Company FRESENIUS MEDICAL CARE Issue 2009
Content QUARTERLY REPORT / 1ST QUARTER

1ST QUARTER 2009

Fresenius Medical Care

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OVERVIEW

Table 01 **SUMMARY FIRST QUARTER 2009**

Net revenue	$ 2,560 million	+ 2 %
Operating income (EBIT)	$ 396 million	+ 2 %
Net income attributable to Fresenius Medical Care AG & Co. KGaA	$ 198 million	+ 7 %
Earnings per share	$ 0.67	+ 6 %

REVENUE

Net revenue for the first quarter of 2009 increased by 2 % to $ 2,560 million (8 % at constant currency) compared to the first quarter of 2008. Organic revenue growth worldwide was 8 %. Dialysis services revenue grew by 4 % to $ 1,923 million (8 % at constant currency) in the first quarter of 2009. Dialysis product revenue decreased by 5 % to $ 637 million (an increase of 8 % at constant currency) in the same period.

North America revenue increased by 6 % to $ 1,774 million. Dialysis services revenue grew by 5 % to $ 1,577 million. Average revenue per treatment for the U.S. clinics was $ 338 in the first quarter of 2009 compared to $ 326 for the first quarter of 2008 and $ 335 for the fourth quarter of 2008. This development was based on an increase in underlying reimbursement rates and stable EPO utilization. Dialysis product revenue increased by 14 % to $ 197 million and was led by sales of the newly licensed intravenous iron products and strong sales of the 2008K hemodialysis machines.

International revenue was $ 786 million, a decrease of 7 % (an increase of 11 % at constant currency) compared to the first quarter of 2008. Dialysis services revenue reached $ 346 million, a decrease of 1 % (an increase of 18 % at constant currency). Dialysis product revenue decreased by 11 % to $ 440 million. Sales grew by 6 % based on constant currencies, led by strong pharmaceutical sales and sales of products for acute care treatments.

EARNINGS

Operating income (EBIT) increased by 2 % to $ 396 million compared to $ 389 million in the first quarter of 2008. Operating margin remained unchanged at 15.5 % in the first quarter of 2009 compared to the first quarter of 2008.

In North America, the operating margin decreased by 110 basis points from 16.4 % to 15.3 % in the first quarter of 2009 primarily due to higher personnel expenses, increased pharmaceutical costs and the impact of one less dialysis day in the first quarter of 2009 compared to the first quarter of 2008. These effects were partially offset by increased dialysis treatment rates and sales of the newly licensed intravenous iron products.

In the International segment, the operating margin increased by 170 basis points to 18.7 % due to reduced manufacturing costs and operating expenses.

Net interest expense for the first quarter of 2009 was $ 74 million compared to $ 83 million in the same quarter of 2008. This positive development was mainly attributable to lower short term interest rates.

Income tax expense was $ 116 million for the first quarter of 2009 nearly equal to the first quarter of 2008, reflecting effective **tax rates** of 35.9 % and 37.3 %, respectively.

Net income attributable to Fresenius Medical Care AG & Co. KGaA for the first quarter of 2009 was $ 198 million, an increase of 7 %.

Earnings per share (EPS) for the first quarter of 2009 rose by 6 % to $ 0.67 per ordinary share compared to $ 0.63 for the first quarter of 2008. The weighted average number of shares outstanding for the first quarter of 2009 was approximately 297.7 million shares compared to 296.6 million shares for the first quarter of 2008. The increase in shares outstanding resulted from stock option exercises in 2008 and in the first quarter of 2009.

CASH FLOW

In the first quarter of 2009, the Company generated $ 156 million in **cash from operations,** representing approximately 6 % of revenue. The cash flow generation benefited from a decrease in Days Sales Outstanding (DSO) in the first quarter of 2009 compared to the fourth quarter of 2008 of two days but was negatively affected by higher other working capital requirements.

A total of $ 111 million was spent for **capital expenditures**, net of disposals. **Free Cash Flow before acquisitions** was $ 45 million compared to $ 39 million in the first quarter of 2008. A total of $ 36 million in cash was used for **acquisitions net of divestitures. Free Cash Flow after acquisitions and divestitures** was $ 9 million compared to $ 6 million in the first quarter of last year.

PATIENTS – CLINICS – TREATMENTS

As of March 31, 2009, Fresenius Medical Care treated 187,476 **patients** worldwide, which represents a 6 % increase in patients compared to the same period last year. North America provided dialysis treatments for 127,121 patients, an increase of 4 %. Including 31 clinics managed by Fresenius Medical Care North America, the number of patients in North America was 128,763. The International segment served 60,355 patients, an increase of 11 % over last year.

As of March 31, 2009, the Company operated a total of 2,448 **clinics** worldwide. This is comprised of 1,714 clinics in North America (1,745 including managed clinics), an increase of 5 %, and 734 clinics in the International segment, an increase of 12 %.

Fresenius Medical Care delivered approximately 7.04 million dialysis **treatments** worldwide during the first quarter of 2009. This represents an increase of 5 % over the same quarter last year. North America accounted for 4.74 million treatments, an increase of 2 %, and the International segment delivered 2.30 million treatments, an increase of 11 %.

EMPLOYEES

As of March 31, 2009, Fresenius Medical Care had 65,670 employees (full-time equivalents) worldwide compared to 64,666 employees at the end of 2008. The increase of approximately 1,000 employees is primarily due to overall growth in the Company's business.

DEBT/EBITDA RATIO

The ratio of debt to Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) decreased from 2.82 at the end of the first quarter of 2008 to 2.64 at the end of the first quarter of 2009. At the end of 2008, the debt/EBITDA ratio was 2.69.

REFINANCING OF NOTES

On April 27, 2009, the Company issued euro denominated notes totaling € 200 million in anticipation of retiring the existing € 200 million Euro Notes issued in 2005 which are due in July 2009. The newly issued Euro Notes consist of 4 tranches having terms of 3.5 and 5.5 years with floating and fixed interest rate tranches. The initial average interest rate is 6.95 %.

RATING

There have been no rating changes in the first quarter of 2009, Standard & Poor's Rating Services rates the Company's corporate credit as 'BB' with a 'negative' outlook.

Moody's continued to rate the Company's corporate credit as 'Ba1' with a 'stable' outlook.

Fitch rates the Company's corporate credit as 'BB' with a 'negative' outlook.

OUTLOOK FOR 2009 FULLY CONFIRMED

For the full year 2009, the Company expects to achieve **revenue** of more than $ 11.1 billion, which is more than 8 % growth in constant currency.

Net income attributable to Fresenius Medical Care AG & Co. KGaA is expected to be between $ 850 million and $ 890 million in 2009.

In addition, the Company expects to spend $ 550 to $ 650 million on **capital expenditures** and $ 200 to $ 300 million on **acquisitions**. The **debt/EBITDA ratio** is projected to remain below 2.7.

INTERIM REPORT OF MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of the results of operations of Fresenius Medical Care AG & Co. KGaA ("FMC-AG & Co. KGaA," the "Company", "we", "us" or "our" and together with its subsidiaries on a consolidated basis, as the context requires) and its subsidiaries in conjunction with our unaudited consolidated financial statements and related notes contained elsewhere in this report and our disclosures and discussions in our Annual Report on Form 20-F for the year ended December 31, 2008.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used in this report, the words "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates" and similar expressions are generally intended to identify forward looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated. We have based these forward-looking statements on current estimates and assumptions made to the best of our knowledge. By their nature, such forward-looking statements involve risks, uncertainties, assumptions and other factors which could cause actual results, including our financial condition and profitability, to differ materially and be more negative than the results expressly or implicitly described in or suggested by these statements. Moreover, forward-looking estimates or predictions derived from third parties' studies or information may prove to be inaccurate. Consequently, we cannot give any assurance regarding the future accuracy of the opinions set forth in this report or the actual occurrence of the developments described herein. In addition, even if our future results meet the expectations expressed here, those results may not be indicative of our performance in future periods.

These risks, uncertainties, assumptions, and other factors that could cause actual results to differ from our projected results include, among others, the following:

- changes in governmental and commercial insurer reimbursement for our products and services, including the mandated change beginning in 2011 to an expanded "bundled" reimbursement system for dialysis services;
- reductions in erythropoietin, or EPO, utilization or EPO reimbursement;
- dependence on government reimbursements for dialysis services;
- the outcome of ongoing government investigations;
- the influence of private insurers and managed care organizations and health care reforms;
- product liability risks;
- the outcome of ongoing patent litigation;
- risks relating to the integration of acquisitions and our dependence on additional acquisitions;
- the impact of currency fluctuations;
- changes in the cost of pharmaceuticals and utilization patterns;
- introduction of generic or new pharmaceuticals that compete with our pharmaceutical products;
- changes in raw material and energy costs; and
- other statements of our expectations, beliefs, future plans and strategies, anticipated development and other matters that are not historical facts.

Our reported financial condition and results of operations are sensitive to accounting methods, assumptions and estimates that are the basis of our financial statements. The actual accounting policies, the judgments made in the selection and application of these policies, and the sensitivities of reported results to changes in accounting policies, assumptions and estimates, are factors to be considered along with our financial statements and the discussion below under "Results of Operations". For a discussion of our critical accounting policies, *see chapter 04.1* "Operating and Financial Review and Prospects – Critical Accounting Policies" in our Annual Report on Form 20-F for the year ended December 31, 2008.

OVERVIEW

We are engaged primarily in providing dialysis services and manufacturing and distributing products and equipment for the treatment of end stage renal disease ("ESRD"). In the U.S., we also perform clinical laboratory testing. We estimate that providing dialysis services and distributing dialysis products and equipment represents an over $65 billion worldwide market with expected annual world-wide patient growth of around 6%. Patient growth results from factors such as the aging population; increasing incidence of diabetes and hypertension, which frequently precede the onset of ESRD; improvements in treatment quality, which prolong patient life; and improving standards of living in developing countries, which make life-saving dialysis treatment available. Key to continued growth in revenue is our ability to attract new patients in order to increase the number of treatments performed each year. For that reason, we believe the number of treatments performed each year is a strong indicator of continued revenue growth and success. In addition, the reimbursement and ancillary services utilization environment significantly influences our business. In the past we experienced and also expect in the future generally stable reimbursements for dialysis services. This includes the balancing of unfavorable reimbursement changes in certain countries with favorable changes in other countries. The majority of treatments are paid for by governmental institutions such as Medicare in the United States. As a consequence of the pressure to decrease health care costs, reimbursement rate increases have been limited. Our ability to influence the pricing of our services is limited. Profitability depends on our ability to manage rising labor, drug and supply costs.

A majority of our U.S. dialysis services are paid for by the Medicare program. Medicare payments for dialysis services are based on a composite rate which includes a drug add-on adjustment. The drug add-on adjustment was established under the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) to account for differences in Medicare reimbursement for separately billable pharmaceuticals pre-MMA and the new average sales price reimbursement system established by the MMA. For calendar year 2009, the Centers for Medicare and Medicaid Services ("CMS") maintained the drug add-on adjustment to the composite rate at the 2008 rate of $0.69 which resulted in a reduction in the drug add-on adjustment from 15.5 percent to 15.2 percent of the total per-treatment prospective payment. The composite rate, unlike many other payment rates in Medicare is not automatically updated each year. As a result, this portion of the payment rate has not received an annual update in the absence of a statutory change. In the Medicare Improvements for Patients and Providers Act of 2008 ("MIPPA"), Congress provided for a 1.0 percent increase in the composite rate in each of 2009 and 2010. Further, Congress eliminated a provision that previously paid hospital-based facilities slightly more than independent (or "free-standing") facilities. Thus, in 2009, all facilities are paid at the 2008 independent facility rate increased by 1.0 percent. CMS updated the wage index adjustment applicable to ESRD facilities from the 25/75 blend between adjustments based on old metropolitan statistical areas ("MSAs") and those based on new core-based statistical areas ("CBSAs") used in 2008. For 2009, CMS completed the transition from the MSA definition to the CBSA definition, and facilities will henceforth be paid according to the CBSA rate. For a discussion of the composite rate for reimbursement of dialysis treatments, *see chapter 04.2* "Financial Condition and Results of Operations – Overview" in our Annual Report on Form 20-F for the year ended December 31, 2008.

Certain other items and services that we furnish at our dialysis centers are not currently included in the composite rate and are eligible for separate Medicare reimbursement. The most significant of these items are drugs or biologicals, such as erythropoietin-stimulating agents ("ESAs"), vitamin D analogs, and iron, which are reimbursed at 106% of the average sales price as reported to CMS by the manufacturers. Products and support services furnished to ESRD patients receiving dialysis treatment at home are also reimbursed separately under a reimbursement structure comparable to the in-center composite rate. Although these reimbursement methodologies limit the allowable charge per treatment, they provide us with predictable per treatment revenues.

In 2008, Congress mandated the development of an expanded ESRD bundled payment system for services furnished on or after January 1, 2011. The new law requires CMS to implement by January 1, 2011 a bundled ESRD payment system under which CMS will reimburse dialysis facilities with a single payment for (i) all items and services included in the composite rate, (ii) all ESAs and other pharmaceuticals (other drugs and

biologicals, other than vaccines) furnished to the patients that were previously reimbursed separately, (iii) diagnostic laboratory tests and (iv) other services furnished to individuals for the treatment of ESRD. The initial bundled reimbursement rate will be set based on 98 percent of estimated 2011 Medicare program costs of dialysis care as calculated under the current reimbursement system using the lowest per patient utilization data from 2007, 2008 or 2009. The bundled payment will be subject to case mix adjustments that may take into account individual patient characteristics (e.g., age, weight, body mass) and co-morbidities. Payments will also be adjusted for (i) certain high cost patient outliers due to unusual variations in medically necessary care, (ii) disparately high costs incurred by low volume facilities relative to other facilities and (iii) such other adjustments as the Secretary of Health and Human Services ("HHS") deems appropriate. Beginning in 2012, the bundled payment amount will be subject to annual increases based on increases in the costs of a mix of dialysis items and services to be determined by HHS minus 1 %. The Act will establish pay-for-performance quality standards that will take effect in 2012. Dialysis facilities that fail to achieve the established quality standards will have payments reduced by 2 %. Facility quality standards are expected to be developed in the areas of anemia management, patient satisfaction, iron management, bone mineral metabolism and vascular access. Facility performance scores will be made available to the public. The bundled system will be phased in over four years with full implementation for all dialysis facilities on January 1, 2014. However, providers may elect at any time prior to 2011 to become fully subject to the new system. The Act extends the authority of specialized Medicare Advantage ("MA") plans to target enrollment to certain populations through December 31, 2010 and revises definitions, care management requirements and quality reporting standards for all specialized plans. CMS is developing and drafting the regulations necessary to implement this new system; details of the system will not be known until CMS issues final regulations sometime in 2010. The Act maintains a moratorium on the new specialized MA plans through December 31, 2010. The expanded ESRD bundled payment system will materially affect how the Company is paid for Epogen® and other items and services. The Company cannot estimate the overall effect of the new system on its business until adoption of the final CMS regulations.

We have identified three operating segments, North America, International, and Asia Pacific. For reporting purposes, we have aggregated the International and Asia Pacific segments as "International." We aggregated these segments due to their similar economic characteristics. These characteristics include the same services provided and same products sold, the same type patient population, similar methods of distribution of products and services and similar economic environments. The general partner's Management Board member responsible for the profitability and cash flow of each segment's various businesses supervises the management of each operating segment. The accounting policies of the operating segments are the same as those we apply in preparing our consolidated financial statements under accounting principles generally accepted in the United States ("U.S. GAAP"). Our management evaluates each segment using a measure that reflects all of the segment's controllable revenues and expenses.

With respect to the performance of our business operations, our management believes the most appropriate measure in this regard is operating income which measures our source of earnings. Financing is a corporate function which our segments do not control. Therefore, we do not include interest expense relating to financing as a segment measurement. We also regard income taxes to be outside the segments' control. Similarly, we do not allocate "corporate costs", which relate primarily to certain headquarters overhead charges, including accounting and finance, professional services, etc. because we believe that these costs are also not within the control of the individual segments. In addition, certain acquisitions and intangible assets are not allocated to a segment but are accounted for as "corporate". Accordingly, all of these items are excluded from our analysis of segment results and are discussed below in the discussion of our consolidated results of operations.

RESULTS OF OPERATIONS

The following tables summarize our financial performance and certain operating results by principal business segment for the periods indicated. Inter-segment sales primarily reflect sales of medical equipment and supplies from the International segment to the North America segment. We prepared the information using a management approach, consistent with the basis and manner in which our management internally disaggregates financial information to assist in making internal operating decisions and evaluating management performance.

Table 02 **SEGMENT DATA**

in $ million

	For the three months ended March 31,	
	2009	*2008*
Total revenue		
North America	1,774	1,668
International	804	863
TOTAL	**2,578**	**2,531**
Inter-segment revenue		
North America	–	–
International	18	19
TOTAL	**18**	**19**
Total net revenue		
North America	1,774	1,668
International	786	844
TOTAL	**2,560**	**2,512**
Amortization and depreciation		
North America	64	55
International	40	40
Corporate	1	1
TOTAL	**105**	**96**
Operating income		
North America	272	273
International	147	143
Corporate	(23)	(27)
TOTAL	**396**	**389**
Interest income	4	5
Interest expense	(78)	(88)
Interest tax expense	(116)	(114)
Net income attributable to Noncontrolling interest	(8)	(6)
NET INCOME ATTRIBUTABLE TO FMC-AG & CO. KGAA	**198**	**186**

Three months ended March 31, 2009 compared to three months ended March 31, 2008.

CONSOLIDATED FINANCIALS

Table 03 **KEY INDICATORS FOR CONSOLIDATED FINANCIAL STATEMENTS**

			Change in %	
	Three months ended March 31, 2009	*Three months ended March 31, 2008*	*as reported*	*at constant exchange rates*
Number of treatments	7,041,174	6,723,779	5 %	–
Same market treatment growth *in %*	4.4	3.9	–	–
Revenue *in $ million*	2,560	2,512	2 %	8 %
Gross profit *in % of revenue*	33.7	34.1	–	–
Selling, general and administrative costs *in % of revenue*	17.3	17.8	–	–
Net income attributable to FMC-AG & Co. KGaA *in $ million*	198	186	7 %	–

We provided 7,041,174 treatments during the first quarter of 2009, an increase of 5 % over the same period in 2008. Same market treatment growth contributed 4 % and growth from acquisitions contributed 2 %, partially offset by one less dialysis day effects of 1 %.

At March 31, 2009, we owned, operated or managed (excluding those managed but not consolidated in the U.S.) 2,448 clinics compared to 2,297 clinics at March 31, 2008. During the first quarter of 2009, we acquired 29 clinics, opened 32 clinics and combined or closed 1 clinic. The number of patients treated in clinics that we own, operate or manage (excluding patients of clinics managed but not consolidated in the U.S.) increased by 6 % to 187,476 at March 31, 2009 from 177,059 at March 31, 2008. Including 31 clinics managed but not consolidated in the U.S., the total number of patients was 189,118.

Net revenue increased by 2 % (8 % at constant exchange rates) for the quarter ended March 31, 2009 over the comparable period in 2008 due to growth in dialysis care revenue partially offset by a decrease in dialysis products revenue.

Dialysis care revenue grew by 4 % to $ 1,923 million (8 % at constant exchange rates) in the first quarter of 2009 mainly due to growth in same market treatments (4 %), revenue per treatment (4%), and acquisitions (1 %), partially offset by exchange rate fluctuations (4 %) and by one less dialysis day (1%).

Dialysis product revenue decreased by 5 % to $ 637 million (increased by 8 % at constant exchange rates) in the same period driven mostly by unfavorable currency development. In addition, sales of our phosphate binding drug, PhosLo® decreased following a competitor's launch of a generic version of PhosLo® in the U.S. in October 2008. These effects were partially offset by pharmaceutical sales, especially of the newly licensed intravenous iron products, increased sales of dialysis machines and sales of products for acute care treatments as well as extracorporeal therapies.

The decrease in gross margin reflects the reduction in gross margin in the North America segment partially offset by the increase in the International segment gross margin. North America was impacted by higher personnel costs as well as price increases for heparin and other pharmaceuticals, partially offset by increased commercial payor revenue as well as increased sales of the newly licensed intravenous iron product. International was affected by a positive effect of an inventory adjustment during the quarter, partially offset by unfavorable foreign exchange transaction effects related to purchases of products produced in Europe and Japan due to the appreciation of the Euro and Yen against local currencies. In addition, a margin mix effect due to stronger growth in the lower margin provider business affected the gross profit margin.

Selling, general and administrative ("SG&A") expenses decreased to $ 444 million in the first quarter of 2009 from $ 448 million in the same period of 2008. SG&A costs as a percentage of sales decreased to 17.3 % in the first quarter of 2009 from 17.8 % in the same period of 2008. The percentage decrease was driven by reductions in spending in the International segment and at corporate partially offset by a slight increase in the North America segment. Both the International segment and corporate benefited from favorable foreign currency developments. North America was mostly impacted by higher personnel costs in 2009 and a non-recurring positive effect of a gain from the sale of noncontrolling interests in clinics in the State of Arizona in 2008, partially offset by an increase in commercial payor revenue in 2009. Bad debt expense for the first quarter of 2009 was $ 53.0 million as compared to $ 49.1 million in 2008, representing 2.1 % of sales for the three-month period ending March 31, 2009 and 2.0 % for the same period in 2008.

Research and development ("R&D") expenses increased to $ 23 million in the first quarter of 2009 from $ 19 million for the same period in 2008 mainly as a result of the continued development of hemodialysis machines, field testing of new products and additional programs related to extracorporeal therapy.

Operating income increased to $ 396 million in the first quarter of 2009 from $ 389 million for the same period in 2008. Operating income margin remained unchanged at 15.5 % for the period ending March 31, 2009 as compared to the same period in 2008 due to the decreased gross margins and increased R&D expenses offset by decreases in SG&A expenses, both as a percentage of sales, as discussed above.

Interest expense decreased 11 % to $ 78 million in the first quarter of 2009 from $ 88 million for the same period in 2008 mainly as a result of decreased short-term interest rates.

Income tax expense increased to $ 116 million for the first quarter of 2009 from $ 114 million for the same period in 2008 due to increased earnings. The effective tax rate for the first quarter 2009 decreased to 35.9 % from 37.3 % for the first quarter of 2008.

Net income attributable to FMC-AG & Co. KGaA for the first quarter of 2009 increased to $ 198 million from $ 186 million for the same period in 2008 as a result of the combined effects of the items discussed above.

We employed 65,670 people (full-time equivalents) as of March 31, 2009 compared to 64,666 as of December 31, 2008, an increase of 1.6 % primarily due to overall growth in our business.

The following discussions pertain to our business segments and the measures we use to manage these segments.

NORTH AMERICA SEGMENT

Table 04 **KEY INDICATORS FOR NORTH AMERICA SEGMENT**

	Three months ended March 31, 2009	*Three months ended March 31, 2008*	*Change in %*
Number of treatments	4,744,551	4,647,996	2 %
Same market treatment growth *in %*	3.2	2.7	–
Revenue *in $ million*	1,774	1,668	6 %
Depreciation and amortization *in $ million*	64	55	15 %
Operating income *in $ million*	272	273	0 %
Operating income margin *in %*	15.3	16.4	–

Revenue. Treatments increased by 2 % for the three months ended March 31, 2009 as compared to the same period in 2008 due to same market growth (3 %), partially offset by the effects of one less dialysis day (1 %). At March 31, 2009, 127,121 patients (a 4 % increase over the same period in the prior year) were being treated in the 1,714 clinics that we own or operate in the North America segment, compared to 122,691 patients treated in 1,640 clinics at March 31, 2008. Average North America revenue per treatment was $ 332 for the three months ended March 31, 2009 and $ 322 in the same period in 2008. In the U.S., the average revenue per treatment was $ 338 for the three months ended March 31, 2009 and $ 326 for the same period in 2008, mainly due to increased commercial payor revenue and to a lesser extent increased EPO utilization.

Net revenue for the North America segment for the first quarter of 2009 increased as a result of increases in dialysis care revenue by 5 % to $ 1,577 million from $ 1,495 million in the same period of 2008 and in dialysis product revenue by 14 % to $ 197 million from $ 172 million in the first quarter of 2008.

The dialysis care revenue increase was driven by same market treatment growth of 3 % and increased revenue per treatment (3 %), partially offset by the effects of one less dialysis day (1 %). The administration of EPO represented approximately 20 % of total North America dialysis care revenue for the three-month periods ended March 31, 2009 and 2008.

The product revenue increase was driven mostly by a higher sales volume of the newly licensed intravenous iron product partially offset by lower PhosLo® revenues as a result of the market launch of generic competition to PhosLo® in October 2008. Dialysis machine sales volume also increased in the current period as compared to the prior year.

Operating Income. Operating income was nearly unchanged at $ 272 million for the three-month period ended March 31, 2009 from $ 273 million for the same period in 2008. Operating income margin decreased to 15.3 % for the first quarter of 2009 as compared to 16.4 % for same period in 2008 primarily due to increased personnel costs and heparin and other pharmaceutical price increases, partially offset by increased commercial payor revenue. In addition, the 2008 margin was favorably impacted by the non-recurring effect of a gain from the sale of noncontrolling interests in clinics in the state of Arizona. Cost per treatment increased to $ 282 in the first quarter of 2009 from $ 271 in the same period of 2008.

INTERNATIONAL SEGMENT

Table 05 **KEY INDICATORS FOR INTERNATIONAL SEGMENT**

	Three months ended March 31, 2009	*Three months ended March 31, 2008*	*Change in %*	
			as reported	*at constant exchange rates*
Number of treatments	2,296,623	2,075,783	11 %	–
Same market treatment growth *in %*	7.3	7.1	–	–
Revenue *in $ million*	786	844	(7 %)	11 %
Depreciation and amortization *in $ million*	40	40	0 %	–
Operating income *in $ million*	147	143	2 %	–
Operating income margin *in %*	18.7	17.0	–	–

Revenue. Treatments increased by 11 % in the three months ended March 31, 2009 over the same period in 2008 mainly due to same market growth (7 %) and acquisitions (5 %), partially offset by sold or closed clinics (1 %). As of March 31, 2009, 60,355 patients (an 11 % increase over the same period of the prior year) were being treated at 734 clinics that we own, operate or manage in the International segment compared

to 54,368 patients treated at 657 clinics at March 31, 2008. Average revenue per treatment decreased to $151 from $168 due to the weakening of local currencies against the U.S. dollar ($28) partially offset by increased reimbursement rates and changes in country mix ($11).

The decrease in net revenues for the International segment for the three-month period ended March 31, 2009 over the same period in 2008 resulted from decreases in both dialysis care and dialysis product revenues. Organic growth during the period of 10% and contribution from acquisitions of approximately 1% were more than offset by negative impact of exchange rate fluctuations of 18%.

Including the effects of acquisitions, European region revenue decreased 8% (10% increase at constant exchange rates), Latin America region revenue decreased 1% (21% increase at constant exchange rates), and Asia Pacific region revenue decreased 5% (5% increase at constant exchange rates).

Total dialysis care revenue for the International segment decreased during the first quarter of 2009 by 1% (18% increase at constant exchange rates) to $346 million from $349 million in the same period of 2008. This decrease is a result of the negative impact of exchange rate fluctuations of approximately 19% and of the effects of sold or closed clinics (2%) and the effects of one less dialysis day (1%), partially offset by same market treatment growth of 7% and a 4% increase in contributions from acquisitions, while increases in revenue per treatment contributed 10%.

Total dialysis product revenue for the first quarter of 2009 decreased by 11% (6% increase at constant exchange rates) to $440 million mostly as a result of the negative impact of exchange rate fluctuations (17%) partially offset by increased pharmaceutical sales and sales of products for acute care treatment as well as extra corporeal therapies.

Operating Income. Operating income increased by 2% to $147 million. Operating income margin increased to 18.7% for the three-month period ended March 31, 2009 from 17.0% for the same period in 2008 as a result of an inventory adjustment and a corresponding reduction in costs of revenues during the three month period ending March 31, 2009 and lower foreign exchange losses. These positive effects were partially offset by lower product sales in Eastern Europe, the impact of a non-recurring gain from the sale of a noncontrolling interest in a facility in Italy in 2008 and foreign currency transaction effects related to purchase of products in Europe and Japan.

LIQUIDITY AND CAPITAL RESOURCES

Three months ended March 31, 2009 compared to three months ended March 31, 2008.

LIQUIDITY

Our primary sources of liquidity have historically been cash from operations, cash from borrowings from third parties and related parties, as well as cash from issuance of equity and debt securities. We require this capital primarily to finance working capital needs, to fund acquisitions and develop free-standing renal dialysis centers, to purchase equipment for existing or new renal dialysis centers and production sites, to repay debt and to pay dividends.

At March 31, 2009, we had cash and cash equivalents of $203 million. For information regarding utilization and availability under our 2006 Senior Credit Agreement, *see Note 5* "Long-term Debt and Capital Lease Obligations".

OPERATIONS

In the first three months of 2009 and 2008, we generated cash flows from operations of $156 million and $192 million, respectively. Cash from operations is impacted by the profitability of our business, the development of our working capital, principally receivables, and cash outflows that occur due to a number of singular specific items.

The profitability of our business depends significantly on reimbursement rates. Approximately 75 % of our revenues are generated by providing dialysis treatment, a major portion of which is reimbursed by either public health care organizations or private insurers. For the period ended March 31, 2009, approximately 34 % of our consolidated revenues were attributable to U.S. federal health care benefit programs, such as Medicare and Medicaid reimbursement. Legislative changes could affect Medicare reimbursement rates for all the services we provide, as well as the scope of Medicare coverage. A decrease in reimbursement rates or the scope of coverage could have a material adverse effect on our business, financial condition and results of operations and thus on our capacity to generate cash flow. In the past we experienced and also expect in the future generally stable reimbursements for our dialysis services. This includes the balancing of unfavorable reimbursement changes in certain countries with favorable changes in other countries. See "Overview" above for a discussion of recent Medicare reimbursement rate changes including provisions for implementation of a "bundled rate" by January 1, 2011.

Furthermore, cash from operations depends on the collection of accounts receivable. Our working capital was $1,231 million at March 31, 2009 which increased from $1,068 million at December 31, 2008, mainly as a result of slight increase in our inventories and decreases in our short-term debt as well as decreases in accrued expenses and other current liabilities; our ratio of current assets to current liabilities was 1.4. We could face difficulties in enforcing and collecting accounts receivable under some countries' legal systems. Some customers and governments may have longer payment cycles. A lengthening of this payment cycle could have a material adverse effect on our capacity to generate cash flow. Accounts receivable balances at March 31, 2009 and December 31, 2008, net of valuation allowances, represented approximately 75 and 77 of days sales outstanding ("DSO"), respectively. The decrease in DSO in the North America segment is mainly driven by the collection of portions of the outstanding balances in the dialysis care business related to the resolution of National Provider Identification issues. The increase in DSO for the International segment mainly reflects slight average payment delays by government and private entities most recently impacted by the world-wide financial crises. Due to the fact that a large portion of our reimbursement is provided by public health care organizations and private insurers, we expect that most of our accounts receivables will be collectable, albeit potentially slightly more slowly in the immediate future, particularly in countries most severely affected by the current global financial crisis.

The development of days sales outstanding ("DSO") by operating segment is shown in the table below.

Table 06 **DEVELOPMENT OF DAYS SALES OUTSTANDING**

in days	*March 31, 2009*	*December 31, 2008*
North America	59	60
International	109	107
FMC-AG & CO. KGAA AVERAGE DAYS SALES OUTSTANDING	**75**	**77**

Interest and income tax payments also have a significant impact on our cash from operations.

There are a number of tax and other items we have identified that will or could impact our cash flows from operations in the immediate future as follows:

For the tax year 1997, we recognized an impairment of one of our subsidiaries which the German tax authorities disallowed in the audit for the years 1996 and 1997, completed in 2003. We disagree with such conclusion, believe we have valid arguments and have filed a complaint with the appropriate German court to challenge the tax authority's decision. An adverse determination in this litigation could have a material adverse effect on our results of operations in the relevant reporting period. We have a liability payable to Fresenius SE related to this matter (*See Note 3* "Related party transactions" in our Annual Report on Form 20-F for the year ended December 31, 2008).

We have filed claims for refunds contesting the IRS's disallowance of FMCH's civil settlement payment deductions taken by Fresenius Medical Care Holdings, Inc. ("FMCH") in prior year tax returns. As a result of a settlement agreement with the IRS to resolve our appeal of the IRS's disallowance of deductions for the civil settlement payments made to qui tam relators in connection with the resolution of the 2000 U.S. government investigation, we received a refund in September 2008 of $37 million, inclusive of interest. The settlement agreement preserves our right to continue to pursue claims in the U.S. Federal courts for refund of all other disallowed deductions.

The IRS tax audit of FMCH for the years 2002 through 2004 has been completed. Except for the disallowance of all deductions taken during the audit period for remuneration related to intercompany mandatorily redeemable preferred shares, the proposed adjustments are routine in nature and have been recognized in the financial statements. The Company has protested the disallowed deductions and some routine adjustments and will avail itself of all remedies. An adverse determination in this litigation could have a material adverse effect on results of operations and liquidity.

We are subject to ongoing tax audits in the U.S., Germany and other jurisdictions. We have received notices of unfavorable adjustments and disallowances in connection with certain of the audits, including those described above. We are contesting, including appealing, certain of these unfavorable determinations. If our objections and any final audit appeals are unsuccessful, we could be required to make additional tax payments, including payments to state tax authorities reflecting the adjustments made in our federal tax returns in the U.S. With respect to other potential adjustments and disallowances of tax matters currently under review or where tentative agreement has been reached, we do not anticipate that an unfavorable ruling would have a material impact on our results of operations. We are not currently able to determine the timing of these potential additional tax payments.

W.R. Grace & Co. and certain of its subsidiaries filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code (the "Grace Chapter 11 Proceedings") on April 2, 2001. The settlement agreement with the asbestos creditors committees on behalf of the W.R. Grace & Co. bankruptcy estate (*see Note 9* "Comments and Contingencies" in this report) provides for payment by the Company of $115 million upon approval of the settlement agreement by the U.S. District Court, which has occurred, and confirmation of a W.R. Grace & Co. bankruptcy reorganization plan that includes the settlement. The $115 million obligation was included in the special charge we recorded in 2001 to address 1996 merger-related legal matters. The payment obligation is not interest-bearing.

If all potential additional tax payments and the Grace Chapter 11 Proceedings settlement payment were to occur contemporaneously, there could be a material adverse impact on our operating cash flow in the relevant reporting period. Nonetheless, we anticipate that cash from operations and, if required, our available liquidity will be sufficient to satisfy all such obligations if and when they come due.

INVESTING

We used net cash of $146 million and $186 million in investing activities in the three-month period ended March 31, 2009 and 2008, respectively.

Capital expenditures for property, plant and equipment, net of disposals were $111 million in the first quarter of 2009 and $153 million in the same period 2008. In the first three months of 2009, capital expenditures were $71 million in the North America segment, and $40 million for the International segment. Capital expenditures in the same period of 2008 were $102 million in the North America segment, and $51 million for the International segment. The majority of our capital expenditures was used for maintaining existing clinics, equipping new clinics, and maintenance and expansion of production facilities primarily in North America and Germany and capitalization of machines provided to our customers, primarily in the International segment. Capital expenditures were approximately 4 % and 6 % of total revenue for 2009 and 2008, respectively.

We invested approximately $36 million cash in the first quarter of 2009, primarily for acquisitions of dialysis clinics and licenses, ($6 million in the North America segment, $30 million in the International segment) as compared to $72 million in the same period of 2008 ($62 million in the North America segment and $10 million in the International segment). We also received $1 million and $39 million in conjunction with divestitures in the first three months of 2009 and 2008, respectively.

We anticipate capital expenditures of approximately $550 to $650 million and expect to make acquisitions of approximately $200 to $300 million in 2009.

FINANCING

Net cash used in financing was $24 million in the first three months of 2009 compared to $38 million in the first three months of 2008.

In the first quarter of 2009, cash was mainly used for repayment of debt. In the first quarter of 2008, cash was mainly used for redemption of Trust Preferred Securities partially offset by proceeds from our accounts receivable facility and other existing long-term credit facilities.

For information regarding our 2006 Senior Credit Agreement, EIB agreements, Euro Notes, Senior Notes, and the indentures relating to our trust preferred securities, *see Note 9* "Long-Term Debt and Capital Lease Obligations" and *Note 11* "Mandatorily Redeemable Trust Preferred Securities," in our Annual Report on Form 20-F for the year ended December 31, 2008. Our obligations under the Senior 2006 Credit Agreement are secured by pledges of capital stock of certain material subsidiaries, including FMCH and Fresenius Medical Care Deutschland GmbH ("D-GmbH"), in favor of the lenders. Our 2006 Senior Credit Agreement, EIB agreements, Euro Notes, Senior Notes, and the indentures relating to our trust preferred securities include covenants that require us to maintain certain financial ratios or meet other financial tests. Under our 2006 Senior Credit Agreement, we are obligated to maintain a minimum consolidated fixed charge ratio (ratio of consolidated EBITDAR (sum of EBITDA plus Rent expense under operation leases) to Consolidated Fixed Charges as these terms are defined in the 2006 Senior Credit Agreement) and a maximum consolidated leverage ratio (ratio of consolidated funded debt to consolidated EBITDA as these terms are defined in the 2006 Senior Credit Agreement). Other covenants in one or more of each of these agreements restrict or have the effect of restricting our ability to dispose of assets, incur debt, pay dividends and make other restricted payments, create liens or engage in sale-lease backs.

The breach of any of the covenants in any of the instruments or agreements governing our long-term debt – the 2006 Senior Credit Agreement, the EIB agreements, the Euro Notes, the Senior Notes or the notes underlying our trust preferred securities – could, in turn, create additional defaults under one or more of the other instruments or agreements. In default, the outstanding balance under the Senior Credit Agreement becomes due at the option of the lenders under that agreement, and the "cross default" provisions in our other long-term debt permit the lenders to accelerate the maturity of the debt upon such a default as well. As of March 31, 2009, we are in compliance with all covenants under the 2006 Senior Credit Agreement and our other financing agreements.

Although we are not immune from the current world-wide financial crises, we believe that we are in a solid financial position to continue to grow our business while meeting our financial obligations as they come due. Our business is generally not cyclical. A substantial portion of our accounts receivable are generated by governmental payers. While payment and collection practices vary significantly between countries and even between agencies within one country, government payors usually represent low risks. Our syndicated credit facility is comprised of 60 lenders for the revolving credit facility under our 2006 Senior Credit Agreement, none of which contribute more than 4% of our revolving borrowings under the 2006 Credit Agreement. Even though one of the 60 participating banks in this syndicated facility defaulted on its obligation to provide funds under the terms of the revolving facility during the fourth quarter 2008, we do not anticipate any major issues in having funds available for us when we utilize this credit facility. As we deemed the amount in default immaterial, we took no action to amend our 2006 Credit Agreement to replace the

defaulting bank. However, limited or expensive access to capital could make it more difficult for our customers to do business with us, or to do business generally, which could adversely affect our business. Current conditions in the credit and equity markets, if they continue, could also increase our financing costs and limit our financial flexibility.

Following our earnings-driven dividend policy, our General Partner's Management Board proposed to the shareholders at the Annual General meeting on May 7, 2009, a dividend with respect to 2008 and payable in 2009, of €0.58 per ordinary share (for 2007 paid in 2008: €0.54) and €0.60 per preference share (for 2007 paid in 2008: €0.56). The total dividend payment is approximately €173 million (approximately $230 million based upon the March 31, 2009 spot rate) compared to €160 million ($252 million) in 2008 with respect to 2007. Our 2006 Senior Credit Agreement limits disbursements for dividends and other payments for the acquisition of our equity securities (and rights to acquire them, such as options or warrants) during 2009 to $280 million in total.

Our treasury management services, which Fresenius SE, sole shareholder of our general partner, provides under contractual arrangements with us, assist in the management of our liquidity by means of effective cash management as well as an anticipatory evaluation of financing alternatives. We have sufficient financial resources – consisting of only partly drawn credit facilities and our accounts receivable facility – which we intend to preserve in the next years. We aim to keep committed and unutilized credit facilities to a minimum of $300 to $500 million.

We will focus our financing activities in the coming years on reducing subordinated debt. In this respect we did not refinance the subordinated trust-preferred securities issued by Fresenius Medical Care Capital Trust II and III which matured in February 2008 by issuing new subordinated debt, but used our existing senior credit facilities instead. Our intention for maturing long-term debt is to refinance with senior and unsecured debt instruments only.

Our refinancing needs for the years 2009 and 2010 are limited to refinancing of our Euro notes totaling $266 million (€200 million) in July 2009 and the annual renewal of our $550 million accounts receivable facility. On April 27, 2009, the Company issued euro denominated notes ("Euro Notes") totaling €200 million in anticipation of retiring the existing €200 million Euro Notes issued in 2005 which are due on July 27, 2009. The newly issued Euro Notes, which are senior, unsecured and guaranteed by FMCH and D-GmbH, consist of 4 tranches having terms of 3.5 and 5.5 years with floating and fixed interest rate tranches. The initial average interest rate is 6.95 %. Proceeds of €69.5 million of the newly issued Euro Notes were used to voluntarily retire a portion of the existing Euro Notes. The remaining proceeds will be used to liquidate the balance of the existing Euro Notes on their scheduled maturity date in July 2009.

Our proposed dividend payment of approximately $230 million in May 2009 and the anticipated dividend payment in 2010, are expected to be covered by our cash flows and by using existing credit facilities and / or other financing activities. Our debt covenants provide sufficient flexibility to cover our financing needs. Generally, we believe that we will have sufficient financing to achieve our goals in the future and to continue to promote our growth.

Rating agencies, Standard & Poor's and Moody's, independent of the Company, assign credit ratings to us based upon their assessment of our financing strategy and our financial performance. Our cost of borrowing is influenced by these ratings. The table below shows the ratings as of March 31, 2009:

Table 07 **RATINGS**

in $ million	*Standard & Poor´s*	*Moody´s*
Corporate Credit Rating	BB	Ba1
Outlook	negative	stable

DEBT COVENANT DISCLOSURE – EBITDA

EBITDA (earnings before interest, taxes, depreciation and amortization) was approximately $501 million, 19.6 % of revenues for the three-month period ended March 31, 2009, and $485 million, 19.3 % of revenues for the same period of 2008. EBITDA is the basis for determining compliance with certain covenants contained in our 2006 Senior Credit Agreement, Euro Notes, EIB, and the indentures relating to our Senior Notes and our outstanding trust preferred securities. You should not consider EBITDA to be an alternative to net earnings determined in accordance with U.S. GAAP or to cash flow from operations, investing activities or financing activities. In addition, not all funds depicted by EBITDA are available for management's discretionary use. For example, a substantial portion of such funds are subject to contractual restrictions and functional requirements for debt service, to fund necessary capital expenditures and to meet other commitments from time to time as described in more detail elsewhere in this report. EBITDA, as calculated, may not be comparable to similarly titled measures reported by other companies. A reconciliation of EBITDA to cash flow provided by operating activities, which we believe to be the most directly comparable U.S. GAAP financial measure, is calculated as follows:

Table 08 **RECONCILIATION OF MEASURES FOR CONSOLIDATED TOTALS**

in $ thousands	*For the three months ended March 31,*	
	2009	*2008*
TOTAL EBITDA	**501,313**	**485,297**
Interest expense (net of interest income)	(74,290)	(82,818)
Income tax expense, net	(115,384)	(114,097)
Change in deferred taxes, net	9,684	36,832
Changes in operating assets and liabilities	(179,603)	(131,074)
Stock compensation expense	7,626	6,930
Other items, net	6,218	(9,125)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**155,564**	**191,945**

BALANCE SHEET STRUCTURE

Total assets as of March 31, 2009 remained virtually unchanged at $14.9 billion compared to year-end 2008. Current assets as a percent of total assets remained unchanged at 28 % at March 31, 2009 and December 31, 2008. The equity ratio, the ratio of our equity divided by total liabilities and shareholders' equity, increased to 42 % at March 31, 2009 from 41 % at year-end 2008.

OUTLOOK

The Company confirms its outlook for the full year 2009. Below is a table showing our growth outlook for 2009:

Table 09 **OUTLOOK**

in $ million, except Debt/EBITDA Ratio	*2009*
Net Revenues	>11,100
Net Income attributable to FMC-AG & Co. KGaA	850 – 890
Debt/EBITDA	< 2.7
Capital Expenditures	550 – 650
Acquisitions	200 – 300

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF INCOME

Table 10 **CONSOLIDATED STATEMENTS OF INCOME**

$ in thousands, except per share data (unaudited)	*For the three months ended March 31,*	
	2009	*2008*
Net revenue		
Dialysis Care	1,923,321	1,844,287
Dialysis Products	636,489	667,437
TOTAL	**2,559,810**	**2,511,724**
Costs of revenue		
Dialysis Care	1,396,807	1,335,152
Dialysis Products	300,698	321,273
TOTAL	**1,697,505**	**1,656,425**
Gross profit	862,305	855,299
Operating expenses		
Selling, general and administrative	443,567	447,510
Research and development	22,896	19,118
OPERATING INCOME	**395,842**	**388,671**
Other (income) expense		
Interest income	(4,274)	(5,380)
Interest expense	78,564	88,198
Income before income taxes	321,552	305,853
Income tax expense	115,384	114,097
NET INCOME	**206,168**	**191,756**
Less: Net income attributable to Noncontrolling interest	8,062	5,883
NET INCOME ATTRIBUTABLE TO FMC-AG & CO. KGAA	**198,106**	**185,873**
BASIC INCOME PER ORDINARY SHARE	**0.67**	**0.63**
FULLY DILUTED INCOME PER ORDINARY SHARE	**0.66**	**0.62**

See accompanying notes to unaudited consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Table 11 **CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

$ in thousands (unaudited)

	For the three months ended March 31,	
	2009	*2008*
Net income	206,168	191,756
Cash flow hedges	61	(80,732)
Actuarial gains (losses) on defined pension plans	1,218	394
Forreign currency translation	(85,013)	88,839
Income taxes related to components of other comprehensive income	(1,082)	34,009
Other comprehensive income, net of tax	(84,816)	42,510
TOTAL COMPREHENSIVE INCOME	**121,352**	**234,266**
Comprehensive income attributable to noncontrolling interest	7,083	13,116
COMPREHENSIVE INCOME ATTRIBUTABLE TO FMC-AG & CO. KGaA	**114,269**	**221,150**

See accompanying notes to unaudited and abbreviated consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

Table 12 **CONSOLIDATED BALANCE SHEETS**

$ in thousands, except share and per share data

	March 31, (unaudited)	*December 31, (audited)*
	2009	*2008*
Assets		
Current assets		
Cash and cash equivalents	202,793	221,584
Trade accounts receivable, less allowance for doubtful accounts of $257,606 in 2009 and $262,836 in 2008	2,159,667	2,176,316
Accounts receivable from related parties	157,532	175,525
Inventories	774,363	707,050
Prepaid expenses and other current assets	606,795	607,399
Deferred taxes	332,232	324,123
TOTAL CURRENT ASSETS	**4,233,382**	**4,211,997**
Property, plant and equipment, net	2,200,872	2,236,078
Intangible assets	841,204	846,496
Goodwill	7,302,865	7,309,910
Deferred taxes	73,930	92,805
Other assets	216,503	222,390
TOTAL ASSETS	**14,868,756**	**14,919,676**
Liabilities and shareholders´ equity		
Current liabilities		
Accounts payable	339,264	366,017
Accounts payable to related parties	222,844	239,243
Accrued expenses and other current liabilities	1,232,518	1,288,433
Short-term borrowings	644,914	683,155
Short-term borrowings from related parties	17,066	1,330
Current portion of long-term debt and capital lease obligations	426,450	455,114
Income tax payable	87,609	82,468
Deferred taxes	31,785	28,652
TOTAL CURRENT LIABILITIES	**3,002,450**	**3,144,412**
Long-term debt and capital lease obligations, less current portion	3,961,049	3,957,379
Other liabilities	302,621	319,602
Pension liabilities	135,685	136,755
Income tax payable	171,992	171,747
Deferred taxes	430,868	426,299
Company-obligated mandatorily redeemable preferred securities of subsidiary Fresenius Medical Care Trusts holding solely		
Company-guaranteed debentures of subsidiaries	622,647	640,696
TOTAL LIABILITIES	**8,627,312**	**8,796,890**
FMC-AG & Co. KGaA shareholders´ equity		
Preference shares, no par value, €1.00 nominal value, 12,356,880 shares authorized, 3,812,038 issued and outstanding	4,242	4,240
Ordinary shares, no par value, €1.00 nominal value, 373,436,220 shares authorized, 293,932,036 issued and outstanding	363,076	363,076
Ordinary shares subscribed	441	–
Additional paid-in capital	3,309,966	3,293,918
Retained earnings	2,650,438	2,452,332
Accumulated other comprehensive income	(235,121)	(151,284)
TOTAL FMC-AG & CO. KGAA SHAREHOLDERS´ EQUITY	**6,093,042**	**5,962,282**
Noncontrolling interest	148,402	160,504
Total equity	6,241,444	6,122,786
TOTAL LIABILITIES AND EQUITY	**14,868,756**	**14,919,676**

See accompanying notes to unaudited and abbreviated consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Table 13 **CONSOLIDATED STATEMENTS OF CASH FLOWS**

$ in thousands (unaudited)

	For the three months ended March 31,	
	2009	*2008*
Operating Activities		
Net income	206,168	191,756
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	105,471	96,626
Change in noncontrolling interest	6,427	4,397
Change in deferred taxes, net	9,684	36,832
(Gain) on sale of fixed assets and investments	(209)	(13,522)
Compensation expense related to stock options	7,626	6,930
Changes in assets and liabilities, net of amounts from businesses acquired:		
Trade accounts receivable, net	(26,246)	(92,636)
Inventories	(83,449)	(52,197)
Prepaid expenses, other current and non-current assets	(29,241)	37,208
Accounts receivable from/payable to related parties	10,866	(2,215)
Accounts payable, accrued expenses and other current and non-current liabilities	(61,761)	(355)
Income tax payable	10,228	(20,879)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**155,564**	**191,945**
Investing Activities		
Purchases of property, plant and equipment	(112,034)	(158,876)
Proceeds from sale of property, plant and equipment	1,327	5,652
Acquisitions and investments, net of cash acquired, and net purchases of intangible assets	(36,532)	(72,025)
Proceeds from divestitures	918	39,183
NET CASH USED IN INVESTING ACTIVITIES	**(146,321)**	**(186,066)**
Financing Activities		
Proceeds from short-term borrowings and other financial liabilities	20,477	35,749
Repayments of short-term borrowings and other financial liabilities	(59,661)	(41,541)
Proceeds from short-term borrowings from related parties	15,635	19,787
Repayments of short-term borrowings from related parties	(210)	(11,923)
Proceeds from long-term debt and capital lease obligations	83,055	152,087
Repayments of long-term debt and capital lease obligations	(77,903)	(4,620)
Redemption of trust preferred securities	–	(678,379)
Increase of accounts receivable securitization program	–	492,000
Proceeds from exercise of stock options	8,966	6,597
Distributions to noncontrolling interest	(14,060)	(7,531)
NET CASH USED IN FINANCING ACTIVITIES	**(23,701)**	**(37,774)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(4,333)**	**6,898**
Cash and Cash Equivalents		
Net (decrease) in cash and cash equivalents	(18,791)	(24,997)
Cash and cash equivalents at beginning of period	221,584	244,690
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**202,793**	**219,693**

See accompanying notes to unaudited and abbreviated consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS´ EQUITY

Table 14 **CONSOLIDATED STATEMENTS OF SHAREHOLDERS´ EQUITY**

$ in thousands, expect share and per share data (unaudited)	*Preference Shares*			*Ordinary Shares*		
	Number of shares	*No par value in $*	*Preference Shares subscribed*	*Number of shares*	*No par value in $*	*Ordinary Shares subscribed*
BALANCE AT DECEMBER 31, 2007	**3,778,087**	**4,191**	**–**	**292,786,583**	**361,384**	**–**
Proceeds from exercise of options and related tax effects	32,453	49	–	1,145,453	1,692	–
Compensation expense related to stock options	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–
Purchase (sale) of noncontrolling interest						
Cash contributions from noncontrolling interest						
Tax liability to be paid by noncontrolling interest						
Comprehensive income (loss)						
Net income						
Other comprehensive income (loss)						
Comprehensive income	–	–	–	–	–	
BALANCE AT DECEMBER 31, 2008	**3,810,540**	**4,240**	**–**	**293,932,036**	**363,076**	**–**
Proceeds from exercise of options and related tax effects	1,498	2	–	–	–	441
Compensation expense related to stock options	–	–	–	–	–	–
Dividends paid				–	–	–
Purchase (sale) of noncontrolling interest						
Cash contributions from noncontrolling interest						
Tax liability to be paid by noncontrolling interest						
Comprehensive income (loss)						
Net income	–	–	–	–	–	–
Other comprehensive income (loss)						
Comprehensive income						
BALANCE AT MARCH 31, 2009	**3,812,038**	**4,242**	**–**	**293,932,036**	**363,076**	**441**

See accompanying notes to unaudited and abbreviated consolidated financial statements.

Table 14 **CONSOLIDATED STATEMENTS OF SHAREHOLDERS´ EQUITY**

$ in thousands, expect share and per share data (unaudited)	*Additional paid in capital*	*Retained earnings*	*Accumulated Other comprehensive income (loss)*	*Total FMC-AG & Co. KGaA shareholders´ equity*	*Noncontrolling interest*	*Total equity*
BALANCE AT DECEMBER 31, 2007	**3,221,644**	**1,887,120**	**100,878**	**5,575,217**	**105,814**	**5,681,031**
Proceeds from exercise of options and related tax effects	40,395	–	–	42,136	–	42,136
Compensation expense related to stock options	31,879	–	–	31,879	–	31,879
Dividends paid	–	(252,395)	–	(252,395)	(38,592)	(290,987)
Purchase (sale) of noncontrolling interest					31,000	31,000
Cash contributions from noncontrolling interest					17,174	17,174
Tax liability to be paid by noncontrolling interest					13,440	13,440
Comprehensive income (loss)						
Net income		817,607		817,607	28,941	846,548
Other comprehensive income (loss)			(252,162)	(252,162)	2,727	(249,435)
Comprehensive income	–	–		565,445	31,668	597,113
BALANCE AT DECEMBER 31, 2008	**3,293,918**	**2,452,332**	**(151,284)**	**5,962,282**	**160,504**	**6,122,786**
Proceeds from exercise of options and related tax effects	8,422	–	–	8,865	–	8,865
Compensation expense related to stock options	7,626	–	–	7,626	–	7,626
Dividends paid		–	–	–	(14,060)	(14,060)
Purchase (sale) of noncontrolling interest				–	(11,552)	(11,552)
Cash contributions from noncontrolling interest				–	1,423	1,423
Tax liability to be paid by noncontrolling interest				–	5,004	5,004
Comprehensive income (loss)						
Net income	–	198,106		198,106	8,062	206,168
Other comprehensive income (loss)			(83,837)	(83,837)	(979)	(84,816)
Comprehensive income				114,269	7,083	121,352
BALANCE AT MARCH 31, 2009	**3,309,966**	**2,650,438**	**(235,121)**	**6,093,042**	**148,402**	**6,241,444**

See accompanying notes to unaudited and abbreviated consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unaudited. In thousands, except share and per share data.

1. THE COMPANY AND BASIS OF PRESENTATION

The Company. Fresenius Medical Care AG & Co. KGaA ("FMC-AG & Co. KGaA" or the "Company", "we," "us" or "our" and together with its subsidiaries on a consolidated basis, as the context requires), a German partnership limited by shares (Kommanditgesellschaft auf Aktien), is the world's largest kidney dialysis company, operating in both the field of dialysis services and the field of dialysis products for the treatment of end-stage renal disease ("ESRD"). The Company's dialysis business is vertically integrated, providing dialysis treatment at dialysis clinics it owns or operates and supplying these clinics with a broad range of products. In addition, the Company sells dialysis products to other dialysis service providers. In the United States, the Company also performs clinical laboratory testing and provides inpatient dialysis services and other services under contract to hospitals.

Basis of Presentation. The consolidated financial statements at March 31, 2009 and for the three-month periods ended March 31, 2009 and 2008 contained in this report are unaudited and should be read in conjunction with the consolidated financial statements contained in the Company's 2008 Annual Report on Form 20-F. Such financial statements reflect all adjustments that, in the opinion of management, are necessary for a fair presentation of the results of the periods presented. All such adjustments are of a normal recurring nature.

The results of operations for the three-month periods ended March 31, 2009 are not necessarily indicative of the results of operations for the year ending December 31, 2009.

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

2. RELATED PARTY TRANSACTIONS

a) Service Agreements and Leases. The Company is party to service agreements with Fresenius SE, the sole stockholder of its General Partner and its largest shareholder with approximately 36.3 % ownership of the Company's voting shares, and certain affiliates of Fresenius SE that are not also subsidiaries of the Company to receive services, including, but not limited to: administrative services, management information services, employee benefit administration, insurance, IT services, tax services and treasury management services. For the three-month periods ended March 31, 2009 and 2008, amounts charged by Fresenius SE to the Company under the terms of these agreements are $16,070 and $16,598 respectively. The Company also provides certain services to Fresenius SE and certain affiliates of Fresenius SE, including research and development, central purchasing, patent administration and warehousing. The Company charged $6,557 and $4,896 for services rendered to Fresenius SE in the first quarter 2009 and 2008, respectively.

Under operating lease agreements for real estate entered into with Fresenius SE, the Company paid Fresenius SE $4,893 and $5,242 during the first quarter 2009 and 2008, respectively. The majority of the leases expire in 2016 and contain renewal options.

The Company's Articles of Association provide that the General Partner shall be reimbursed for any and all expenses in connection with management of the Company's business, including remuneration of the members of the General Partner's supervisory board and the General Partner's management board. The aggregate amount reimbursed to Management AG for the three-month periods ended March 31, 2009 and 2008 was $2,117 and $2,427 for its management services during those three-month periods.

b) Products. For the three-month periods ended March 31, 2009, and 2008, the Company sold products to Fresenius SE for $3,971 and $8,754 respectively. During the three-month periods ended March 31, 2009, and 2008, the Company made purchases from Fresenius SE in the amount of $10,711 and $10,857, respectively.

In addition to the purchases noted above, the Company currently purchases heparin supplied by APP Inc., a subsidiary of Fresenius Kabi AG, a wholly-owned subsidiary of Fresenius SE, through a group purchasing organization ("GPO"). The Company has no direct supply agreement with APP Inc. and does not submit purchase orders directly to APP Inc. During the three month-periods ended March 31, 2009 and 2008, Fresenius Medical Care Holdings, Inc. ("FMCH") acquired approximately $7,078 and $2,209, respectively, of heparin from APP Inc. through the GPO contract, which was negotiated at arm's length.

c) Financing Provided by and to Fresenius SE. The Company receives short-term financing from and provides short-term financing to Fresenius SE. There was $17,066 and $1,330 owed to Fresenius SE at March 31, 2009 and December 31, 2008, respectively (*see Note 4*).

On November 7, 2008, the Company entered into a loan agreement with Fresenius SE whereby it advanced Fresenius SE $50,000 at 6.45 % interest which is due on April 30, 2009.

3. INVENTORIES

As of March 31, 2009 and December 31, 2008, inventories consisted of the following:

Table 15 **INVENTORIES**

$ in thousands	*March 31, 2009*	*December 31, 2008*
Raw materials and purchased components	149,876	145,756
Work in process	60,717	60,960
Finished goods	465,534	385,607
Health care supplies	98,236	114,727
INVENTORIES	**774,363**	**707,050**

During the first quarter, 2009, inventory adjustments led to an increase in value of inventory at January 1, 2009, of approximately $23,327 and a corresponding reduction in costs revenues sold during the three month period ending March 31, 2009.

4. SHORT-TERM BORROWINGS AND SHORT-TERM BORROWINGS FROM RELATED PARTIES

As of March 31, 2009 and December 31, 2008, short-term borrowings and short-term borrowings from related parties consisted of the following:

Table 16 **SHORT-TERM BORROWINGS**

$ in thousands	*March 31, 2009*	*December 31, 2008*
Borrowings under lines of credit	83,282	121,476
Accounts receivable facility	539,000	539,000
Other financial liabilities	22,632	22,679
Short-term borrowings	644,914	683,155
Short-term borrowings from related parties (*see Note 2.c.*)	17,066	1,330
SHORT-TERM BORROWINGS INCLUDING RELATED PARTIES	**661,980**	**684,485**

5. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

As of March 31, 2009 and December 31, 2008, long-term debt and capital lease obligations consisted of the following:

Table 17 **LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS**

$ in thousands	*March 31, 2009*	*December 31, 2008*
2006 Senior Credit Agreement	3,384,573	3,366,079
Senior Notes	492,678	492,456
Euro Notes	266,160	278,340
EIB Agreements	168,578	174,059
Capital lease obligations	12,506	13,394
Other	63,004	88,165
	4,387,499	**4,412,493**
Less current maturities	(426,450)	(455,114)
TOTAL	**3,961,049**	**3,957,379**

The following table shows the available and outstanding amounts under the 2006 Senior Credit Agreement at March 31, 2009 and December 31, 2008:

Table 18 **AVAILABLE AND OUTSTANDING CREDITS**

$ in thousands	*Maximum Amount Available*		*Balance Outstanding*	
	March 31, 2009	*December 31, 2008*	*March 31, 2009*	*December 31, 2008*
Revolving Credit	1,000,000	1,000,000	356,848	304,887
Term Loan A	1,461,708	1,491,139	1,461,708	1,491,139
Term Loan B	1,566,017	1,570,053	1,566,017	1,570,053
TOTAL	**4,027,725**	**4,061,192**	**3,384,573**	**3,366,079**

In addition, at March 31, 2009 and December 31, 2008, the Company had letters of credit outstanding in the amount of $111,994 which are not included above as part of the balance outstanding at those dates but which reduce available borrowings under the revolving credit facility.

6. SUBSCRIBED STOCK

In conjunction with 338,751 stock options exercised for ordinary shares and 300 stock options exercised for preference shares during the period ended March 31, 2009, the underlying ordinary and preference shares had not been issued as of March 31, 2009. The Company received cash of $7,544 and $5, respectively, upon exercise of these options. The Company recorded the nominal values of $441 for ordinary shares subscribed and $0.4 for preference shares subscribed in the Equity section in its Balance Sheet. The remaining balance of $7,117 for options exercised, $7,112 for ordinary share options and $5 for preference share options, was recorded as additional paid in capital in equity.

7. EARNINGS PER SHARE

The following table contains reconciliations of the numerators and denominators of the basic and diluted earnings per share computations for the three-month period ended March 31, 2009 and 2008:

Table 19 **RECONCILIATION OF BASIC AND DILUTED EARNINGS PER SHARE**

$ in thousands, except per share data	*For the three months ended March 31,*	
	2009	*2008*
Numerators		
Net income attributable to FMC-AG & Co. KGaA	198,106	185,873
Less dividend preference on Preference shares	24	28
INCOME AVAILABLE TO ALL CLASSES OF SHARES	**198,082**	**185,845**
Denominators		
Weighted average number of:		
Ordinary shares outstanding	293,932,036	292,786,583
Preference shares outstanding	3,811,297	3,779,822
Total weighted average shares outstanding	297,743,333	296,566,405
Potentially dilutive Ordinary shares	64,602	960,176
Potentially dilutive Preference shares	87,242	101,810
Total weighted average ordinary shares outstanding assuming dilution	293,996,638	293,746,759
Total weighted average Preference shares outstanding assuming dilution	3,898,539	3,881,632
Basic income per Ordinary share	0.67	0.63
Plus preference per Preference shares	0.00	0.01
Basic income per preference share	0.67	0.64
Fully diluted income per Ordinary share	0.66	0.62
Plus preference per Preference shares	0.01	0.01
Fully diluted income per Preference share	0.67	0.63

8. EMPLOYEE BENEFIT PLANS

The Company currently has two principal pension plans, one for German employees, the other covering employees in the United States, the latter of which was curtailed in 2002. Plan benefits are generally based on years of service and final salary. Consistent with predominant practice in Germany, the Company's pension obligations in Germany are unfunded. Each year FMCH, a wholly-owned subsidiary of the Company and its principal North American subsidiary, contributes to the plan covering United States employees at least the minimum required by the Employee Retirement Income Security Act of 1974, as amended.

The following table provides the calculations of net periodic benefit cost for the three-month period ended March 31, 2009 and 2008.

Table 20 **EMPLOYEE BENEFIT PLANS**

$ in thousands	*For the three months ended March 31,*	
	2009	*2008*
Components of net periodic benefit cost		
Service cost	1,902	2,112
Interest cost	5,285	5,087
Expected return on plan assets	(3,965)	(4,239)
Amortization of unrealized losses	1,218	401
NET PERIODIC BENEFIT COSTS	**4,440**	**3,361**

9. COMMITMENTS AND CONTINGENCIES

Legal Proceedings. The Company is routinely involved in numerous claims, lawsuits, regulatory and tax audits, investigations and other legal matters arising, for the most part, in the ordinary course of its business of providing healthcare services and products. The outcome of litigation and other legal matters is always difficult to accurately predict and outcomes that are not consistent with the Company's view of the merits can occur. The Company 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.

Commercial Litigation. The Company was originally formed as a result of a series of transactions it completed pursuant to the Agreement and Plan of Reorganization dated as of February 4, 1996, by and between W.R. Grace & Co. and Fresenius SE (the "Merger"). At the time of the Merger, a W.R. Grace & Co. subsidiary known as W.R. Grace & Co.-Conn. had, and continues to have, significant liabilities arising out of product-liability related litigation (including asbestos-related actions), pre-Merger tax claims and other claims unrelated to National Medical Care, Inc. ("NMC"), which was W.R. Grace & Co.'s dialysis business prior to the Merger. In connection with the Merger, W.R. Grace & Co.-Conn. agreed to indemnify the Company, FMCH, and NMC against all liabilities of W.R. Grace & Co., whether relating to events occurring before or after the Merger, other than liabilities arising from or relating to NMC's operations. W.R. Grace & Co. and certain of its subsidiaries filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code (the "Grace Chapter 11 Proceedings") on April 2, 2001.

Prior to and after the commencement of the Grace Chapter 11 Proceedings, class action complaints were filed against W.R. Grace & Co. and FMCH by plaintiffs claiming to be creditors of W.R. Grace & Co.-Conn., and by the asbestos creditors' committees on behalf of the W.R. Grace & Co. bankruptcy estate in the Grace Chapter 11 Proceedings, alleging among other things that the Merger was a fraudulent conveyance, violated the uniform fraudulent transfer act and constituted a conspiracy. All such cases have been stayed and transferred to or are pending before the U.S. District Court as part of the Grace Chapter 11 Proceedings.

In 2003, the Company reached agreement with the asbestos creditors' committees on behalf of the W.R. Grace & Co. bankruptcy estate and W.R. Grace & Co. in the matters pending in the Grace Chapter 11 Proceedings for the settlement of all fraudulent conveyance and tax claims against it and other claims related to the Company that arise out of the bankruptcy of W.R. Grace & Co. Under the terms of the settlement agreement as amended (the "Settlement Agreement"), fraudulent conveyance and other claims raised on behalf of asbestos claimants will be dismissed with prejudice and the Company will receive protection against existing and potential future W.R. Grace & Co. related claims, including fraudulent conveyance and asbestos claims, and indemnification against income tax claims related to the non-NMC members of the W.R. Grace & Co. consolidated tax group upon confirmation of a W.R. Grace & Co. bankruptcy reorganization plan that contains such provisions. Under the Settlement Agreement, the Company will pay a total of $115,000 without interest to the W.R. Grace & Co. bankruptcy estate, or as otherwise directed by the Court, upon plan confirmation. No admission of liability has been or will be made. The Settlement Agreement has been approved by the U.S. District Court. Subsequent to the Merger, W.R. Grace & Co. was involved in a multi-step transaction involving Sealed Air Corporation ("Sealed Air", formerly known as Grace Holding, Inc.). The Company is engaged in litigation with Sealed Air to confirm its entitlement to indemnification from Sealed Air for all losses and expenses incurred by the Company relating to pre-Merger tax liabilities and Merger-related claims. Under the Settlement Agreement, upon confirmation of a plan that satisfies the conditions of the Company's payment obligation, this litigation will be dismissed with prejudice.

On April 4, 2003, FMCH filed a suit in the U. S. District Court for the Northern District of California, styled Fresenius USA, Inc., et al., v. Baxter International Inc., et al., Case No. C 03-1431, seeking a declaratory judgment that FMCH does not infringe patents held by Baxter International Inc. and its subsidiaries and affiliates ("Baxter"), that the patents are invalid, and that Baxter is without right or authority to threaten or maintain suit against FMCH for alleged infringement of Baxter's patents. In general, the alleged patents concern the

use of touch screen interfaces for hemodialysis machines. Baxter filed counterclaims against FMCH seeking more than $140,000 in monetary damages and injunctive relief, and alleging that FMCH willfully infringed on Baxter's patents. On July 17, 2006, the court entered judgment on a jury verdict in favor of FMCH finding that all the asserted claims of the Baxter patents are invalid as obvious and/or anticipated in light of prior art. On February 13, 2007, the court granted Baxter's motion to set aside the jury's verdict in favor of FMCH and reinstated the patents and entered judgment of infringement. Following a trial on damages, the court entered judgment on November 6, 2007 in favor of Baxter on a jury award of $14,300. On April 4, 2008, the court denied Baxter's motion for a new trial, established a royalty payable to Baxter of 10 % of the sales price for continuing sales of FMCH's 2008K hemodialysis machines and 7 % of the sales price of related disposables, parts and service beginning November 7, 2007, and enjoined sales of the 2008K machine effective January 1, 2009. We have appealed the court's rulings to the Court of Appeals for the Federal Circuit. We are confident that we will prevail on appeal or as a result of the pending U.S. Patent and Trademark Office re-examinations of the underlying Baxter patents and have made no provision in our financial statements for any potential liability in this matter. If we are unsuccessful on all appeals, including any appeal of the royalty, the royalties payable to Baxter on the machines and disposable supplies that are subject to the court's order will be approximately $56,000 for sales through December 31, 2008 and are estimated to be in the range of $2,000 to $3,000 per month thereafter. In the interim period until our appeal is decided, we are funding a court-approved escrow account at the royalty rates noted above. If we win the appeal, the escrowed funds will be returned to us with interest. In October 2008, we completed design modifications to the 2008K machine that are expected to eliminate any incremental hemodialysis machine royalty payment exposure under the court order and permit the continued sale of the modified machine in compliance with the injunction, irrespective of the outcome of our appeal.

On April 28, 2008, Baxter filed suit in the U.S. District Court for the Northern District of Illinois, Eastern Division (Chicago), styled Baxter International, Inc. and Baxter Healthcare Corporation v. Fresenius Medical Care Holdings, Inc. and Fresenius USA, Inc., Case NO. CV 2389, asserting that FMCH's hemodialysis machines infringe four recently issued patents (late 2007 – 2008), all of which are based on one of the patents at issue in the April 2003 Baxter case described above. The new patents expire in April 2011 and relate to trend charts shown on touch screen interfaces and the entry of ultrafiltration profiles (ultrafiltration is the removing of liquid from a patient's body using pressure). The court has stayed the case pending the outcome of the appeal in the April 2003 Baxter case. The Company believes that its hemodialysis machines do not infringe any valid claims of the Baxter patents at issue.

On October 17, 2006, Baxter and Deka Products Ltd. (Deka) filed suit in the U.S. District Court for the Eastern District of Texas which was subsequently transferred to the Northern District of California, styled Baxter Healthcare Corporation and DEKA Products Limited Partnership v. Fresenius Medical Care Holdings, Inc. d/b/a Fresenius Medical Care North America and Fresenius USA, Inc., Case NO. CV 438 TJW. The complaint alleges that FMCH's Liberty peritoneal cyclers infringe certain patents owned by or licensed to Baxter. Sales of the Liberty cyclers commenced in July 2008. The Company believes that the Liberty peritoneal cycler does not infringe any valid claims of the Baxter/Deka patents.

Two patent infringement actions have been pending in Germany between Gambro Industries ("Gambro") on the one side and Fresenius Medical Care Deutschland GmbH ("D-GmbH") and FMC-AG & Co. KGaA on the other side (hereinafter collectively "Fresenius Medical Care"). Gambro herein alleged patent infringements by Fresenius Medical Care concerning a patent on a device for the preparation of medical solutions. The first case was dismissed as being unfounded. Such decision has already become final. In the second case, the District Court of Mannheim rendered a judgment on June 27, 2008 deciding in favor of Gambro and declaring that Fresenius Medical Care has infringed a patent. Accordingly, the court ordered Fresenius Medical Care to pay compensation (to be determined in a separate court proceeding) for alleged infringement and to stop offering the alleged patent infringing technology in its original form in Germany.

D-GmbH brought an invalidity action in the Federal German Patent Court ("BPatG") against Gambro's patent. This case is currently pending with the Federal Court of Justice as the court of appeal. Fresenius Medical Care has also filed an appeal against the District Court's verdict. On January 5, 2009, Gambro enforced such verdict provisionally by way of security. However, preceding such enforcement Fresenius Medical Care had already developed design modifications, being an alternative technical solution, and replaced the alleged patent infringing technology in all of the affected devices. In view of the pending appeal against BPatG's verdict and Fresenius Medical Care's appeal against the District Court's verdict, Fresenius Medical Care continues to believe that the alleged patent infringing technology does not infringe any valid patent claims of Gambro. Therefore, the Company has made no provision in the financial statements for any potential liability in this matter.

OTHER LITIGATION AND POTENTIAL EXPOSURES

Renal Care Group, Inc. ("RCG") was named as a nominal defendant in a second amended complaint filed September 13, 2006 in the Chancery Court for the State of Tennessee Twentieth Judicial District at Nashville against former officers and directors of RCG which purports to constitute a class action and derivative action relating to alleged unlawful actions and breaches of fiduciary duty in connection with the Company's acquisition of RCG (the "RCG Acquisition") and in connection with alleged improper backdating and/or timing of stock option grants. The amended complaint was styled Indiana State District Council of Laborers and Hod Carriers Pension Fund v. Gary Brukardt et al. The complaint sought damages against defendant, former officers and directors but did not state a claim for money damages directly against RCG. On August 30, 2007, the suit was dismissed by the trial court in its entirety. Plaintiff subsequently appealed and, on February 19, 2009, a panel of the Court of Appeals of Tennessee, an intermediate appellate court, reversed the trial court with respect to the class action counts of the complaint and remanded for discovery and trial on those counts. The Company is pursuing an appeal to the Tennessee Supreme Court from the intermediate court's ruling.

FMCH and its subsidiaries, including RCG (prior to the RCG Acquisition), received subpoenas from the U.S. Department of Justice, Eastern District of Missouri, in connection with a joint civil and criminal investigation. FMCH received its subpoena in April 2005. RCG received its subpoena in August 2005. The subpoenas require production of a broad range of documents relating to FMCH's and RCG's operations, with specific attention to documents related to clinical quality programs, business development activities, medical director compensation and physician relationships, joint ventures, and anemia management programs, RCG's supply company, pharmaceutical and other services that RCG provides to patients, RCG's relationships to pharmaceutical companies, and RCG's purchase of dialysis equipment from FMCH. The Office of the Inspector General of the U.S. Department of Health and Human Services and the U.S. Attorney's office for the Eastern District of Texas have also confirmed that they are participating in the review of the anemia management program issues raised by the U.S. Attorney's office for the Eastern District of Missouri. We will continue to cooperate in the ongoing investigation.

On July 17, 2007, the U.S. Attorney's office filed a civil complaint against RCG and FMCH in its capacity as RCG's current corporate parent in United States District Court, Eastern District of Missouri. The complaint seeks monetary damages and penalties with respect to issues arising out of the operation of RCG's Method II supply company through 2005, prior to the date of FMCH's acquisition of RCG. The complaint is styled United States of America ex rel. Julie Williams et al. vs. Renal Care Group, Renal Care Group Supply Company and FMCH. The Company believes that RCG's operation of its Method II supply company was in compliance with applicable law and will defend this litigation vigorously.

On November 27, 2007, the United States District Court for the Western District of Texas (El Paso) unsealed and permitted service of two complaints previously filed under seal by a qui tam relator, a former FMCH local clinic employee (Qui tam is a legal provision under the United States False Claims Act, which allows for private individuals to bring suit on behalf of the U.S. federal government, as far as such individuals believe to have knowledge of presumable fraud committed by third parties). The first complaint alleges that a nephrologist unlawfully employed in his practice an assistant to perform patient care tasks that the

assistant was not licensed to perform and that Medicare billings by the nephrologist and FMCH therefore violated the False Claims Act. The second complaint alleges that FMCH unlawfully retaliated against the relator by discharging her from employment constructively. The United States Attorney for the Western District of Texas declined to intervene and to prosecute on behalf of the United States. Litigation on the relator's complaint is continuing.

See also the discussion of certain pending tax-related litigation under "Liquidity and Capital Resources – Operations" in this report.

From time to time, the Company is a party to or may be threatened with other litigation or arbitration, claims or assessments arising in the ordinary course of its business. Management regularly analyzes current information including, as applicable, the Company's defenses and insurance coverage and, as necessary, provides accruals for probable liabilities for the eventual disposition of these matters.

The Company, 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 operation of manufacturing facilities, laboratories and dialysis clinics, and environmental and occupational health and safety. The Company must also comply with the Anti-Kickback Statute, the False Claims Act, the Stark Statute, and 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 the Company'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 "whistle blower" actions. By virtue of this regulatory environment, the Company's business activities and practices are subject to extensive review by regulatory authorities and private parties, and continuing audits, investigative demands, subpoenas, other inquiries, claims and litigation relating to the Company's compliance with applicable laws and regulations. The Company 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.

The Company operates many facilities throughout the United States. In such a decentralized system, it is often difficult to maintain the desired level of oversight and control over the thousands of individuals employed by many affiliated companies. The Company relies upon its management structure, regulatory and legal resources, and the effective operation of its compliance program to direct, manage and monitor the activities of these employees. On occasion, the Company may identify instances where employees, deliberately or inadvertently, have submitted inadequate or false billings. The actions of such persons may subject the Company and its subsidiaries to liability under the Anti-Kickback Statute, the Stark Statute and the False Claims Act, among other laws.

Physicians, hospitals and other participants in the health care industry are also subject to a large number of lawsuits alleging professional negligence, malpractice, product liability, worker's compensation or related claims, many of which involve large claims and significant defense costs. The Company has been and is currently subject to these suits due to the nature of its business and expects that those types of lawsuits may continue. Although the Company maintains insurance at a level which it believes to be prudent, it cannot assure that the coverage limits will be adequate or that insurance will cover all asserted claims. A successful claim against the Company or any of its subsidiaries in excess of insurance coverage could have a material adverse effect upon it and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

The Company has also had claims asserted against it and has had lawsuits filed against it relating to alleged patent infringements or businesses that it has acquired or divested. These claims and suits relate both to operation of the businesses and to the acquisition and divestiture transactions. The Company has, when appropriate, asserted its own claims, and claims for indemnification. A successful claim against the Company or any of its subsidiaries could have a material adverse effect upon its business, financial condition, and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

Accrued Special Charge for Legal Matters. At December 31, 2001, the Company recorded a pre-tax special charge of $258,159 to reflect anticipated expenses associated with the defense and resolution of pre-Merger tax claims, Merger-related claims, and commercial insurer claims. The costs associated with the Settlement Agreement and settlements with insurers have been charged against this accrual. With the exception of the proposed $115,000 payment under the Settlement Agreement, all other matters included in the special charge have been resolved. While the Company believes that its remaining accrual reasonably estimates its currently anticipated costs related to the continued defense and resolution of this matter, no assurances can be given that its actual costs incurred will not exceed the amount of this accrual.

10. FINANCIAL INSTRUMENTS

As a global supplier of dialysis services and products in more than 115 countries throughout the world, the Company is faced with a concentration of credit risks due to the nature of the reimbursement systems which are often provided by the government of the countries in which the Company operates. Changes in reimbursement rates or the scope of coverage could have a material adverse effect on our business, financial condition and results of operations and thus on our capacity to generate cash flow. In the past we experienced and also expect in the future generally stable reimbursements for our dialysis services. Due to the fact that a large portion of our reimbursement is provided by public health care organizations and private insurers, we expect that most of our accounts receivables will be collectable, albeit somewhat more slowly in the immediate future.

Derivative Instruments. The Company is exposed to market risk from changes in interest rates and foreign exchange rates. In order to manage the risk of interest rate and currency exchange rate fluctuations, the Company enters into various hedging transactions by means of derivative instruments with highly rated financial institutions as authorized by the Company's General Partner. On a quarterly basis an assessment of the Company´s counterparty credit risk is performed, which we consider currently to be low.

Foreign Exchange Risk Management. The Company conducts business on a global basis in various currencies, though its operations are mainly in Germany and the United States. For financial reporting purposes, the Company has chosen the U.S. dollar as its reporting currency. Therefore, changes in the rate of exchange between the U.S. dollar and the local currencies in which the financial statements of the Company's international operations are maintained affect its results of operations and financial position as reported in its consolidated financial statements.

The Company's exposure to market risk for changes in foreign exchange rates relates to transactions such as sales and purchases. The Company has significant amounts of sales of products invoiced in euro from its European manufacturing facilities to its other international operations and, to a lesser extent, sales of products invoiced in other non-functional currencies. This exposes the subsidiaries to fluctuations in the rate of exchange between the euro and the currency in which their local operations are conducted. For the purpose of hedging existing and foreseeable foreign exchange transaction exposures the Company enters into foreign exchange forward contracts and, on a small scale, foreign exchange options. The Company's policy, which has been consistently followed, is that financial derivatives be used only for the purpose of hedging foreign currency exposure. As of March 31, 2009 the Company had no foreign exchange options.

In connection with intercompany loans in foreign currency the Company normally uses foreign exchange swaps thus assuring that no foreign exchange risks arise from those loans.

Interest Rate Risk Management. The Company enters into derivatives, particularly interest rate swaps and to a certain extent, interest options, to protect interest rate exposures arising from long-term debt at floating rates by effectively swapping them into fixed rates.

In certain instances, the Company enters into derivative contracts that do not qualify for hedge accounting but are utilized for economic purposes ("economic hedges"). In these cases, the change in value of the economic hedge is recorded in the income statement and usually offsets the change in value recorded in the income statement for the underlying asset or liability. The Company does not use financial instruments for trading purposes.

The following table shows our Derivatives at March 31, 2009.

Table 21 **DERIVATIVES**

$ in thousands	*March 31, 2009*	
	Assets[2]	*Liabilities*[2]
Derivatives in cash flow hedging relationships[1]		
current		
Foreign exchange contracts	18,671	(12,579)
Interest rate contracts (Dollar)	–	(10,260)
non-current		
Foreign exchange contracts	2,503	(1,222)
Interest rate contracts (Dollar)	–	(131,245)
Interest rate contracts (Yen)	–	(5)
TOTAL	**21,174**	**(155,311)**
Derivatives not designated as hedging instruments[1]		
current		
Foreign exchange contracts	18,310	(20,986)
TOTAL	**18,310**	**(20,986)**

[1] As March 31, 2009, the valuation of the Company's derivatives was determined using Significant Other Observable Inputs (Level 2) in accordance with the fair value hierarchy levels established in FAS 157.
[2] Derivative instruments are marked to market each reporting period resulting in carrying amounts being equal to fair values at reporting date.

The carrying amounts for the current portion of derivatives indicated as assets in the table above are included in Prepaid assets and other current assets in the Consolidated Balance Sheets while the current portion of those indicated as liabilities are included in Accrued expenses and other current liabilities. The non-current portions indicated as assets or liabilities are included in the Consolidated Balance Sheets in Other assets or Other liabilities, respectively.

Table 22 THE EFFECT OF DERIVATIVES ON THE STATEMENT OF FINANCIAL PERFORMANCE

$ in thousands, except share and per share data	*Amount of (Gain) or Loss Recognized in OCI on Derivative (Effective Portion) 2009*	*Location of (Gain) or Loss reclassified from Accumulated OCI in Income (Effective Portion)*	*Amount of (Gain) or Loss reclassified from Accumulated OCI in Income (Effective Portion) 2009*
Derivatives in Cash Flow Hedging Relationships			
Interest rate contracts (Dollar)	(7,441)	Interest income / expense	(33)
Interest rate contracts (Yen)	(4)	Interest income / expense	–
Foreign exchange contacts	5,984	Costs of Revenue	(1,367)
TOTAL	**(1,461)**		**(1,400)**

Table 22 THE EFFECT OF DERIVATIVES ON THE STATEMENT OF FINANCIAL PERFORMANCE

$ in thousands, except share and per share data	*Amount of (Gain) or Loss Recognized in Income on Derivative 2009*	*Location of (Gain) or Loss Recognized in Income on Derivative*
Derivatives not Designated as Hedging Instruments		
Foreign exchange contracts	(2,249)	Selling, general and administrative expense
	508	Interest income / expense
TOTAL	**(1,741)**	

The Company expects to recognize $9,179 of gains deferred in accumulated other comprehensive income at March 31, 2009, in earnings during the next twelve months.

As of March 31, 2009, the Company had foreign exchange derivatives with maturities of up to 22 months and interest rate swaps with maturities of up to 36 months.

11. BUSINESS SEGMENT INFORMATION

The Company has identified three business segments, North America, International, and Asia Pacific, which were determined based upon how the Company manages its businesses. All segments are primarily engaged in providing dialysis care services and manufacturing and distributing products and equipment for the treatment of ESRD. In the U.S., the Company also engages in performing clinical laboratory testing and providing inpatient dialysis services and other services under contract to hospitals. The Company has aggregated the International and Asia Pacific operating segments as "International". The segments are aggregated due to their similar economic characteristics. These characteristics include the same services provided and products sold, the same type patient population, similar methods of distribution of products and services and similar economic environments.

Management evaluates each segment using a measure that reflects all of the segment's controllable revenues and expenses. Management believes that the most appropriate measure in this regard is operating income which measures the Company's source of earnings. Financing is a corporate function, which the Company's segments do not control. Therefore, the Company does not include interest expense relating to financing as a segment measure. Similarly, the Company does not allocate "corporate costs", which relate primarily to certain headquarters overhead charges, including accounting and finance, professional services, etc. because the Company believes that these costs are also not within the control of the individual segments. The Company also regards income taxes to be outside the segment's control.

Information pertaining to the Company's business segments for the three-month periods ended March 31, 2009 and 2008 is set forth below.

Table 23 **BUSINESS SEGMENT INFORMATION**

$ in thousands	*North America*	*International*	*Segment Total*	*Corporate*	*Total*
Three months ended March 31, 2009					
Net revenue external customers	1,773,813	785,843	2,559,656	154	2,559,810
Inter-segment revenue	–	17,526	17,526	(17,526)	–
REVENUE	**1,773,813**	**803,369**	**2,577,182**	**(17,372)**	**2,559,810**
Depreciation and amortization	(63,694)	(39,752)	(103,446)	(2,025)	(105,471)
OPERATING INCOME	**271,936**	**146,788**	**418,724**	**(22,882)**	**395,842**
Segment assets	10,964,315	3,523,392	14,487,707	381,049	14,868,756
Capital expenditures, acquisitions and investments[1]	76,451	71,660	148,111	455	148,566
Three months ended March 31, 2008					
Net revenue external customers	1,667,541	843,995	2,511,536	188	2,511,724
Inter-segment revenue	–	19,440	19,440	(19,440)	–
REVENUE	**1,667,541**	**863,435**	**2,530,976**	**(19,252)**	**2,511,724**
Depreciation and amortization	(55,447)	(40,155)	(95,602)	(1,024)	(96,626)
OPERATING INCOME	**272,652**	**143,244**	**415,896**	**(27,225)**	**388,671**
Segment assets	10,688,281	3,649,781	14,338,062	254,452	14,592,514
Capital expenditures, acquisitions and investments[2]	165,988	64,798	230,786	115	230,901

[1] International acquisitions exclude $ 2,293 of non-cash acquisitions for 2009.
[2] International acquisitions exclude $ 2,369 of non-cash acquisitions for 2008.

12. SUPPLEMENTARY CASH FLOW INFORMATION

The following additional information is provided with respect to the consolidated statements of cash flows:

Table 24 **SUPPLEMENTARY CASH FLOW INFORMATION**

$ in thousands	*For the three months ended March 31,*	
	2009	*2008*
Supplementary cash flow information		
Cash paid for interest	94,826	99,752
Cash paid for income taxes	90,227	89,236
Cash inflow for income taxes from stock option exercises	1,388	1,086
Supplemental disclosures of cash flow information		
Details for acquisitions:		
Assets acquired	(44,747)	(74,210)
Liabilities assumed	5,501	3,758
Noncontrolling interest	(71)	(3,279)
Notes assumed in connection with acquisition	2,293	2,369
CASH PAID	**(37,024)**	**(71,362)**
Less cash acquired	1,525	559
NET CASH PAID FOR ACQUISITIONS	**(35,499)**	**(70,803)**

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No significant activities have taken place since the balance sheet date March 31, 2009, which have a material impact in any way on the key figures presented and business earnings.

CORPORATE GOVERNANCE

The General Partner, represented by the Managing Board of Fresenius Medical Care Management AG, and the Supervisory Board of FMC-AG & Co. KGaA have submitted the declaration of compliance pursuant to section 161 of the German Stock Corporation Act ("AktG") and made this available to the shareholders at all times.

CONTACT AND CALENDAR

CALENDAR 2009

August 4, 2009	REPORT ON FIRST HALF 2009
November 3, 2009	REPORT ON NINE MONTHS 2009

Please notice that these dates might be subject to change.

This interim report is also available in German.
Dieser Zwischenbericht liegt auch in deutscher Sprache vor.

Annual reports, interim reports and further information on the Company is also available on our website. Please visit us at www.fmc-ag.com

For printed material, please contact Investor Relations.

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