, financial postion, and result of operations of the Group have occured after the close of the third quarter of 2014.

## RATING

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

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

| | Standard & Poor's | Moody's | Fitch |
|---|---|---|---|
| Company rating | BB+ | Ba1 | BB+ |
| Outlook | positive | negative | positive |

## OUTLOOK 2014

(all data according to U.S. GAAP)

### FRESENIUS GROUP [1]

Based on the Group's strong financial results in the first three quarters, Fresenius confirms its 2014 Group guidance. Sales are expected to increase by 14% to 16%, net income[2] is expected to increase by 2% to 5% (both in constant currency).

The net debt/EBITDA ratio is expected to be approximately 3.25 at year-end.

### FRESENIUS MEDICAL CARE

Fresenius Medical Care confirms its outlook for 2014. Fresenius Medical Care expects sales of approximately US$15.2 billion, translating into a growth rate of around 4%. This outlook excludes sales of approximately US$500 million from acquisitions completed during the first nine months of 2014. Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA is expected to be unchanged between US$1.0 to US$1.05 billion. The company has initiated a global efficiency program designed to enhance its performance over a multi-year period. Potential cost savings before income taxes of up to US$60 million generated from this program are not included in the outlook for 2014.

### FRESENIUS KABI [3]

Fresenius Kabi confirms its 2014 organic sales growth outlook of 4% to 6%. The EBIT margin is now confirmed at approximately 17%, so within the previously guided range of 16.5% to 18%.

### FRESENIUS HELIOS [4]

Fresenius Helios fully confirms its 2014 outlook, and projects organic sales growth of 3% to 5%. The acquired hospitals are also expected to show 3% to 5% organic growth and to contribute sales of approximately €1.8 billion. EBIT for HELIOS including the acquired hospitals is expected to increase to €540 – 560 million.

[1] Includes contributions from the acquisition of hospitals from Rhön-Klinikum AG and acquisitions at Fresenius Medical Care
[2] Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2014 before integration costs and disposal gains (two HELIOS hospitals; Rhön stake); 2013 before integration costs
[3] Fresenius Kabi guidance excludes €40 – 50 million pre-tax Fenwal integration costs (€30 – 40 million after tax); see Group guidance
[4] Fresenius Helios guidance before integration costs for the hospitals acquired from Rhön-Klinikum AG and disposal gains of two HELIOS hospitals and Rhön stake. The integration costs will be reported in the Group Corporate/Other segment, see Group guidance

## FRESENIUS VAMED

Due to project delays in Russia and Ukraine Fresenius Vamed now expects flat organic sales growth (before: 5% to 10%). The EBIT growth guidance of 5% to 10% for 2014 remains unchanged.

## INVESTMENTS

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

## EMPLOYEES

The number of employees in the Group will continue to rise in the future as a result of the expected expansion. We expect the number of employees to be above 215,000 in 2014, mainly as a result of the acquisition of hospitals from Rhön-Klinikum AG. The number of employees is expected to increase in all business segments.

## RESEARCH AND DEVELOPMENT

Our R & D activities will continue to play a key role in securing the Group's long-term growth through innovations and new therapies. We plan to increase the Group's R & D spending in 2014. About 4% to 5% of our product sales will be reinvested in research and development.

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

### GROUP FINANCIAL OUTLOOK 2014 [1]

| | Previous guidance | New guidance |
|---|---|---|
| Sales, growth (constant currency) | 14% – 16% | confirmed |
| Net income [2], growth (in constant currency) | 2% – 5% | confirmed |

[1] Includes contributions from the acquisition of hospitals from Rhön-Klinikum AG and acquisitions at Fresenius Medical Care
[2] Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2014 before integration costs and disposal gains (two HELIOS hospitals; Rhön stake); 2013 before integration costs

### OUTLOOK 2014 BY BUSINESS SEGMENT

| | | Previous guidance | New guidance |
|---|---|---|---|
| Fresenius Medical Care [1] | Sales | ~US$15.2 bn | confirmed |
| | Net income [2] | US$1.0 bn – US$1.05 bn | confirmed |
| Fresenius Kabi [3] | Sales growth (organic) | 4% – 6% | confirmed |
| | EBIT margin | 16.5% – 18% | ~17% |
| Fresenius Helios [4] | Sales growth (organic) [5] | 3% – 5% | confirmed |
| | Sales contribution acquired hospitals | ~€1.8 bn | confirmed |
| | EBIT [6] | €540 – 560 m | confirmed |
| Fresenius Vamed | Sales growth | 5% – 10% | ~0% |
| | EBIT, growth | 5% – 10% | confirmed |

[1] This outlook excludes sales of approximately US$500 million from acquisitions completed during the first nine months of 2014. Potential cost savings before income taxes of up to US$60 million are not included in the outlook for 2014.
[2] Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA
[3] Fresenius Kabi guidance excludes €40 – 50 million pre-tax Fenwal integration costs (€30 – 40 million after tax); see Group guidance
[4] Fresenius Helios guidance before integration costs for the hospitals acquired from Rhön-Klinikum AG and disposal gains of two HELIOS hospitals and Rhön stake. The integration costs will be reported in the Group Corporate / Other segment, see Group guidance
[5] Fresenius Helios continues to project 2014 organic sales growth of 3 to 5%; the acquired Rhön hospitals are also expected to show 3 to 5% organic growth
[6] Including acquired Rhön hospitals

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

| € in millions | Q3/2014 | Q3/2013 | Q1–3/2014 | Q1–3/2013 |
|---|---|---|---|---|
| Sales | **6,039** | 5,100 | **16,865** | 15,187 |
| Cost of sales | **-4,207** | -3,464 | **-11,777** | -10,333 |
| **Gross profit** | **1,832** | 1,636 | **5,088** | 4,854 |
| Selling, general and administrative expenses | **-927** | -808 | **-2,576** | -2,434 |
| Research and development expenses | **-93** | -124 | **-265** | -294 |
| **Operating income (EBIT)** | **812** | 704 | **2,247** | 2,126 |
| Net interest | **-148** | -136 | **-431** | -449 |
| **Income before income taxes** | **664** | 568 | **1,816** | 1,677 |
| Income taxes | **-194** | -157 | **-526** | -472 |
| **Net income** | **470** | 411 | **1,290** | 1,205 |
| Noncontrolling interest | **194** | 173 | **488** | 505 |
| **Net income attributable to shareholders of Fresenius SE & Co. KGaA** | **276** | 238 | **802** | 700 |
| | | | | |
| **Earnings per ordinary share in € (after stock split 1 : 3)** | **0.51** | 0.45 | **1.49** | 1.31 |
| Fully diluted earnings per ordinary share in € (after stock split 1 : 3) | **0.50** | 0.44 | **1.47** | 1.29 |

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 | Q3/2014 | Q3/2013 | Q1–3/2014 | Q1–3/2013 |
|---|---|---|---|---|
| **Net income** | **470** | 411 | **1,290** | 1,205 |
| **Other comprehensive income (loss)** | | | | |
| **Positions which will be reclassified into net income in subsequent years** | | | | |
| Foreign currency translation | **713** | -276 | **743** | -320 |
| Cash flow hedges | **-20** | 2 | **-2** | 35 |
| Change of fair value of available for sale financial assets | **0** | 8 | **-23** | 25 |
| Income taxes on positions which will be reclassified | **10** | 9 | **7** | – |
| **Positions which will not be reclassified into net income in subsequent years** | | | | |
| Actuarial losses on defined benefit pension plans | **-15** | – | **-17** | – |
| Income taxes on positions which will not be reclassified | **5** | – | **6** | – |
| **Other comprehensive income (loss), net** | **693** | -257 | **714** | -260 |
| **Total comprehensive income** | **1,163** | 154 | **2,004** | 945 |
| **Comprehensive income attributable to noncontrolling interest** | **544** | 10 | **874** | 347 |
| **Comprehensive income attributable to shareholders of Fresenius SE & Co. KGaA** | **619** | 144 | **1,130** | 598 |

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

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

## ASSETS

| € in millions | September 30, 2014 | December 31, 2013 |
|---|---|---|
| Cash and cash equivalents | 1,035 | 864 |
| Trade accounts receivable, less allowance for doubtful accounts | 4,108 | 3,481 |
| Accounts receivable from and loans to related parties | 36 | 28 |
| Inventories | 2,338 | 2,015 |
| Other current assets | 1,673 | 1,212 |
| **I. Total current assets** | 9,190 | 7,600 |
| Property, plant and equipment | 6,511 | 5,083 |
| Goodwill | 18,808 | 14,921 |
| Other intangible assets | 1,516 | 1,408 |
| Other non-current assets | 1,165 | 3,318 |
| Deferred taxes | 591 | 529 |
| **II. Total non-current assets** | 28,591 | 25,259 |
| **Total assets** | 37,781 | 32,859 |

## LIABILITIES AND SHAREHOLDERS' EQUITY

| € in millions | September 30, 2014 | December 31, 2013 |
|---|---|---|
| Trade accounts payable | 903 | 885 |
| Short-term accounts payable to related parties | 1 | 2 |
| Short-term accrued expenses and other short-term liabilities | 4,063 | 3,197 |
| Short-term debt | 527 | 2,376 |
| Short-term loans from related parties | 2 | 6 |
| Current portion of long-term debt and capital lease obligations | 1,012 | 855 |
| Current portion of Senior Notes | 667 | 0 |
| Short-term accruals for income taxes | 204 | 211 |
| **A. Total short-term liabilities** | 7,379 | 7,532 |
| Long-term debt and capital lease obligations, less current portion | 5,608 | 4,366 |
| Senior Notes, less current portion | 6,134 | 5,113 |
| Convertible bonds | 829 | 0 |
| Long-term accrued expenses and other long-term liabilities | 854 | 600 |
| Pension liabilities | 745 | 714 |
| Long-term accruals for income taxes | 181 | 180 |
| Deferred taxes | 864 | 759 |
| **B. Total long-term liabilities** | 15,215 | 11,732 |
| **I. Total liabilities** | 22,594 | 19,264 |
| **A. Noncontrolling interest** | 5,867 | 5,212 |
| Subscribed capital | 541 | 539 |
| Capital reserve | 3,163 | 3,097 |
| Other reserves | 5,612 | 5,071 |
| Accumulated other comprehensive income (loss) | 4 | -324 |
| **B. Total Fresenius SE & Co. KGaA shareholders' equity** | 9,320 | 8,383 |
| **II. Total shareholders' equity** | 15,187 | 13,595 |
| **Total liabilities and shareholders' equity** | 37,781 | 32,859 |

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 | Q1–3/2014 | Q1–3/2013 |
|---|---|---|
| **Operating activities** | | |
| Net income | 1,290 | 1,205 |
| **Adjustments to reconcile net income to cash and cash equivalents provided by operating activities** | | |
| Depreciation and amortization | 692 | 674 |
| Gain on sale of investments and divestitures | -55 | -44 |
| Change in deferred taxes | -18 | -44 |
| Gain/loss on sale of fixed assets | – | 1 |
| **Changes in assets and liabilities, net of amounts from businesses acquired or disposed of** | | |
| Trade accounts receivable, net | -143 | -25 |
| Inventories | -147 | -210 |
| Other current and non-current assets | -55 | 31 |
| Accounts receivable from/payable to related parties | -12 | -10 |
| Trade accounts payable, accrued expenses and other short-term and long-term liabilities | 135 | -8 |
| Accruals for income taxes | -30 | 5 |
| **Net cash provided by operating activities** | 1,657 | 1,575 |
| **Investing activities** | | |
| Purchase of property, plant and equipment | -871 | -689 |
| Proceeds from sales of property, plant and equipment | 15 | 21 |
| Acquisitions and investments, net of cash acquired and net purchases of intangible assets | -1,601 | -445 |
| Proceeds from sale of investments and divestitures | 167 | 147 |
| **Net cash used in investing activities** | -2,290 | -966 |
| **Financing activities** | | |
| Proceeds from short-term loans | 405 | 354 |
| Repayments of short-term loans | -2,299 | -79 |
| 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 | 2,201 | 1,944 |
| Repayments of long-term debt and capital lease obligations | -1,375 | -1,439 |
| Proceeds from the issuance of Senior Notes | 1,420 | 500 |
| Repayments of liabilities from Senior Notes | 0 | -1,150 |
| Proceeds from the issuance of Convertible Bonds | 900 | 0 |
| Payments for the share buy-back program of Fresenius Medical Care | 0 | -385 |
| Changes of accounts receivable securitization program | -69 | 28 |
| Proceeds from the exercise of stock options | 102 | 86 |
| Dividends paid | -521 | -458 |
| Change in noncontrolling interest | -1 | -2 |
| Exchange rate effect due to corporate financing | – | 1 |
| **Net cash provided by/used in financing activities** | 763 | -600 |
| **Effect of exchange rate changes on cash and cash equivalents** | 41 | -21 |
| **Net increase/decrease in cash and cash equivalents** | 171 | -12 |
| **Cash and cash equivalents at the beginning of the reporting period** | 864 | 885 |
| **Cash and cash equivalents at the end of the reporting period** | 1,035 | 873 |

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

| € in millions | Q1–3/2014 | Q1–3/2013 |
|---|---|---|
| Received interest | 42 | 31 |
| Paid interest | -489 | -487 |
| Income taxes paid | -558 | -463 |

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

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

| | Subscribed Capital | | | Reserves | |
|---|---|---|---|---|---|
| | Number of ordinary shares in thousand | Amount € in thousands | Amount € in millions | Capital reserve € in millions | Other reserves € in millions |
| **As of December 31, 2012** | 534,564 | 534,564 | 535 | 2,985 | 4,421 |
| Proceeds from the exercise of stock options | 1,953 | 1,953 | 2 | 45 | |
| Compensation expense related to stock options | | | | 18 | |
| Dividends paid | | | | | -196 |
| Sale of noncontrolling interest | | | | | |
| Share buy-back program of Fresenius Medical Care AG & Co. KGaA | | | | | -121 |
| Liabilities for noncontrolling interest subject to put provisions | | | | | -22 |
| Comprehensive income (loss) | | | | | |
| Net income | | | | | 700 |
| Other comprehensive income (loss) | | | | | |
| Cash flow hedges | | | | | |
| Change of fair value of available for sale financial assets | | | | | |
| Foreign currency translation | | | | | |
| Actuarial losses on defined benefit pension plans | | | | | |
| Comprehensive income (loss) | | | | | 700 |
| **As of September 30, 2013** | 536,517 | 536,517 | 537 | 3,048 | 4,782 |
| **As of December 31, 2013** | 539,085 | 539,085 | 539 | 3,097 | 5,071 |
| Proceeds from the exercise of stock options | 2,119 | 2,119 | 2 | 56 | |
| Compensation expense related to stock options | | | | 10 | |
| Dividends paid | | | | | -225 |
| Purchase of noncontrolling interest | | | | | |
| Liabilities for noncontrolling interest subject to put provisions | | | | | -36 |
| Comprehensive income (loss) | | | | | |
| Net income | | | | | 802 |
| Other comprehensive income (loss) | | | | | |
| Cash flow hedges | | | | | |
| Change of fair value of available for sale financial assets | | | | | |
| Foreign currency translation | | | | | |
| Actuarial losses on defined benefit pension plans | | | | | |
| Comprehensive income | | | | | 802 |
| **As of September 30, 2014** | **541,204** | **541,204** | **541** | **3,163** | **5,612** |

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

| | Accumulated other comprehensive income (loss) € in millions | Total Fresenius SE & Co. KGaA shareholders' equity € in millions | Noncontrolling interest € in millions | Total shareholders' equity € in millions |
|---|---|---|---|---|
| **As of December 31, 2012** | -85 | 7,856 | 5,293 | 13,149 |
| Proceeds from the exercise of stock options | | 47 | 39 | 86 |
| Compensation expense related to stock options | | 18 | 9 | 27 |
| Dividends paid | | -196 | -262 | -458 |
| Sale of noncontrolling interest | | 0 | -32 | -32 |
| Share buy-back program of Fresenius Medical Care AG & Co. KGaA | | -121 | -264 | -385 |
| Liabilities for noncontrolling interest subject to put provisions | | -22 | -48 | -70 |
| Comprehensive income (loss) | | | | |
| Net income | | 700 | 505 | 1,205 |
| Other comprehensive income (loss) | | | | |
| Cash flow hedges | 17 | 17 | 9 | 26 |
| Change of fair value of available for sale financial assets | 25 | 25 | – | 25 |
| Foreign currency translation | -144 | -144 | -167 | -311 |
| Actuarial losses on defined benefit pension plans | – | – | – | – |
| Comprehensive income (loss) | -102 | 598 | 347 | 945 |
| **As of September 30, 2013** | -187 | 8,180 | 5,082 | 13,262 |
| | | | | |
| **As of December 31, 2013** | -324 | 8,383 | 5,212 | 13,595 |
| Proceeds from the exercise of stock options | | 58 | 44 | 102 |
| Compensation expense related to stock options | | 10 | 2 | 12 |
| Dividends paid | | -225 | -296 | -521 |
| Purchase of noncontrolling interest | | 0 | 110 | 110 |
| Liabilities for noncontrolling interest subject to put provisions | | -36 | -79 | -115 |
| Comprehensive income (loss) | | | | |
| Net income | | 802 | 488 | 1,290 |
| Other comprehensive income (loss) | | | | |
| Cash flow hedges | -4 | -4 | 2 | -2 |
| Change of fair value of available for sale financial assets | -16 | -16 | – | -16 |
| Foreign currency translation | 352 | 352 | 391 | 743 |
| Actuarial losses on defined benefit pension plans | -4 | -4 | -7 | -11 |
| Comprehensive income | 328 | 1,130 | 874 | 2,004 |
| **As of September 30, 2014** | **4** | **9,320** | **5,867** | **15,187** |

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 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| by business segment, € in millions | **2014** | 2013 | Change | **2014[2]** | 2013[2] | Change | **2014[3]** | 2013 | Change | **2014** | 2013 | Change |
| Sales | **8,496** | 8,156 | 4% | **3,760** | 3,742 | 0% | **3,883** | 2,537 | 53% | **655** | 654 | 0% |
| thereof contribution to consolidated sales | **8,464** | 8,139 | 4% | **3,729** | 3,711 | 0% | **3,883** | 2,537 | 53% | **631** | 629 | 0% |
| thereof intercompany sales | **32** | 17 | 88% | **31** | 31 | 0% | **0** | 0 | | **24** | 25 | -4% |
| contribution to consolidated sales | **51%** | 54% | | **22%** | 25% | | **23%** | 17% | | **4%** | 4% | |
| EBITDA | **1,553** | 1,575 | -1% | **785** | 852 | -8% | **534** | 368 | 45% | **35** | 32 | 9% |
| Depreciation and amortization | **379** | 364 | 4% | **151** | 157 | -4% | **137** | 86 | 59% | **8** | 7 | 14% |
| EBIT | **1,174** | 1,211 | -3% | **634** | 695 | -9% | **397** | 282 | 41% | **27** | 25 | 8% |
| Net interest | **-217** | -236 | 8% | **-145** | -181 | 20% | **-41** | -39 | -5% | **-1** | -2 | 50% |
| Income taxes | **-325** | -320 | -2% | **-136** | -129 | -5% | **-64** | -45 | -42% | **-7** | -6 | -17% |
| Net income attributable to shareholders of Fresenius SE & Co. KGaA | **524** | 578 | -9% | **337** | 367 | -8% | **286** | 194 | 47% | **18** | 16 | 13% |
| | | | | | | | | | | | | |
| Operating cash flow | **940** | 1,098 | -14% | **432** | 303 | 43% | **404** | 186 | 117% | **-44** | -13 | -- |
| Cash flow before acquisitions and dividends | **469** | 723 | -35% | **209** | 114 | 83% | **261** | 105 | 149% | **-50** | -21 | -138% |
| | | | | | | | | | | | | |
| Total assets[1] | **19,274** | 16,764 | 15% | **9,418** | 8,598 | 10% | **8,277** | 6,597 | 25% | **762** | 726 | 5% |
| Debt[1] | **7,207** | 6,103 | 18% | **5,143** | 4,735 | 9% | **1,417** | 3,538 | -60% | **152** | 117 | 30% |
| Other operating liabilities[1] | **3,082** | 2,749 | 12% | **1,578** | 1,439 | 10% | **1,381** | 813 | 70% | **319** | 327 | -2% |
| Capital expenditure, gross | **477** | 389 | 23% | **223** | 187 | 19% | **143** | 85 | 68% | **6** | 8 | -25% |
| Acquisitions, gross/investments | **919** | 232 | -- | **118** | 59 | 100% | **812** | 7 | -- | **12** | 8 | 50% |
| | | | | | | | | | | | | |
| Research and development expenses | **67** | 72 | -7% | **195** | 177 | 10% | **–** | – | -- | **0** | 0 | |
| Employees (per capita on balance sheet date)[1] | **103,289** | 95,637 | 8% | **33,359** | 31,961 | 4% | **69,197** | 42,913 | 61% | **7,694** | 7,010 | 10% |
| | | | | | | | | | | | | |
| Key figures | | | | | | | | | | | | |
| EBITDA margin | **18.3%** | 19.3% | | **20.9%** | 22.8% | | **13.8%** | 14.5% | | **5.3%** | 4.9% | |
| EBIT margin | **13.8%** | 14.8% | | **16.9%** | 18.6% | | **10.2%** | 11.1% | | **4.1%** | 3.8% | |
| Depreciation and amortization in % of sales | **4.5%** | 4.5% | | **4.0%** | 4.2% | | **3.5%** | 3.4% | | **1.2%** | 1.1% | |
| Operating cash flow in % of sales | **11.1%** | 13.5% | | **11.5%** | 8.1% | | **10.4%** | 7.3% | | **-6.7%** | -2.0% | |
| ROOA[1] | **10.0%** | 10.5% | | **10.5%** | 11.9% | | **7.1%** | 9.3% | | **10.9%** | 11.6% | |

# FRESENIUS SE & CO. KGAA

## CONSOLIDATED SEGMENT REPORTING FIRST THREE QUARTERS (UNAUDITED)

| by business segment, € in millions | Corporate/Other 2014[4,5] | Corporate/Other 2013[4] | Corporate/Other Change | IFRS-Reconciliation 2014 | IFRS-Reconciliation 2013 | IFRS-Reconciliation Change | Fresenius Group 2014 | Fresenius Group 2013 | Fresenius Group Change |
|---|---|---|---|---|---|---|---|---|---|
| Sales | **-83** | -57 | -46% | **154** | 155 | -1% | **16,865** | 15,187 | 11% |
| thereof contribution to consolidated sales | **4** | 16 | -75% | **154** | 155 | -1% | **16,865** | 15,187 | 11% |
| thereof intercompany sales | **-87** | -73 | -19% | **0** | 0 | | **0** | 0 | |
| contribution to consolidated sales | **0%** | 0% | | **0%** | 0% | | **100%** | 100% | |
| EBITDA | **37** | -37 | 200% | **-5** | 10 | -150% | **2,939** | 2,800 | 5% |
| Depreciation and amortization | **7** | 8 | -13% | **10** | 52 | -81% | **692** | 674 | 3% |
| EBIT | **30** | -45 | 167% | **-15** | -42 | 64% | **2,247** | 2,126 | 6% |
| Net interest | **-27** | 9 | -- | **0** | 0 | | **-431** | -449 | 4% |
| Income taxes | **6** | 12 | -50% | **0** | 16 | -100% | **-526** | -472 | -11% |
| Net income attributable to shareholders of Fresenius SE & Co, KGaA | **-355** | -428 | 17% | **-8** | -27 | 70% | **802** | 700 | 15% |
| | | | | | | | | | |
| Operating cash flow | **-37** | -8 | -- | **-38** | 9 | -- | **1,657** | 1,575 | 5% |
| Cash flow before acquisitions and dividends | **-42** | -14 | -200% | **-46** | 0 | | **801** | 907 | -12% |
| | | | | | | | | | |
| Total assets[1] | **-13** | 73 | -118% | **63** | 101 | -38% | **37,781** | 32,859 | 15% |
| Debt[1] | **959** | -1,689 | 157% | **-99** | -88 | -13% | **14,779** | 12,716 | 16% |
| Other operating liabilities[1] | **166** | 155 | 7% | **425** | 306 | 39% | **6,951** | 5,789 | 20% |
| Capital expenditure, gross | **5** | 7 | -29% | **8** | 9 | -11% | **862** | 685 | 26% |
| Acquisitions, gross/investments | **0** | 136 | -100% | **-46** | -1 | -- | **1,815** | 441 | -- |
| | | | | | | | | | |
| Research and development expenses | **1** | 3 | -67% | **2** | 42 | -95% | **265** | 294 | -10% |
| Employees (per capita on balance sheet date)[1] | **862** | 816 | 6% | **0** | 0 | | **214,401** | 178,337 | 20% |
| | | | | | | | | | |
| Key figures | | | | | | | | | |
| EBITDA margin | | | | | | | **17.2%[2,3]** | 18.7%[2] | |
| EBIT margin | | | | | | | **13.1%[2,3]** | 14.2%[2] | |
| Depreciation and amortization in % of sales | | | | | | | **4.1%** | 4.4% | |
| Operating cash flow in % of sales | | | | | | | **9.8%** | 10.4% | |
| ROOA[1] | | | | | | | **9.0%[6]** | 10.3%[7] | |

[1] 2013: December 31
[2] Before integration costs
[3] Before integration costs and disposal gains (two HELIOS hospitals, Rhön stake)
[4] After integration costs
[5] After integration costs and disposal gains (two HELIOS hospitals, Rhön stake)
[6] The underlying pro forma EBIT does not include integration costs and disposal gains (two HELIOS hospitals, Rhön stake).
[7] The underlying pro forma EBIT does not include integration costs.

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 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| by business segment, € in millions | **2014** | 2013 | Change | **2014[1]** | 2013[1] | Change | **2014[1]** | 2013 | Change | **2014** | 2013 | Change |
| Sales | **3,097** | 2,768 | 12% | **1,294** | 1,223 | 6% | **1,362** | 842 | 62% | **257** | 233 | 10% |
| thereof contribution to consolidated sales | **3,083** | 2,763 | 12% | **1,282** | 1,214 | 6% | **1,362** | 842 | 62% | **250** | 225 | 11% |
| thereof intercompany sales | **14** | 5 | 180% | **12** | 9 | 33% | **0** | 0 | | **7** | 8 | -13% |
| contribution to consolidated sales | **52%** | 55% | | **21%** | 24% | | **23%** | 17% | | **4%** | 4% | |
| EBITDA | **577** | 545 | 6% | **272** | 277 | -2% | **190** | 133 | 43% | **15** | 13 | 15% |
| Depreciation and amortization | **134** | 124 | 8% | **49** | 51 | -4% | **43** | 30 | 43% | **3** | 3 | 0% |
| EBIT | **443** | 421 | 5% | **223** | 226 | -1% | **147** | 103 | 43% | **12** | 10 | 20% |
| Net interest | **-75** | -78 | 4% | **-50** | -51 | 2% | **-14** | -12 | -17% | **-1** | -1 | 0% |
| Income taxes | **-122** | -112 | -9% | **-48** | -45 | -7% | **-24** | -16 | -50% | **-3** | -2 | -50% |
| Net income attributable to shareholders of Fresenius SE & Co. KGaA | **204** | 206 | -1% | **120** | 125 | -4% | **107** | 75 | 43% | **8** | 7 | 14% |
| | | | | | | | | | | | | |
| Operating cash flow | **530** | 458 | 16% | **217** | 65 | -- | **199** | 106 | 88% | **18** | -16 | -- |
| Cash flow before acquisitions and dividends | **362** | 326 | 11% | **136** | -6 | -- | **139** | 71 | 96% | **16** | -19 | 184% |
| | | | | | | | | | | | | |
| Capital expenditure, gross | **171** | 135 | 27% | **95** | 76 | 25% | **60** | 35 | 71% | **3** | 3 | 0% |
| Acquisitions, gross/investments | **479** | 146 | -- | **99** | 4 | -- | **55** | 2 | -- | **11** | 2 | -- |
| | | | | | | | | | | | | |
| Research and development expenses | **23** | 25 | -8% | **70** | 60 | 17% | **–** | – | -- | **0** | 0 | |
| | | | | | | | | | | | | |
| Key figures | | | | | | | | | | | | |
| EBITDA margin | **18.7%** | 19.7% | | **21.0%** | 22.6% | | **14.0%** | 15.8% | | **5.8%** | 5.6% | |
| EBIT margin | **14.3%** | 15.2% | | **17.2%** | 18.5% | | **10.8%** | 12.2% | | **4.7%** | 4.3% | |
| Depreciation and amortization in % of sales | **4.3%** | 4.5% | | **3.8%** | 4.2% | | **3.2%** | 3.6% | | **1.2%** | 1.3% | |
| Operating cash flow in % of sales | **17.3%** | 16.5% | | **16.8%** | 5.3% | | **14.6%** | 12.6% | | **7.0%** | -6.9% | |

# FRESENIUS SE & CO. KGAA

## CONSOLIDATED SEGMENT REPORTING THIRD QUARTER (UNAUDITED)

| | Corporate/Other | | | IFRS-Reconciliation | | | Fresenius Group | | |
|---|---|---|---|---|---|---|---|---|---|
| by business segment, € in millions | 2014[2] | 2013[2] | Change | 2014 | 2013 | Change | 2014 | 2013 | Change |
| Sales | -32 | -21 | -52% | 61 | 55 | 11% | 6,039 | 5,100 | 18% |
| thereof contribution to consolidated sales | 1 | 1 | 0% | 61 | 55 | 11% | 6,039 | 5,100 | 18% |
| thereof intercompany sales | -33 | -22 | -50% | 0 | 0 | | 0 | 0 | |
| contribution to consolidated sales | 0% | 0% | | 0% | 0% | | 100% | 100% | |
| EBITDA | -10 | -11 | 9% | 2 | -1 | -- | 1,046 | 956 | 9% |
| Depreciation and amortization | 2 | 2 | 0% | 3 | 42 | -93% | 234 | 252 | -7% |
| EBIT | -12 | -13 | 8% | -1 | -43 | 98% | 812 | 704 | 15% |
| Net interest | -8 | 6 | -- | 0 | 0 | | -148 | -136 | -9% |
| Income taxes | 2 | 3 | -33% | 1 | 15 | -93% | -194 | -157 | -24% |
| Net income attributable to shareholders of Fresenius SE & Co, KGaA | -163 | -148 | -10% | 0 | -27 | 100% | 276 | 238 | 16% |
| | | | | | | | | | |
| Operating cash flow | -19 | 6 | -- | 3 | 1 | 200% | 948 | 620 | 53% |
| Cash flow before acquisitions and dividends | -24 | 4 | -- | 0 | 0 | | 629 | 376 | 67% |
| | | | | | | | | | |
| Capital expenditure, gross | 3 | 2 | 50% | 3 | 1 | 200% | 335 | 252 | 33% |
| Acquisitions, gross/investments | 1 | 138 | -99% | 0 | -1 | 100% | 645 | 291 | 122% |
| | | | | | | | | | |
| Research and development expenses | 0 | 0 | | 0 | 39 | -100% | 93 | 124 | -25% |
| | | | | | | | | | |
| Key figures | | | | | | | | | |
| EBITDA margin | | | | | | | 17,4%[1] | 18,9%[1] | |
| EBIT margin | | | | | | | 13,6%[1] | 13,9%[1] | |
| Depreciation and amortization in % of sales | | | | | | | 3,9% | 4,9% | |
| Operating cash flow in % of sales | | | | | | | 15,7% | 12,2% | |

[1] Before integration costs
[2] After integration costs

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

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# GENERAL NOTES

## 1. PRINCIPLES

### I. GROUP STRUCTURE

Fresenius is a global health care group with products and services for dialysis, hospitals and outpatient medical care. In addition, the Fresenius Group focuses on hospital operations and also manages projects and provides services for hospitals and other health care facilities worldwide. Besides the activities of the parent company Fresenius SE & Co. KGaA, Bad Homburg v. d. H., the operating activities were split into the following legally independent business segments (subgroups) as of September 30, 2014:

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

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

### II. BASIS OF PRESENTATION

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

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

The accounting policies underlying these interim financial statements are mainly the same as those applied in the consolidated financial statements as of December 31, 2013.

### 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, 2014 have not been audited nor reviewed and should be read in conjunction with the notes included and published in the consolidated financial statements as of December 31, 2013 applying Section 315a HGB in accordance with IFRS.

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

The consolidated financial statements for the first three quarters and the third quarter ended September 30, 2014 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, 2014 are not necessarily indicative of the results of operations for the fiscal year 2014.

#### Classifications

Certain items in the consolidated financial statements for the first three quarters of 2013 and for the year 2013 have been reclassified to conform with the current year's presentation.

#### Use of estimates

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

### IV. RECENT PRONOUNCEMENTS, APPLIED

The Fresenius Group has prepared its consolidated financial statements at September 30, 2014 in conformity with IFRS in force for interim periods on January 1, 2014.

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

In June 2013, the International Accounting Standards Board (IASB) issued **Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)**. Due to the amendments to IAS 39, a novation of a derivative from one counterparty to a central counterparty, as a consequence of new laws or regulations if specific conditions are met, is not resulting in the discontinuation of hedge accounting. The amendments of IAS 39 are effective for fiscal years beginning on or after January 1, 2014. Earlier adoption is permitted. The Fresenius Group adopted the amendments to IAS 39 as of January 1, 2014. They do not have an impact on the consolidated financial statements of the Fresenius Group.

In May 2011, the IASB issued **IFRS 10, Consolidated Financial Statements**, and in June 2012 amended its transition guidance. The new standard provides one single definition of "control". The new standard replaces the previously relevant consolidation guidance in IAS 27 (2008), Consolidated and Separate Financial Statements and SIC-12, Consolidation – Special Purpose Entities. According to IFRS 10, an entity (subsidiary) is controlled by an investor, who is exposed or has rights to variable returns from the involvement with the entity (subsidiary), when the investor has existing rights that give it the ability to direct the activities that significantly affect the investee's returns. In accordance with the standards of the IASB, IFRS 10 is effective retrospectively for fiscal years beginning on or after January 1, 2013. Earlier adoption is permitted concurrently with IFRS 11, IFRS 12 and IAS 28 (as amended in 2011). According to EU law, the date of the first time adoption was postponed to January 1, 2014. The Fresenius Group adopted IFRS 10 as of January 1, 2014. IFRS 10 does not have a material impact on the consolidated financial statements of the Fresenius Group.

In May 2011, the IASB issued **IFRS 11, Joint Arrangements**, and in June 2012 amended its transition guidance. The standard defines and regulates the accounting of arrangements under common control (joint arrangements). The new standard replaces the guidance on accounting for joint ventures previously included in IAS 31, Interests in Joint Ventures and SIC-13, Jointly Controlled Entities – Non-Monetary Contributions by Venturers. Joint arrangements are defined as arrangements for which two or more parties have contractually agreed joint control. Joint control exists if decisions about relevant activities must be taken unanimously by all parties. Additionally, IFRS 11 classifies joint arrangements in joint operations and joint ventures and gives guidance on how to account for both types. Parties to a joint operation have rights to the assets and obligations for the liabilities of the arrangement and shall include them in their consolidated financial statements proportionally to their interest. Parties to a joint venture have a right to the net position (asset or liability) of the arrangement and it will be accounted for using the equity method. The option to consolidate using the proportional method of accounting has been eliminated. In accordance with the standards of the IASB, IFRS 11 is effective retrospectively for fiscal years beginning on or after January 1, 2013. Earlier adoption is permitted concurrently with IFRS 10, IFRS 12 and IAS 28 (as amended in 2011). According to EU law, the date of the first time adoption was postponed to January 1, 2014. The Fresenius Group adopted IFRS 11 as of January 1, 2014. IFRS 11 does not have a material impact on the consolidated financial statements of the Fresenius Group.

In May 2011, the IASB issued an amended version of **IAS 28, Investments in Associates and Joint Ventures**. This version stipulates that joint ventures as described in IFRS 11, Joint Arrangements, shall be accounted for using the equity method guidance in IAS 28, among other items. In accordance with the standards of the IASB, the amended version of IAS 28 is effective retrospectively for fiscal years beginning on or after January 1, 2013. Earlier adoption is permitted concurrently with IFRS 10, IFRS 11 and IFRS 12. According to EU law, the date of the first time adoption was postponed to January 1, 2014. The Fresenius Group adopted the amended version of IAS 28 as of January 1, 2014. This version does not have a material impact on the consolidated financial statements of the Fresenius Group.

In May 2011, the IASB issued **IFRS 12, Disclosure of Interests in Other Entities**, and in June 2012 amended its transition guidance. The standard gathers all disclosure requirements for interests held in other entities including joint arrangements. In accordance with the standards of the IASB, IFRS 12 is effective retrospectively for fiscal years beginning on or after January 1, 2013. Earlier adoption is permitted concurrently with IFRS 10, IFRS 11 and IAS 28 (as amended in 2011). According to EU law, the date of the first time adoption was postponed to January 1, 2014. The Fresenius Group adopted IFRS 12 as of January 1, 2014. IFRS 12 does not have a material impact on the consolidated financial statements of the Fresenius Group.

## V. RECENT PRONOUNCEMENTS, NOT YET APPLIED

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

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

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

In May 2014, the IASB issued **Amendments to IFRS 11, Accounting for Acquisitions of Interests in Joint Operations**. The amendments add new guidance on accounting for the acquisition of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3, Business Combinations. In such cases, all of the principles on business combinations accounting in IFRS 3 and other IFRSs have to be applied, except for those principles that conflict with the guidance in IFRS 11. In addition, the acquirer shall disclose the information required by IFRS 3. Those amendments shall be applied prospectively for fiscal years beginning on or after January 1, 2016. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

In December 2011, the IASB issued **Mandatory Effective Date and Transition Disclosures (Amendments to IFRS 9 and IFRS 7)**. The amendments to IFRS 9 defer the mandatory effective date of IFRS 9 from January 1, 2013 to January 1, 2015. Earlier adoption is permitted. This mandatory effective date has been cancelled in connection with another amendment which was issued in November 2013. The amendments to IFRS 7 relieve entities from restating comparative financial statements. Instead, additional disclosures about the transition from IAS 39 to IFRS 9 are required when an entity first applies IFRS 9. The Fresenius Group will apply this guidance when applying IFRS 9 for the first time.

In November 2009, the IASB issued **IFRS 9, Financial Instruments for the accounting of financial assets**, which replaces the IAS 39 financial asset categories with two categories. Financial assets that have basic loan features and are managed on a contractual yield basis must be measured at amortized cost. All other financial assets are measured at fair value through profit and loss, whereby for strategic equity investments there is an option to record changes in fair value through other comprehensive income (loss). In October 2010, the IASB issued **additions to IFRS 9, Financial Instruments for the accounting of financial liabilities**. These additions complete the classification and measurement of financial instruments phase of the project to replace IAS 39, Financial

Instruments: Recognition and Measurement. The new guidance requires entities that choose to measure financial liabilities at fair value to generally present changes in the entity's own credit risk within other comprehensive income (loss). Other current accounting guidance for financial liabilities has been maintained. In November 2013, the IASB issued **additions to IFRS 9, Financial Instruments**, by introducing a new hedge accounting model. This new model enables entities to reflect their risk management activities more flexibly. For liabilities elected to be measured at fair value, the changes to IFRS 9 introduce the possibility to recognize gains and losses, caused by a worsening in an entity's own credit risk, no longer in profit or loss. The accounting for liabilities can be changed before applying any of the other requirements in IFRS 9. Furthermore, the IASB cancelled the mandatory date of January 1, 2015. In July 2014, the IASB issued a new version of **IFRS 9, Financial Instruments**. This IFRS 9 version is considered the final and complete version, thus, mainly replacing IAS 39 as soon as IFRS 9 is applied. It includes all prior guidance on the classification and measurement of financial assets and financial liabilities as well as hedge accounting and introduces requirements for impairment of financial instruments as well as modified requirements for the measurement categories of financial assets. The impairment provisions reflect a model that relies on expected losses (expected loss model). This model comprises a two stage approach: Upon recognition an entity shall recognize losses that are expected within the next 12 months. If credit risk deteriorates significantly, from that point in time impairment losses shall amount to lifetime expected losses. The provisions for classification and measurement are amended by introducing an additional third measurement category for certain debt instruments. Such instruments shall be measured at fair value with changes recognised in other comprehensive income (fair value through other comprehensive income). The standard is accompanied by additional disclosure requirements and is effective for fiscal years beginning on or after January 1, 2018. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

The EU Commission's endorsements of IFRS 9, IFRS 15 and of the amendments to IFRS 10, IAS 28, IFRS 11 and IFRS 7 are still outstanding.

All other pronouncements issued by the IASB have been reviewed. As expected, they do not have a material impact on the consolidated financial statements of the Fresenius Group.

## 2. ACQUISITIONS, DIVESTITURES AND INVESTMENTS

The Fresenius Group made acquisitions and investments of €1,815 million and €441 million in the first three quarters of 2014 and 2013, respectively. Of this amount, €1,601 million was paid in cash and €214 million was assumed obligations in the first three quarters of 2014.

### FRESENIUS MEDICAL CARE

In the first three quarters of 2014, Fresenius Medical Care spent €919 million on acquisitions. Besides the transaction described separately in the following, this amount mainly comprises the purchase of dialysis clinics and the short-term investment in available for sale securities.

On June 27, 2014, Fresenius Medical Care announced the acquisition of a majority stake in Sound Inpatient Physicians, Inc., United States, a physician services organization focused on hospitalist and post-acute care services. The transaction in the amount of US$590 million was closed in July 2014.

Furthermore, on October 22, 2014, Fresenius Medical Care announced the acquisition of National Cardiovascular Partners, one of the leading providers of outpatient cardiovascular therapies in the United States.

### FRESENIUS KABI

In the first three quarters of 2014, Fresenius Kabi spent €118 million on acquisitions.

In the first quarter of 2014, Fresenius Kabi purchased further shares in Fresenius Kabi Oncology Ltd., India.

On May 9, 2014, Fresenius Kabi announced the acquisition of the Brasilian pharmaceutical company Novafarma Indústria Farmacêutica Ltda. After antitrust approval, the transaction could be closed on July 3, 2014. Furthermore, on July 4, 2014, Fresenius Kabi acquired two companies in Ecuador, Medisumi, a pharmaceutical distributor, as well as Labfarm, an I.V. antibiotic manufacturer.

### FRESENIUS HELIOS

Fresenius Helios spent €812 million on acquisitions in the first three quarters of 2014. Thereof, €805 million related to the acquisition of hospitals and outpatient facilities of Rhön-Klinikum AG, Germany. Taking into account the advance payment of €2,178 million made at the end of the year 2013 in conjunction with this acquisition, the transaction amount added up to €2,983 million.

In connection with the acquisition of hospitals of Rhön-Klinikum AG, Fresenius Helios sold two hospitals in Borna and Zwenkau in the first quarter of 2014 due to antitrust authority requirements. The corresponding book gain in the amount of €22 million before tax is included in selling, general and administrative expenses in the consolidated statement of income.

## Acquisition of hospitals of Rhön-Klinikum AG

Between February 27 and July 31, 2014, Fresenius Helios completed the acquisition of 41 hospitals and 13 outpatient facilities of Rhön-Klinikum AG, Germany. In most instances, 100% of the share capital was purchased, only in a few cases 94% to 99% of the share capital was acquired. In relation to HSK Dr. Horst Schmidt Kliniken, 49% of the share capital was acquired.

The transaction strengthens Fresenius Helios' position as Europe's largest hospital operator and provides the basis for offering nationwide care models across Germany.

Due to contractual conditions and indirect power resulting out of them, the Fresenius Group fully consolidated the majority of the acquired hospitals and outpatient facilities as of January 1, 2014, according to IFRS 10. The majority of the other acquired companies has been fully consolidated as of February 27, 2014. The acquired HSK Dr. Horst Schmidt Kliniken have been consolidated since June 30, 2014 and the acquired hospital in Cuxhaven has been consolidated since August 1, 2014.

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

| € in millions | |
|---|---|
| Trade accounts receivable | 233 |
| Working capital and other assets | 328 |
| Assets | 984 |
| Liabilities | -614 |
| Goodwill | 2,134 |
| Noncontrolling interest | -2 |
| **Consideration transferred** | **3,063** |
| Net cash acquired | -80 |
| **Transaction amount** | **2,983** |

The goodwill in the amount of €2,134 million that was acquired as part of the acquisition is not deductible for tax purposes.

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill arises principally due to the fair value placed on an established stream of future cash flows versus building a similar business.

The noncontrolling interests acquired as part of the acquisition are stated at fair value.

In the first three quarters of 2014, the acquired hospitals and outpatient facilities have contributed €1,300 million to sales and €110 million to the operating income (EBIT) of the Fresenius Group.

### FRESENIUS VAMED

In the first three quarters of 2014, Fresenius Vamed spent €12 million on acquisitions, mainly for the acquisition of kneipp-hof Dussnang AG, Switzerland.

### CORPORATE / OTHER

On June 30, 2014, the Fresenius Group sold the 5% stake in Rhön-Klinikum AG which was acquired in 2012 as part of the takeover offer to the shareholders of Rhön-Klinikum AG. Sales proceeds of €160 million were achieved. The corresponding book gain in the amount of €35 million before tax is included in selling, general and administrative expenses in the consolidated statement of income.

# NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

## 3. SPECIAL ITEMS

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the first three quarters of 2014 in the amount of €802 million includes special items relating to the integration of Fenwal and the acquired Rhön hospitals as well as relating to the divestment of two HELIOS hospitals and of the Rhön stake.

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

| € in millions | EBIT | Net income attributable to shareholders of Fresenius SE & Co. KGaA |
|---|---|---|
| **Earnings Q1–3/2014, adjusted** | | 760 |
| Integration costs for Fenwal | -6 | -4 |
| Integration costs for the acquired Rhön hospitals | -12 | -9 |
| Disposal gain from the divestment of two HELIOS hospitals | 22 | 21 |
| Disposal gain from the divestment of the Rhön stake | 35 | 34 |
| **Earnings Q1–3/2014 according to IFRS** | | **802** |

## 4. SALES

Sales by activity were as follows:

| € in millions | Q1–3/2014 | Q1–3/2013 |
|---|---|---|
| Sales of services | **10,973** | 9,265 |
| Sales of products and related goods | **5,579** | 5,576 |
| Sales from long-term production contracts | **309** | 337 |
| Other sales | **4** | 9 |
| **Sales** | **16,865** | 15,187 |

## 5. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of €265 million (Q1–3/2013: €294 million) included expenditures for research and non-capitalizable development costs as well as depreciation and amortization expenses relating to capitalized development costs of €10 million (Q1–3/2013: €51 million). In the first three quarters of 2014, research and development expenses included reversals of write-downs on capitalized development expenses of €2 million (Q1–3/2013: impairments of €40 million). These related to in-process R & D of product approval projects, which were acquired through the acquisition of Fresenius Kabi USA, Inc.

### 6. TAXES

In Germany, for Fresenius Medical Care, the tax audit for the tax years 2002 through 2005 is completed. Consequently, Fresenius Medical Care made a tax payment in the amount of €76 million. A provision for this tax payment had been established in previous years.

Regarding the complaint styled as Fresenius Medical Care Holdings, Inc. v. United States, the United States Court of Appeals for the First Circuit (Boston) affirmed the District Court's order on August 13, 2014. Fresenius Medical Care Holdings, Inc. had filed a complaint for complete refund of all deductions disallowed by the International Revenue Service.

During the first three quarters of 2014, there were no further material changes relating to tax audits, accruals for income taxes as well as recognized and accrued payments for interest and penalties. Explanations regarding the tax audits and further information can be found in the consolidated financial statements as of December 31, 2013 applying Section 315a HGB in accordance with IFRS.

### 7. EARNINGS PER SHARE

The following table shows the earnings per share including and excluding the dilutive effect from stock options issued after registration of the capital increase from company's funds (stock split 1 : 3, see note 18, Fresenius SE & Co KGaA shareholders' equity) with the commercial register on August 1, 2014:

| | Q1–3/2014 | Q1–3/2013 [1] |
|---|---|---|
| **Numerators, € in millions** | | |
| Net income attributable to shareholders of Fresenius SE & Co. KGaA | **802** | 700 |
| less effect from dilution due to Fresenius Medical Care shares | **–** | 1 |
| Income available to all ordinary shares | **802** | 699 |
| **Denominators in number of shares** | | |
| Weighted-average number of ordinary shares outstanding | **539,976,138** | 535,366,314 |
| Potentially dilutive ordinary shares | **4,006,689** | 4,885,419 |
| Weighted-average number of ordinary shares outstanding assuming dilution | **543,982,827** | 540,251,733 |
| | | |
| **Basic earnings per ordinary share in €** | **1.49** | 1.31 |
| **Fully diluted earnings per ordinary share in €** | **1.47** | 1.29 |

[1] Prior year figures were adjusted accordingly.

## NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 8. CASH AND CASH EQUIVALENTS

As of September 30, 2014 and December 31, 2013, cash and cash equivalents were as follows:

| € in millions | Sept. 30, 2014 | Dec. 31, 2013 |
|---|---|---|
| Cash | **1,027** | 846 |
| Time deposits and securities (with a maturity of up to 90 days) | **8** | 18 |
| **Total cash and cash equivalents** | **1,035** | 864 |

As of September 30, 2014 and December 31, 2013, earmarked funds of €41 million and €22 million, respectively, were included in cash and cash equivalents.

### 9. TRADE ACCOUNTS RECEIVABLE

As of September 30, 2014 and December 31, 2013, trade accounts receivable were as follows:

| € in millions | Sept. 30, 2014 | Dec. 31, 2013 |
|---|---|---|
| Trade accounts receivable | **4,636** | 3,968 |
| less allowance for doubtful accounts | **528** | 487 |
| **Trade accounts receivable, net** | **4,108** | 3,481 |

### 10. INVENTORIES

As of September 30, 2014 and December 31, 2013, inventories consisted of the following:

| € in millions | Sept. 30, 2014 | Dec. 31, 2013 |
|---|---|---|
| Raw materials and purchased components | **521** | 446 |
| Work in process | **391** | 323 |
| Finished goods | **1,509** | 1,314 |
| less reserves | **83** | 68 |
| **Inventories, net** | **2,338** | 2,015 |

### 11. OTHER CURRENT AND NON-CURRENT ASSETS

The purchase price deposit in the amount of €2,178 million, that was shown under other non-current assets as of December 31, 2013, was offset in the course of the acquisition of hospitals and outpatient facilities of Rhön-Klinikum AG in the first quarter of 2014.

As of September 30, 2014, investments, securities and long-term loans were comprised of investments of €495 million (December 31, 2013: €482 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 2014, income of €16 million (Q1–3/2014: €11 million) resulting from this valuation was included in selling, general and administrative expenses in the consolidated statement of income. Moreover, investments, securities and long-term loans included €134 million financial assets available for sale as of September 30, 2014 (December 31, 2013: €197 million). Furthermore, investments and long-term loans included €142 million as of September 30, 2014 that Fresenius Medical Care loaned to a middle-market dialysis provider.

## 12. GOODWILL AND OTHER INTANGIBLE ASSETS

As of September 30, 2014 and December 31, 2013, intangible assets, split into amortizable and non-amortizable intangible assets, consisted of the following:

### AMORTIZABLE INTANGIBLE ASSETS

| | **September 30, 2014** | | | December 31, 2013 | | |
|---|---|---|---|---|---|---|
| € in millions | **Acquisition cost** | **Accumulated amortization** | **Carrying amount** | Acquisition cost | Accumulated amortization | Carrying amount |
| Patents, product and distribution rights | **620** | **276** | **344** | 571 | 235 | 336 |
| Technology | **332** | **68** | **264** | 303 | 48 | 255 |
| Non-compete agreements | **263** | **204** | **59** | 237 | 174 | 63 |
| Capitalized development costs | **413** | **235** | **178** | 378 | 211 | 167 |
| Other | **922** | **465** | **457** | 776 | 376 | 400 |
| **Total** | **2,550** | **1,248** | **1,302** | 2,265 | 1,044 | 1,221 |

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

| € in millions | Q4/2014 | 2015 | 2016 | 2017 | 2018 | Q1–3/2019 |
|---|---|---|---|---|---|---|
| Estimated amortization expenses | 43 | 162 | 155 | 150 | 147 | 106 |

### NON-AMORTIZABLE INTANGIBLE ASSETS

| | **September 30, 2014** | | | December 31, 2013 | | |
|---|---|---|---|---|---|---|
| € in millions | **Acquisition cost** | **Accumulated amortization** | **Carrying amount** | Acquisition cost | Accumulated amortization | Carrying amount |
| Tradenames | **208** | **0** | **208** | 182 | 0 | 182 |
| Management contracts | **6** | **0** | **6** | 5 | 0 | 5 |
| Goodwill | **18,808** | **0** | **18,808** | 14,921 | 0 | 14,921 |
| **Total** | **19,022** | **0** | **19,022** | 15,108 | 0 | 15,108 |

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, 2013** | **8,650** | **4,237** | **2,144** | **77** | **6** | **15,114** |
| Additions | 194 | 138 | 14 | 8 | 0 | 354 |
| Disposals | 0 | -4 | 0 | 0 | 0 | -4 |
| Reclassifications | – | 0 | 0 | 0 | 0 | – |
| Foreign currency translation | -398 | -145 | 0 | 0 | 0 | -543 |
| **Carrying amount as of December 31, 2013** | **8,446** | **4,226** | **2,158** | **85** | **6** | **14,921** |
| Additions | 633 | 75 | 2,159 | 13 | 0 | 2,880 |
| Disposals | 0 | -3 | -26 | 0 | 0 | -29 |
| Foreign currency translation | 737 | 299 | 0 | 0 | 0 | 1,036 |
| **Carrying amount as of September 30, 2014** | **9,816** | **4,597** | **4,291** | **98** | **6** | **18,808** |

The goodwill additions in the segment Fresenius Helios in the first three quarters of 2014 mainly resulted from the acquisition of hospitals and outpatient facilities of Rhön-Klinikum AG.

As of September 30, 2014 and December 31, 2013, the carrying amounts of the other non-amortizable intangible assets were €184 million and €158 million, respectively, for Fresenius Medical Care as well as €30 million and €29 million, respectively, for Fresenius Kabi.

## 13. DEBT AND CAPITAL LEASE OBLIGATIONS

### SHORT-TERM DEBT

The Fresenius Group had short-term debt of €527 million and €2,376 million at September 30, 2014 and December 31, 2013, respectively. As of September 30, 2014, this debt consisted of borrowings by certain entities of the Fresenius Group under lines of credit with commercial banks of €317 million. Furthermore, €210 million were outstanding under the commercial paper program of Fresenius SE & Co. KGaA, which was increased to €1,000 million in March 2014.

### Bridge Financing Facility

On October 15, 2013, Fresenius SE & Co. KGaA entered into a Bridge Financing Facility in the amount of €1,800 million with a group of banks. The Bridge Financing Facility was guaranteed by Fresenius ProServe GmbH and Fresenius Kabi AG. The Bridge Financing Facility had been drawn in an amount of €1,500 million on December 30, 2013. The proceeds were used for advances made in the amount of €2,178 million under a fiduciary arrangement for the acquisition of hospitals and outpatient facilities of Rhön-Klinikum AG. The majority of the transaction was closed on February 27, 2014.

The Bridge Financing Facility initially had a one year tenor and had to be mandatorily reduced by the net proceeds of any capital markets transaction. In line with these provisions, the facility has been reduced by the net proceeds of the €1,200 million Senior Notes issuances as well as the US$300 million Senior Notes issuance that were made in January and February 2014. For more information, see note 14, Senior Notes. On February 27, 2014, the Bridge Financing Facility was voluntarily cancelled before maturity and the remaining outstanding amount of €90 million was prepaid.

## LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

As of September 30, 2014 and December 31, 2013, long-term debt and capital lease obligations consisted of the following:

| € in millions | Sept. 30, 2014 | Dec. 31, 2013 |
|---|---|---|
| Fresenius Medical Care 2012 Credit Agreement | **2,367** | 1,963 |
| 2013 Senior Credit Agreement | **2,574** | 1,709 |
| Euro Notes | **1,053** | 859 |
| European Investment Bank Agreements | **44** | 188 |
| Accounts receivable facility of Fresenius Medical Care | **204** | 255 |
| Capital lease obligations | **156** | 94 |
| Other | **326** | 248 |
| Subtotal | **6,724** | 5,316 |
| less current portion | **1,012** | 855 |
| less financing cost | **104** | 95 |
| **Long-term debt and capital lease obligations, less current portion** | **5,608** | 4,366 |

### Fresenius Medical Care 2012 Credit Agreement

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

On July 1, 2014, the Fresenius Medical Care 2012 Credit Agreement was increased by establishing an incremental term loan tranche of US$600 million (Term Loan A-2) to finance an investment in the United States into Sound Inpatient Physicians, Inc., which closed in July 2014, and for general corporate purposes. Term Loan A-2 has a one year maturity and must be mandatorily prepaid with 100% of the net cash proceeds of US$-denominated bonds or syndicated term loans, to the extent that these proceeds exceed a certain threshold. In line with these provisions, Term Loan A-2 was prepaid on October 29, 2014 from the proceeds of the offering of Senior Notes (see Note 27, Subsequent events).

The interest rate under the Term Loan A-2 was a rate equal to either (i) LIBOR plus an applicable margin or (ii) the Base Rate as defined in the Fresenius Medical Care 2012 Credit Agreement plus an applicable margin. The applicable margin increased after 90 days and would have further increased 180 days following disbursement.

The following tables show the available and outstanding amounts under the Fresenius Medical Care 2012 Credit Agreement at September 30, 2014 and at December 31, 2013:

| | September 30, 2014 | | | |
|---|---|---|---|---|
| | Maximum amount available | | **Balance outstanding** | |
| | | € in millions | | **€ in millions** |
| Revolving Credit (in US$) | US$600 million | 476 | **US$28 million** | **22** |
| Revolving Credit (in €) | €500 million | 500 | **€0 million** | **0** |
| Term Loan A | US$2,350 million | 1,869 | **US$2,350 million** | **1,869** |
| Term Loan A-2 | US$600 million | 476 | **US$600 million** | **476** |
| **Total** | | 3,321 | | **2,367** |

| | December 31, 2013 | | | |
|---|---|---|---|---|
| | Maximum amount available | | **Balance outstanding** | |
| | | € in millions | | **€ in millions** |
| Revolving Credit (in US$) | US$600 million | 435 | **US$138 million** | **100** |
| Revolving Credit (in €) | €500 million | 500 | **€50 million** | **50** |
| Term Loan A | US$2,500 million | 1,813 | **US$2,500 million** | **1,813** |
| **Total** | | 2,748 | | **1,963** |

In addition, at September 30, 2014 and December 31, 2013, Fresenius Medical Care had letters of credit outstanding in the amount of US$7 million and US$9 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, 2014, FMC-AG & Co. KGaA and its subsidiaries were in compliance with all covenants under the Fresenius Medical Care 2012 Credit Agreement.

## 2013 Senior Credit Agreement

On December 20, 2012, Fresenius SE & Co. KGaA and various subsidiaries entered into a delayed draw syndicated credit agreement (2013 Senior Credit Agreement) in the initial amount of US$1,300 million and €1,250 million. The 2013 Senior Credit Agreement was funded on June 28, 2013 and replaced the 2008 Senior Credit Agreement. On August 7, 2013, the 2013 Senior Credit Agreement was extended by a term loan B facility in the amount of US$500 million.

The 2013 Senior Credit Agreement allows for establishment of incremental facilities if certain conditions are met. In line with these provisions, the 2013 Senior Credit Agreement has been increased on November 27, 2013 by facilities in the initial amount of €1,200 million, which consisted initially of an incremental term loan facility A of €600 million, an incremental term loan facility B of €300 million and an incremental revolving facility of €300 million. These incremental facilities were drawn down on February 27, 2014 and were used to fund the acquisition of hospitals from Rhön-Klinikum AG.

The following tables show the available and outstanding amounts under the 2013 Senior Credit Agreement at September 30, 2014 and at December 31, 2013:

| | **September 30, 2014** | | | |
|---|---|---|---|---|
| | Maximum amount available | | **Balance outstanding** | |
| | | € in millions | | **€ in millions** |
| Revolving Credit Facilities (in €) | €900 million | 900 | **€0 million** | **0** |
| Revolving Credit Facilities (in US$) | US$300 million | 238 | **US$0 million** | **0** |
| Term Loan A (in €) | €1,156 million | 1,156 | **€1,156 million** | **1,156** |
| Term Loan A (in US$) | US$915 million | 727 | **US$915 million** | **727** |
| Term Loan B (in €) | €298 million | 298 | **€298 million** | **298** |
| Term Loan B (in US$) | US$495 million | 393 | **US$495 million** | **393** |
| **Total** | | 3,712 | | **2,574** |

| | December 31, 2013 | | | |
|---|---|---|---|---|
| | Maximum amount available | | **Balance outstanding** | |
| | | € in millions | | **€ in millions** |
| Revolving Credit Facilities (in €) | €600 million | 600 | **€0 million** | **0** |
| Revolving Credit Facilities (in US$) | US$300 million | 218 | **US$0 million** | **0** |
| Term Loan A (in €) | €637 million | 637 | **€637 million** | **637** |
| Term Loan A (in US$) | US$980 million | 710 | **US$980 million** | **710** |
| Term Loan B (in US$) | US$499 million | 362 | **US$499 million** | **362** |
| **Total** | | 2,527 | | **1,709** |

As of September 30, 2014, the Fresenius Group was in compliance with all covenants under the 2013 Senior Credit Agreement.

## Euro Notes

As of September 30, 2014 and December 31, 2013, Euro Notes (Schuldscheindarlehen) of the Fresenius Group consisted of the following:

| | | | Book value / nominal value € in millions | |
|---|---|---|---|---|
| | Maturity | Interest rate | Sept. 30, 2014 | Dec. 31, 2013 |
| Fresenius Finance B.V. 2008/2014 | April 2, 2014 | 5.98% | **0** | 112 |
| Fresenius Finance B.V. 2008/2014 | April 2, 2014 | variable | **0** | 88 |
| Fresenius Finance B.V. 2007/2014 | July 2, 2014 | 5.75% | **0** | 38 |
| Fresenius Finance B.V. 2007/2014 | July 2, 2014 | variable | **0** | 62 |
| Fresenius SE & Co. KGaA 2012/2016 | April 4, 2016 | 3.36% | **156** | 156 |
| Fresenius SE & Co. KGaA 2012/2016 | April 4, 2016 | variable | **129** | 129 |
| Fresenius SE & Co. KGaA 2013/2017 | Aug. 22, 2017 | 2.65% | **51** | 51 |
| Fresenius SE & Co. KGaA 2013/2017 | Aug. 22, 2017 | variable | **74** | 74 |
| Fresenius SE & Co. KGaA 2014/2018 | April 2, 2018 | 2.09% | **97** | 0 |
| Fresenius SE & Co. KGaA 2014/2018 | April 2, 2018 | variable | **76** | 0 |
| Fresenius SE & Co. KGaA 2014/2018 | April 2, 2018 | variable | **65** | 0 |
| Fresenius SE & Co. KGaA 2012/2018 | April 4, 2018 | 4.09% | **72** | 72 |
| Fresenius SE & Co. KGaA 2012/2018 | April 4, 2018 | variable | **43** | 43 |
| Fresenius SE & Co. KGaA 2014/2020 | April 2, 2020 | 2.67% | **106** | 0 |
| Fresenius SE & Co. KGaA 2014/2020 | April 2, 2020 | variable | **55** | 0 |
| Fresenius SE & Co. KGaA 2014/2020 | April 2, 2020 | variable | **101** | 0 |
| Fresenius Medical Care AG & Co. KGaA 2009/2014 | Oct. 27, 2014 | 8.38% | **9** | 11 |
| Fresenius Medical Care AG & Co. KGaA 2009/2014 | Oct. 27, 2014 | variable | **19** | 23 |
| **Euro Notes** | | | **1,053** | 859 |

All Euro Notes due in 2014 were shown as current portion of long-term debt and capital lease obligations in the consolidated statement of financial position.

The Euro Notes issued by Fresenius Finance B.V. in the amount of €300 million, which were due in April and July 2014, were repaid as scheduled. Fresenius SE & Co. KGaA issued Euro Notes in the amount of €334 million for the refinancing of the €200 million Euro Notes as well as for general corporate purposes on April 2, 2014. In addition, an agreement for the issuance of further Euro Notes in an amount of €166 million was reached. These additional Euro Notes were issued on July 2, 2014. The new Euro Notes are guaranteed by Fresenius Kabi AG and Fresenius ProServe GmbH.

The Euro Notes issued by Fresenius Medical Care AG & Co. KGaA in the amount of €28 million, which were due on October 27, 2014, were repaid as scheduled.

As of September 30, 2014, 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, 2014 and December 31, 2013:

| | | Book value € in millions | |
|---|---|---|---|
| | Maturity | Sept. 30, 2014 | Dec. 31, 2013 |
| Fresenius Medical Care AG & Co. KGaA | 2013/2014 | **0** | 140 |
| HELIOS Kliniken GmbH | 2019 | **44** | 48 |
| **Loans from EIB** | | **44** | 188 |

The loans borrowed by FMC-AG & Co. KGaA, which were due on February 3 and 17, 2014, respectively, were repaid as scheduled.

As of September 30, 2014, 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, 2014, the additional financial cushion resulting from unutilized credit facilities was approximately €3.2 billion. Thereof €2.0 billion accounted for syndicated credit facilities.

## 14. SENIOR NOTES

As of September 30, 2014 and December 31, 2013, Senior Notes of the Fresenius Group consisted of the following:

| | Notional amount | Maturity | Interest rate | Book value € in millions Sept. 30, 2014 | Dec. 31, 2013 |
|---|---|---|---|---|---|
| Fresenius Finance B.V. 2014/2019 | €300 million | Feb. 1, 2019 | 2.375% | **299** | 0 |
| Fresenius Finance B.V. 2012/2019 | €500 million | Apr. 15, 2019 | 4.25% | **500** | 500 |
| Fresenius Finance B.V. 2013/2020 | €500 million | July 15, 2020 | 2.875% | **500** | 500 |
| Fresenius Finance B.V. 2014/2021 | €450 million | Feb. 1, 2021 | 3.00% | **445** | 0 |
| Fresenius Finance B.V. 2014/2024 | €450 million | Feb. 1, 2024 | 4.00% | **453** | 0 |
| Fresenius US Finance II, Inc. 2009/2015 | €275 million | July 15, 2015 | 8.75% | **273** | 270 |
| Fresenius US Finance II, Inc. 2009/2015 | US$500 million | July 15, 2015 | 9.00% | **394** | 357 |
| Fresenius US Finance II, Inc. 2014/2021 | US$300 million | Feb. 1, 2021 | 4.25% | **238** | 0 |
| FMC Finance VI S.A. 2010/2016 | €250 million | July 15, 2016 | 5.50% | **249** | 249 |
| FMC Finance VII S.A. 2011/2021 | €300 million | Feb. 15, 2021 | 5.25% | **295** | 295 |
| FMC Finance VIII S.A. 2011/2016 | €100 million | Oct. 15, 2016 | variable | **100** | 100 |
| FMC Finance VIII S.A. 2011/2018 | €400 million | Sept. 15, 2018 | 6.50% | **397** | 396 |
| FMC Finance VIII S.A. 2012/2019 | €250 million | July 31, 2019 | 5.25% | **243** | 243 |
| Fresenius Medical Care US Finance, Inc. 2007/2017 | US$500 million | July 15, 2017 | 6.875% | **395** | 360 |
| Fresenius Medical Care US Finance, Inc. 2011/2021 | US$650 million | Feb. 15, 2021 | 5.75% | **513** | 468 |
| Fresenius Medical Care US Finance II, Inc. 2011/2018 | US$400 million | Sept. 15, 2018 | 6.50% | **315** | 287 |
| Fresenius Medical Care US Finance II, Inc. 2012/2019 | US$800 million | July 31, 2019 | 5.625% | **636** | 580 |
| Fresenius Medical Care US Finance II, Inc. 2012/2022 | US$700 million | Jan. 31, 2022 | 5.875% | **556** | 508 |
| **Senior Notes** | | | | **6,801** | 5,113 |

On January 23, 2014, Fresenius Finance B.V. issued unsecured Senior Notes of €750 million. The €300 million tranche due 2019 has a coupon of 2.375% and was issued at a price of 99.647%. The €450 million tranche which has a coupon of 3.00% was issued at a price of 98.751% and is due in 2021.

Moreover, Fresenius Finance B.V. placed €300 million of unsecured Senior Notes with a maturity of 10 years on January 28, 2014. The Senior Notes have a coupon of 4.00% and were placed at par. On February 6, 2014, these Senior Notes were increased by an amount of €150 million at a price of 102%. The Senior Notes in the nominal amount of €450 million were issued on February 11, 2014.

Furthermore, on February 14, 2014, Fresenius US Finance II, Inc. issued US$300 million of unsecured Senior Notes with a maturity of seven years. The Senior Notes have a coupon of 4.25% and were issued at par.

Net proceeds of the Senior Notes issued in January and February 2014 were used to partially refinance the drawing under the Bridge Financing Facility. On February 27, 2014, the Bridge Financing Facility was voluntarily cancelled before maturity and the remaining outstanding amount of €90 million was repaid.

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

As of September 30, 2014, the Fresenius Group was in compliance with all of its covenants.

## 15. CONVERTIBLE BONDS

### FRESENIUS SE & CO. KGAA

On March 18, 2014, the Fresenius Group placed €500 million equity-neutral convertible bonds due 2019. The bonds were issued at par. The coupon was fixed at 0%, the initial conversion price has been determined at €149.3786. This represents a 35% premium over the reference share price of €110.65081. The reference share price has been determined as the arithmetic average of Fresenius' daily volume-weighted average XETRA share prices over a period of 10 consecutive XETRA trading days, starting on March 19, 2014. Net proceeds were used to partially fund the acquisition of hospitals and outpatient facilities of Rhön-Klinikum AG. Due to the dividend payment in May 2014 and the capital increase from company's funds in August 2014, the conversion price was adjusted. Accordingly, at September 30, 2014, the conversion price was €49.7249.

The fair value of the derivative embedded in the convertible bonds was €57 million at September 30, 2014. Fresenius SE & Co. KGaA has purchased stock options (call options) to secure against future fair value fluctuations of this derivative. The stock options also had an aggregate fair value of €57 million at September 30, 2014.

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

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

### FRESENIUS MEDICAL CARE AG & CO. KGAA

On September 19, 2014, Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) placed €400 million equity-neutral convertible bonds due 2020. The bonds were issued at par. The coupon was fixed at 1.125%, the initial conversion price has been determined at €73.6448. This represents a 35% premium over the reference share price of €54.55171. The reference share price has been determined as the arithmetic average of Fresenius Medical Care's daily volume-weighted average XETRA share prices over a period of 15 consecutive XETRA trading days, starting on September 17, 2014. Net proceeds were used for general corporate purposes.

The fair value of the derivative embedded in the convertible bonds was €30 million at September 30, 2014. FMC-AG & Co. KGaA has purchased stock options (call options) to secure against future fair value fluctuations of this derivative. The stock options also had an aggregate fair value of €30 million at September 30, 2014.

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

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

## 16. PENSIONS AND SIMILAR OBLIGATIONS

### DEFINED BENEFIT PENSION PLANS

At September 30, 2014, the pension liability of the Fresenius Group was €761 million. The current portion of the pension liability of €16 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 €745 million is recorded as pension liability.

Contributions to Fresenius Group's pension fund were €39 million in the first three quarters of 2014. The Fresenius Group expects approximately €43 million contributions to the pension fund during 2014.

Defined benefit pension plans' net periodic benefit costs of €45 million (Q1–3/2013: €42 million) were comprised of the following components:

| € in millions | Q1–3/2014 | Q1–3/2013 |
|---|---|---|
| Service cost | 26 | 21 |
| Net interest cost | 19 | 21 |
| **Net periodic benefit cost** | **45** | 42 |

## 17. NONCONTROLLING INTEREST

As of September 30, 2014 and December 31, 2013, noncontrolling interest in the Fresenius Group was as follows:

| € in millions | Sept. 30, 2014 | Dec. 31, 2013 |
|---|---|---|
| Noncontrolling interest in Fresenius Medical Care AG & Co. KGaA | 5,049 | 4,528 |
| Noncontrolling interest in VAMED AG | 39 | 38 |
| Noncontrolling interest in the business segments | | |
| Fresenius Medical Care | 515 | 399 |
| Fresenius Kabi | 123 | 127 |
| Fresenius Helios | 135 | 117 |
| Fresenius Vamed | 6 | 3 |
| **Total noncontrolling interest** | **5,867** | 5,212 |

Noncontrolling interest changed as follows:

| € in millions | Q1–3/2014 |
|---|---|
| **Noncontrolling interest as of January 1, 2014** | **5,212** |
| Noncontrolling interest in profit | 488 |
| Stock options | 46 |
| Purchase of noncontrolling interest | 110 |
| Dividend payments | -296 |
| Currency effects, first-time consolidations and other changes | 307 |
| **Noncontrolling interest as of September 30, 2014** | **5,867** |

## 18. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

### SUBSCRIBED CAPITAL

#### Capital increase from company's funds (stock split 1 : 3)

On May 16, 2014, the Annual General Meeting of Fresenius SE & Co. KGaA has resolved a capital increase from company's funds with issuance of new shares. For each existing non-par value share, Fresenius SE & Co. KGaA issued two new non-par value shares without additional payment to the shareholders. Accordingly, upon execution of the capital increase, both the subscribed capital of Fresenius SE & Co. KGaA and the number of shares issued tripled (stock split 1 : 3).

After registration of the capital increase with the commercial register on August 1, 2014, the subscribed capital increased to €540,511,632 (including newly created shares due to options exercised until this date). The new shares have full dividend entitlement for the fiscal year 2014. The proportionate amount of the subscribed capital will continue to be €1.00 per share.

During the first three quarters of 2014, 2,119,396 stock options were exercised. Consequently, as of September 30, 2014, the subscribed capital of Fresenius SE & Co. KGaA consisted of 541,203,883 bearer ordinary shares. The shares are issued as non-par value shares.

### AUTHORIZED CAPITAL

In connection with the stock split 1 : 3 described before, by resolution of the Annual General Meeting on May 16, 2014, the previous Authorized Capital I was revoked and a new Authorized Capital I with a proportionally adjusted amount and a five-year term 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 15, 2019, to increase Fresenius SE & Co. KGaA's subscribed capital by a total amount of up to €120,960,000 through a single or multiple issues of new bearer ordinary shares against cash contributions and / or contributions in kind (Authorized Capital I).

The number of shares must increase in the same proportion as the subscribed capital. 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, in case of a capital increase against cash contributions, the proportionate amount of the shares issued with exclusion of subscription rights may not exceed 10% of the subscribed capital. An exclusion of subscription rights in the context of the use of other authorizations concerning the issuance or the sale of the shares of Fresenius SE & Co. KGaA or the issuance of rights which authorize or bind to the subscription of shares of Fresenius SE & Co. KGaA has to be taken into consideration during the duration of the Authorized Capital until its utilization. In the case of a subscription 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 Fresenius Management SE 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. An exclusion of subscription rights in the context of the use of other authorizations concerning the issuance or the sale of the shares of Fresenius SE & Co. KGaA or the issuance of rights which authorize or bind to the subscription of shares of Fresenius SE & Co. KGaA has to be taken into consideration during the duration of the Authorized Capital until its utilization.

The changes to the Authorized Capital I became effective upon registration with the commercial register on August 1, 2014.

## CONDITIONAL CAPITAL

### Stock option plans

The following Conditional Capitals exist in order to fulfill the subscription rights under the stock option plans of Fresenius SE & Co. KGaA: Conditional Capital I (Stock Option Plan 2003), Conditional Capital II (Stock Option Plan 2008) and Conditional Capital IV (Stock Option Plan 2013) (see note 25, Stock options).

Due to the stock split 1 : 3, Conditional Capitals I, II and IV increased, by operation of law, in the same proportion as the subscribed capital. After registration with the commercial register on August 1, 2014, the Conditional Capital I amounted to €6,014,670 (March 31, 2014: €2,066,919), the Conditional Capital II to €11,680,542 (March 31, 2014: €4,177,950) and the Conditional Capital IV to €25,200,000 (March 31, 2014: €8,400,000).

### Option bearer bonds and convertible bonds

The previous authorization to issue option bearer bonds and/or convertible bonds (Conditional Capital III) dated May 11, 2012 was revoked by resolution of the Annual General Meeting of Fresenius SE & Co. KGaA on May 16, 2014. In line with the stock split 1 : 3, the same Annual General Meeting approved a new Conditional Capital III with a proportionally adjusted amount and a five-year term. The new Conditional Capital III became effective upon registration with the commercial register on August 1, 2014.

Accordingly, the general partner is authorized, with the approval of the Supervisory Board, until May 15, 2019, 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 is increased conditionally by up to €48,971,202 through issuing of up to 48,971,202 new bearer ordinary shares. The conditional capital increase shall only be implemented to the extent that the holders of cash issued convertible bonds or of cash issued warrants from option bonds exercise their conversion or option rights and as long as no other forms of settlement are used. The new bearer ordinary shares shall participate in the profits from the start of the fiscal year in which they are issued.

After registration with the commercial register on August 1, 2014, the Conditional Capital III amounted to €48,971,202 (March 31, 2014: €16,323,734).

The following table shows the development of the Conditional Capital:

| in € | Ordinary shares |
|---|---|
| Conditional Capital I Fresenius AG Stock Option Plan 2003 | 2,111,517 |
| Conditional Capital II Fresenius SE Stock Option Plan 2008 | 4,262,602 |
| Conditional Capital III, approved on May 11, 2012 | 16,323,734 |
| Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013 | 8,400,000 |
| **Total Conditional Capital as of January 1, 2014** | **31,097,853** |
| Fresenius AG Stock Option Plan 2003 – options exercised | -106,627 |
| Fresenius SE Stock Option Plan 2008 – options exercised | -369,088 |
| **Total Conditional Capital as of July 31, 2014** | **30,622,138** |
| Conditional Capital I after registration of the stock split on August 1, 2014 | 6,014,670 |
| Conditional Capital II after registration of the stock split on August 1, 2014 | 11,680,542 |
| Conditional Capital III after registration of the stock split on August 1, 2014 | 48,971,202 |
| Conditional Capital IV after registration of the stock split on August 1, 2014 | 25,200,000 |
| Fresenius AG Stock Option Plan 2003 – options exercised after July 31, 2014 | -208,034 |
| Fresenius SE Stock Option Plan 2008 – options exercised after July 31, 2014 | -484,217 |
| **Total Conditional Capital as of September 30, 2014** | **91,174,163** |

## CAPITAL RESERVES

Capital reserves are comprised of the premium paid on the issuance of shares and the exercise of stock options.

In connection with the capital increase from company's funds, the capital reserves were reduced by €360,341,088 due to a conversion of a portion of the capital reserves into subscribed capital.

## 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 2014, a dividend of €1.25 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 €224.6 million.

## 19. OTHER COMPREHENSIVE INCOME (LOSS)

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

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

| € in millions | Cash flow hedges | Change of fair value of available for sale financial assets | Foreign currency translation | Actuarial gains/losses on defined benefit pension plans | Total, before non-controlling interest | Non-controlling interest | Total, after non-controlling interest |
|---|---|---|---|---|---|---|---|
| **Balance as of December 31, 2012** | -120 | -17 | 167 | -115 | -85 | 18 | -67 |
| Other comprehensive income (loss) before reclassifications | 9 | 25 | -144 | – | -110 | – | -110 |
| Amounts reclassified from accumulated other comprehensive income (loss) | 8 | 0 | – | 0 | 8 | 7 | 15 |
| Other comprehensive income (loss), net | 17 | 25 | -144 | – | -102 | -158 | -260 |
| **Balance as of September 30, 2013** | **-103** | **8** | **23** | **-115** | **-187** | **-140** | **-327** |
| | | | | | | | |
| **Balance as of December 31, 2013** | -105 | 17 | -105 | -131 | -324 | -256 | -580 |
| Other comprehensive income (loss) before reclassifications | -17 | – | 352 | -4 | 331 | 376 | 707 |
| Amounts reclassified from accumulated other comprehensive income (loss) | 13 | -16 | – | 0 | -3 | 10 | 7 |
| Other comprehensive income (loss), net | -4 | -16 | 352 | -4 | 328 | 386 | 714 |
| **Balance as of September 30, 2014** | **-109** | **1** | **247** | **-135** | **4** | **130** | **134** |

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

| € in millions | Amount of gain or loss reclassified from accumulated other comprehensive (income) loss | | Affected line item in the consolidated statement of income |
|---|---|---|---|
| | **Q1–3/2014** | Q1–3/2013 | |
| **Details about accumulated other comprehensive (income) loss components** | | | |
| Cash flow hedges | | | |
| Interest rate contracts | **25** | 23 | Interest income/expense |
| Foreign exchange contracts | **3** | -1 | Cost of sales |
| Foreign exchange contracts | **3** | -1 | Selling, general and administrative expenses |
| Foreign exchange contracts | **–** | – | Interest income/expense |
| Other comprehensive income (loss) | **31** | 21 | |
| Tax expense or benefit | **-8** | -6 | |
| Other comprehensive income (loss), net | **23** | 15 | |
| | | | |
| Change of fair value of available for sale financial assets | **-23** | 0 | Selling, general and administrative expenses |
| Tax expense or benefit | **7** | 0 | |
| Other comprehensive income (loss), net | **-16** | 0 | |
| | | | |
| **Total reclassifications for the period** | **7** | 15 | |

## OTHER NOTES

### 20. LEGAL AND REGULATORY MATTERS

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

Further information regarding legal disputes, court proceedings and investigations can be found in detail in the consolidated financial statements as of December 31, 2013 applying Section 315a HGB in accordance with IFRS. In the following, only the changes during the first three quarters ended September 30, 2014 compared to the information provided in the consolidated financial statements are described. These changes should be read in conjunction with the overall information in the consolidated financial statements as of December 31, 2013 applying Section 315a HGB in accordance with IFRS; defined terms or abbreviations having the same meaning as in the consolidated financial statements as of December 31, 2013 applying Section 315a HGB in accordance with IFRS.

#### W.R. GRACE & CO. LAWSUIT

On February 3, 2014, the Court of Appeals dismissed the last of the appeals of the District Court order confirming the plan of reorganization, and the Grace Bankruptcy Plan went effective on that date. Pursuant to the terms of the Settlement Agreement and the Grace Bankruptcy Plan, all actions asserting fraudulent conveyance and other claims raised on behalf of asbestos claimants were dismissed with prejudice and Fresenius Medical Care received protection against existing and potential future W.R. Grace & Co. related claims, including fraudulent conveyance and asbestos claims by operation of injunctions and releases and Fresenius Medical Care also received indemnification against income tax claims related to the non-NMC members of the W.R. Grace & Co. consolidated tax group. Also, pursuant to the Settlement Agreement on February 3, 2014, Fresenius Medical Care paid a total of US$115 million, which had previously been accrued and is included on Fresenius Group's consolidated statement of financial position, to the asbestos personal injury and property damage trusts created under the Grace Bankruptcy Plan. No admission of liability was made.

#### BAXTER PATENT DISPUTE "TOUCHSCREEN INTERFACES" (1)

On March 5, 2014, Baxter petitioned the United States Supreme Court to review the decisions of the Federal Circuit. On May 19, 2014, the U.S. Supreme Court denied Baxter's petition and let stand the Federal Circuit's order dismissing the case.

#### PRODUCT LIABILITY LITIGATION

In addition, similar cases have been filed in state courts outside Massachusetts, in some of which the judicial authorities have established consolidated proceedings for their disposition.

#### INTERNAL REVIEW

Fresenius Medical Care has received communications alleging conduct in countries outside the United States and Germany that may violate the U.S. Foreign Corrupt Practices Act (FCPA) or other anti-bribery laws. The Audit and Corporate Governance Committee of Fresenius Medical Care's

Supervisory Board is conducting an investigation with the assistance of independent counsel. Fresenius Medical Care voluntarily advised the U.S. Securities and Exchange Commission (SEC) and the U.S. Department of Justice (DOJ). Fresenius Medical Care's investigation and dialogue with the SEC and DOJ are ongoing. Fresenius Medical Care has received a subpoena from the SEC requesting additional documents and a request from the DOJ for copies of the documents provided to the SEC. Fresenius Medical Care is cooperating with the requests.

Conduct has been identified that may result in monetary penalties or other sanctions under the FCPA or other anti-bribery laws. In addition, Fresenius Medical Care's ability to conduct business in certain jurisdictions could be negatively impacted. Fresenius Medical Care has previously recorded a non-material accrual for an identified matter. Given the current status of the investigations and remediation activities, Fresenius Medical Care cannot reasonably estimate the range of possible loss that may result from identified matters or from the final outcome of the investigations or remediation activities.

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

#### CHINA ANTI-DUMPING INVESTIGATION

On June 13, 2014, the Ministry of Commerce of the People's Republic of China (MOFCOM) launched an anti-dumping investigation into producers of hemodialysis equipment in the European Union and Japan, which includes certain of the Fresenius Medical Care's subsidiaries. Fresenius Medical Care is cooperating in this investigation and answered questionnaires issued by MOFCOM.

#### SUBPOENA "MARYLAND"

In August 2014, Fresenius Medical Care Holdings, Inc. (FMCH) received a subpoena from the United States Attorney for the District of Maryland inquiring into FMCH's contractual arrangements with hospitals and physicians, including contracts relating to the management of in-patient acute dialysis services. FMCH is cooperating in the investigation.

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

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

## 21. FINANCIAL INSTRUMENTS

### VALUATION OF FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and fair values as well as the fair value hierarchy levels of Fresenius Group's financial instruments as of September 30, 2014 and December 31, 2013, classified into classes:

| € in millions | Fair value hierarchy level | **September 30, 2014** Carrying amount | Fair value | December 31, 2013 Carrying amount | Fair value |
|---|---|---|---|---|---|
| Cash and cash equivalents | 1 | **1,035** | **1,035** | 864 | 864 |
| Assets recognized at carrying amount | 3 | **4,286** | **4,295** | 3,629 | 3,636 |
| Assets recognized at fair value | 1 | **134** | **134** | 197 | 197 |
| Liabilities recognized at carrying amount | 2 | **15,683** | **16,352** | 13,603 | 14,137 |
| Liabilities recognized at fair value | 2 | **88** | **88** | 1 | 1 |
| Noncontrolling interest subject to put provisions recognized at fair value | 3 | **526** | **526** | 378 | 378 |
| Derivatives for hedging purposes | 2 | **24** | **24** | 10 | 10 |

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

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

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

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

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

The class assets recognized at fair value is comprised of European government bonds, shares and shares in funds. 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 derivatives embedded in the convertible bonds are included in the class liabilities recognized at fair value. The fair values of these derivatives are derived from market quotes. The class was classified as Level 2.

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

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

| € in millions | Q1–3/2014 |
|---|---|
| **Noncontrolling interest subject to put provisions as of January 1, 2014** | **378** |
| Noncontrolling interest subject to put provisions in profit | 77 |
| Purchase of noncontrolling interest subject to put provisions | 76 |
| Dividend payments | -83 |
| Currency effects, first-time consolidations and other changes | 78 |
| **Noncontrolling interest subject to put provisions as of September 30, 2014** | **526** |

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

Fresenius Group's own credit risk is incorporated in the fair value estimation of derivatives that are liabilities. Counterparty credit risk adjustments are factored into the valuation of derivatives that are assets. The Fresenius Group monitors and analyses the credit risk from derivative financial instruments on a regular basis. For the valuation of derivative financial instruments, the credit risk is considered in the fair value of every individual instrument. The basis for the default probability are Credit Default Swap Spreads of each counterparty appropriate for the duration. The calculation of the credit risk considered in the valuation is done by multiplying the default probability appropriate for the duration with the expected discounted cash flows of the derivative financial instrument.

In the class derivatives for hedging purposes, stock options are included to secure the convertible bonds. The fair values of these stock options are derived from market quotes. For the fair value measurement of the class derivatives for hedging purposes, significant other observable inputs are used. Therefore, the class is classified as Level 2 in accordance with the defined fair value hierarchy levels.

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

FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

| | **September 30, 2014** | | December 31, 2013 | |
|---|---|---|---|---|
| € in millions | **Assets** | **Liabilities** | Assets | Liabilities |
| Interest rate contracts (current) | **0** | **0** | 0 | 4 |
| Interest rate contracts (non-current) | **0** | **6** | 0 | 4 |
| Foreign exchange contracts (current) | **7** | **42** | 15 | 5 |
| Foreign exchange contracts (non-current) | **–** | **6** | 1 | – |
| **Derivatives designated as hedging instruments** [1] | **7** | **54** | 16 | 13 |
| | | | | |
| Interest rate contracts (current) | **0** | **0** | 0 | – |
| Interest rate contracts (non-current) | **0** | **1** | 0 | 1 |
| Foreign exchange contracts (current) [1] | **10** | **25** | 15 | 8 |
| Foreign exchange contracts (non-current) [1] | **–** | **1** | 1 | 1 |
| Derivatives embedded in the convertible bonds | **0** | **87** | 0 | 0 |
| Stock options to secure the convertible bonds [1] | **87** | **0** | 0 | 0 |
| **Derivatives not designated as hedging instruments** | **97** | **114** | 16 | 10 |

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

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

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

Derivatives for hedging purposes as well as the derivatives embedded in the convertible bonds were recognized at gross value within other assets in an amount of €104 million and other liabilities in an amount of €167 million.

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

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

| | **Q1–3/2014** | | |
|---|---|---|---|
| € in millions | Gain or loss recognized in other comprehensive income (loss) (effective portion) | Gain or loss reclassified from accumulated other comprehensive income (loss) (effective portion) | Gain or loss recognized in the consolidated statement of income |
| Interest rate contracts | – | 25 | 2 |
| Foreign exchange contracts | -33 | 6 | 0 |
| **Derivatives in cash flow hedging relationships** [1] | **-33** | **31** | **2** |
| Foreign exchange contracts | | | -10 |
| **Derivatives in fair value hedging relationships** | | | **-10** |
| **Derivatives designated as hedging instruments** | **-33** | **31** | **-8** |

| | Q1–3/2013 | | |
|---|---|---|---|
| € 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 | 17 | 23 | 2 |
| Foreign exchange contracts | -3 | -2 | 0 |
| **Derivatives in cash flow hedging relationships** [1] | **14** | **21** | **2** |
| Foreign exchange contracts | | | -2 |
| **Derivatives in fair value hedging relationships** | | | **-2** |
| **Derivatives designated as hedging instruments** | **14** | **21** | **0** |

[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 | **Q1–3/2014** | Q1–3/2013 |
| Interest rate contracts | **–** | 6 |
| Foreign exchange contracts | **38** | 6 |
| **Derivatives not designated as hedging instruments** | **38** | 12 |

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

The Fresenius Group expects to recognize a net amount of €10 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 €30 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.

## MARKET RISK

### General

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

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

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

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

### Derivative financial instruments

**Classification**

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

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

At September 30, 2014 and December 31, 2013, the Fresenius Group had €17 million and €29 million of derivative financial assets subject to netting arrangements and €73 million and €22 million of derivative financial liabilities subject to netting arrangements. Offsetting these derivative financial instruments would have resulted in net assets of €6 million and €22 million as well as net liabilities of €62 million and €15 million at September 30, 2014 and December 31, 2013, respectively.

**Foreign exchange risk management**

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

As of September 30, 2014, the notional amounts of foreign exchange contracts totaled €2,206 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 value of cash flow hedges was -€41 million. As of September 30, 2014, no fair value hedges were recognized in the Fresenius Group.

As of September 30, 2014, the Fresenius Group was party to foreign exchange contracts with a maximum maturity of 20 months.

**Interest rate risk management**

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

As of September 30, 2014, the interest rate swaps had a notional volume of €315 million as well as a fair value of -€7 million, which expire between 2016 and 2022.

In addition, the Fresenius Group also enters into interest rate hedges (pre-hedges) in anticipation of future debt issuance to effectively convert the variable interest rate related to the future debt to a fixed interest rate. These pre-hedges are settled at the issuance date of the corresponding debt with the settlement amount recorded in accumulated other comprehensive income (loss) amortized to interest expense over the life of the pre-hedges. At September 30, 2014 and December 31, 2013, the Fresenius Group had €94 million and €113 million, respectively, related to such settlements of pre-hedges deferred in accumulated other comprehensive income (loss), net of tax.

## 22. SUPPLEMENTARY INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of September 30, 2014, the equity ratio was 40.2% and the debt ratio (debt/total assets) was 39.1%. As of September 30, 2014, the leverage ratio (pro forma, before special items) on the basis of net debt/EBITDA, which is measured on the basis of U.S. GAAP figures, was 3.4.

The aims of the capital management and further information can be found in the consolidated financial statements as of December 31, 2013 applying Section 315a HGB in accordance with IFRS.

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

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

| | Standard & Poor's | Moody's | Fitch |
|---|---|---|---|
| Company rating | BB+ | Ba1 | BB+ |
| Outlook | positive | negative | positive |

In March 2014, Fitch confirmed the BB+ rating with a positive outlook. Fitch had put the rating on "watch evolving" in September 2013 after the announcement of the acquisition of hospitals from Rhön-Klinikum AG. The rating confirmation reflects Fresenius Group's performance in 2013 as well as the completion of the Rhön hospital acquisition.

## 23. SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

| € in millions | **Q1–3/2014** | Q1–3/2013 |
|---|---|---|
| Assets acquired | **2,619** | 370 |
| Liabilities assumed | **-664** | -39 |
| Noncontrolling interest | **-87** | -16 |
| Notes assumed in connection with acquisitions | **-217** | -11 |
| Cash paid | **1,651** | 304 |
| Cash acquired | **-201** | -6 |
| **Cash paid for acquisitions, net** | **1,450** | 298 |
| Cash paid for investments, net of cash acquired | **144** | 143 |
| Cash paid for intangible assets, net | **7** | 4 |
| **Total cash paid for acquisitions and investments, net of cash acquired, and net purchases of intangible assets** | **1,601** | 445 |

## 24. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

### GENERAL

The consolidated segment reporting shown on pages 24 to 27 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, 2014.

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

Fresenius Medical Care is the world's leading provider of services and products for patients with chronic kidney failure. As of September 30, 2014, Fresenius Medical Care was treating 283,135 patients in 3,349 dialysis clinics.

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

Fresenius Helios is Germany's largest hospital operator. At September 30, 2014, Fresenius Helios owned 111 hospitals, thereof 87 acute care clinics including 7 maximum care hospitals in Berlin-Buch, Duisburg, Erfurt, Krefeld, Schwerin, Wiesbaden and Wuppertal and 24 post-acute care clinics. Fresenius Helios treats more than 4.2 million patients per year, thereof more than 1.2 million inpatients, and operates more than 34,000 beds.

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

The segment Corporate/Other is mainly comprised of the holding functions of Fresenius SE & Co. KGaA as well as Fresenius Netcare GmbH, which provides services in the field of information technology and, until June 28, 2013, Fresenius Biotech, which did not fulfill the characteristics of a reportable segment. In addition, the segment Corporate/Other includes intersegment consolidation adjustments as well as special items (see note 3, Special items).

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

## NOTES ON THE BUSINESS SEGMENTS

Explanations regarding the notes on the business segments can be found in the consolidated financial statements as of December 31, 2013 applying Section 315a HGB in accordance with IFRS.

### RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS

| € in millions | **Q1–3/2014** | Q1–3/2013 |
|---|---|---|
| Total EBIT of reporting segments | **2,219** | 2,172 |
| General corporate expenses Corporate/Other (EBIT) | **28** | -46 |
| **Group EBIT** | **2,247** | 2,126 |
| Net interest | **-431** | -449 |
| **Income before income taxes** | **1,816** | 1,677 |

### RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| € in millions | **Sept. 30, 2014** | Dec. 31, 2013 |
|---|---|---|
| Short-term debt | **527** | 2.376 |
| Short-term loans from related parties | **2** | 6 |
| Current portion of long-term debt and capital lease obligations | **1,012** | 855 |
| Current portion of Senior Notes | **667** | 0 |
| Long-term debt and capital lease obligations, less current portion | **5,608** | 4,366 |
| Senior Notes, less current portion | **6,134** | 5,113 |
| Convertible bonds | **829** | 0 |
| **Debt** | **14,779** | 12,716 |
| less cash and cash equivalents | **1,035** | 864 |
| **Net debt** | **13,744** | 11,852 |

## 25. STOCK OPTIONS

### FRESENIUS SE & CO. KGAA STOCK OPTION PLANS

As of September 30, 2014, Fresenius SE & Co. KGaA had three stock option plans in place: the Fresenius AG Stock Option Plan 2003 (2003 Plan) which is based on convertible bonds, the stock option based Fresenius SE Stock Option Plan 2008 (2008 Plan) and the Fresenius SE & Co. KGaA Long Term Incentive Program 2013 (2013 LTIP) which is based on stock options and phantom stocks. The 2013 LTIP is the only program under which options can be granted.

### Transactions during the first three quarters of 2014

On July 28, 2014, Fresenius SE & Co. KGaA awarded 2,233,812 stock options under the 2013 LTIP, including 315,000 options to members of the Management Board of Fresenius Management SE, at an exercise price of €36.92, a fair value of €8.28 each and a total fair value of €18 million, which will be amortized over the four-year vesting period. Fresenius SE & Co. KGaA also awarded 326,592 phantom stocks, including 81,606 phantom stocks granted to members of the Management Board of Fresenius Management SE, at a measurement date (September 30, 2014) fair value of €37.20 each and a total fair value of €12 million, which will be revalued if the fair value changes, and amortized over the four-year vesting period.

During the first three quarters of 2014, Fresenius SE & Co. KGaA received cash of €38 million from the exercise of 2,119,396 stock options.

1,150,801 convertible bonds were outstanding and exercisable under the 2003 Plan at September 30, 2014. The members of the Fresenius Management SE Management Board held 137,724 convertible bonds. At September 30, 2014, out of 7,934,863 outstanding stock options issued under the 2008 Plan, 4,547,728 were exercisable and 1,578,180 were held by the members of the Fresenius Management SE Management Board. 4,303,002 stock options issued under the 2013 LTIP were outstanding at September 30, 2014. The members of the Fresenius Management SE Management Board held 630,000 stock options. 651,345 phantom stocks issued under the 2013 LTIP were outstanding at September 30, 2014. The members of the Fresenius Management SE Management Board held 163,422 phantom stocks.

As of September 30, 2014, 5,698,529 options for ordinary shares were outstanding and exercisable. On September 30, 2014, total unrecognized compensation cost related to non-vested options granted under the 2008 Plan and the 2013 LTIP was €34 million. This cost is expected to be recognized over a weighted-average period of 3 years.

### Changes due to the capital increase from company's funds (stock split 2014 at a ratio of 1 : 3)

Compared to the existing conditions described in the consolidated financial statements as of December 31, 2013, the following material changes to the stock option plans result from the stock split 2014 at a ratio of 1 : 3 coming into effect:

**Fresenius SE & Co. KGaA Stock Option Plan 2013 (SOP 2013)**

As far as options have not yet been granted under the SOP 2013, the total volume of not yet granted subscription rights increases in the same proportion as the subscribed capital (factor 3). The same applies to the subsets of the subscription rights that are attributable to individual groups of participants. For stock options that were granted before the stock split 2014 came into effect, the entitlement of the participants to receive new shares through the exercise of stock options increases in the same proportion as the subscribed capital (factor 3). The participants are now entitled to receive three bearer ordinary shares of Fresenius SE & Co. KGaA. The exercise price is reduced proportionally.

**Fresenius SE & Co. KGaA Phantom Stock Plan 2013 (PSP 2013)**

The holders of phantom stocks, that were issued before the stock split 2014 came into effect, will be granted an economic compensation through retroactively tripling the number of phantom stocks granted before the stock split 2014 came into effect.

**Stock Option Plan 2008**

For stock options that were granted before the stock split 2014 came into effect, the entitlement of the participants to receive new shares through the exercise of stock options increases in the same proportion as the subscribed capital (factor 3). The participants are now entitled to receive three bearer ordinary shares of Fresenius SE & Co. KGaA (originally of Fresenius SE). The maximum number of ordinary shares to be issued increases accordingly. The exercise price is reduced proportionally.

**Stock Option Plan 2003**

Convertible bonds granted prior to the registration of the resolutions of the Annual General Meeting dated December 4, 2006 with the commercial register regarding the capital increase from company's funds and the new division of the subscribed capital (stock split 2006) but converted after the stock split 2014 came into effect, now entitle participants to receive nine bearer ordinary shares of Fresenius SE & Co. KGaA (originally of Fresenius AG or of Fresenius SE, respectively) per convertible bond. The maximum number of ordinary shares to be issued increases accordingly. The conversion price is reduced proportionally.

Convertible bonds granted after the registration of the stock split 2006 with the commercial register but converted after the stock split 2014 came into effect, now entitle participants to receive three bearer ordinary shares of Fresenius SE & Co. KGaA (originally of Fresenius AG or of Fresenius SE, respectively) per convertible bond. The maximum number of ordinary shares to be issued increases accordingly. The conversion price is reduced proportionally.

### FRESENIUS MEDICAL CARE AG & CO. KGAA STOCK OPTION PLANS

On July 28, 2014, FMC-AG & Co. KGaA awarded 1,595,520 options under the 2011 Long Term Incentive Program, including 273,900 stock options granted to members of the Management Board of FMC Management AG, at an exercise price of €49.93, a fair value of €9.01 each and a total fair value of €14 million, which will be amortized over the four-year vesting period. FMC-AG & Co. KGaA awarded 283,716 phantom stocks, including 24,950 phantom stocks granted to members of the Management Board of FMC Management AG, at a measurement date (September 30, 2014) fair value of €51.72 each and a total fair value of €15 million, which will be revalued if the fair value changes, and amortized over the four-year vesting period.

During the first three quarters of 2014, 1,714,118 stock options were exercised. Fresenius Medical Care AG & Co. KGaA received cash of €59.3 million upon exercise of these stock options and €4.8 million from a related tax benefit.

## 26. RELATED PARTY TRANSACTIONS

Prof. Dr. med. D. Michael Albrecht, a member of the Supervisory Board of Fresenius SE & Co. KGaA, is medical director and spokesman of the management board of the University Hospital Carl Gustav Carus Dresden and a member of the supervisory board of the University Hospital Aachen. Furthermore, he was a member of the supervisory board of the University Hospital Magdeburg until October 3, 2013 and a member of the supervisory board of the University Hospital Rostock until February 28, 2013. The Fresenius Group maintains business relations with these hospitals in the ordinary course and under customary conditions.

Prof. Dr. h. c. Roland Berger, a member of the Supervisory Board of Fresenius Management SE and of Fresenius SE & Co. KGaA, is a partner of Roland Berger Strategy Consultants Holding GmbH. In the first three quarters of 2014, after discussion and approval by the Supervisory Board of Fresenius Management SE and Fresenius SE & Co. KGaA, the Fresenius Group paid €3.0 million to affiliated companies of the Roland Berger group for consulting services rendered.

Klaus-Peter Müller, a member of the Supervisory Board of Fresenius Management SE and of Fresenius SE & Co. KGaA, is the chairman of the supervisory board of Commerzbank AG. The Fresenius Group maintains business relations with Commerzbank under customary conditions. In the first three quarters of 2014, the Fresenius Group paid in aggregate €0.8 million to Commerzbank in connection with the issuance of capital market debt.

Dr. Gerhard Rupprecht, who died in an accident in August 2014, was a member of the Supervisory Boards of Fresenius Management SE, of Fresenius SE & Co. KGaA and of Allianz France SA. In the first three quarters of 2014, the Fresenius Group paid €8.7 million for insurance premiums to the Allianz group under customary conditions.

Dr. Dieter Schenk, deputy chairman of the Supervisory Board of Fresenius Management SE, is a partner in the international law firm Noerr LLP, which provides legal services to the Fresenius Group. In the first three quarters of 2014, after discussion and approval of each mandate by the Supervisory Board of Fresenius Management SE, the Fresenius Group paid €0.5 million to this law firm for legal services rendered.

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

## 27. SUBSEQUENT EVENTS

On November 6, 2014, Fresenius Kabi and its partners Sistema JSFC and Zenitco Finance Management LLC announced, they had agreed to terminate the joint venture agreement announced in April 2014. The intention was to combine Fresenius Kabi's Russian and CIS business with the partners' subsidiary CJSC Binnopharm.

On October 29, 2014, Fresenius Medical Care US Finance II, Inc. issued US$900 million aggregate principal amount of US$-denominated unsecured Senior Notes to repay Term Loan A-2 under the Fresenius Medical Care 2012 Credit Agreement as well as other short-term debt, and for acquisitions and general corporate purposes. The Senior Notes, issued at par, consist of US$500 million with a coupon of 4.125% Senior Notes due 2020 and US$400 million with a coupon of 4.75% Senior Notes due 2024.

There have been no significant changes in the Fresenius Group's operating environment following the end of the first three quarters of 2014. 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 2014.

## 28. CORPORATE GOVERNANCE

For each consolidated stock exchange listed entity, the declaration pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz) has been issued and made available to shareholders on the website of Fresenius SE & Co. KGaA www.fresenius.com 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 2014 | February 25, 2015 |
| Report on 1st quarter 2015<br>Conference call, Live webcast | April 30, 2015 |
| Annual General Meeting, Frankfurt am Main<br>Live webcast of the speech of the Chairman<br>of the Management Board | May 20, 2015 |
| Report on 1st half 2015<br>Conference call, Live webcast | July 30, 2015 |
| Report on 1st – 3rd quarter 2015<br>Conference call, Live webcast | October 29, 2015 |

Subject to change

# FRESENIUS SHARE / ADR

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

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

[1] As of August 4, 2014, the ADR ratio was changed in conjunction with the company's stock split (previous ratio: 8 ADR = 1 Share)

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

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

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

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

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

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