FRESENIUS

100 Years | Forward Thinking Healthcare.

Quarterly Financial Report of Fresenius Group

applying United States Generally Accepted Accounting Principles

(U.S. GAAP)

1st Quarter 2013

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FRESENIUS GROUP FIGURES AT A GLANCE

Fresenius is a health care group providing products and services for dialysis, hospitals and the medical care of patients at home. In addition, Fresenius focuses on hospital operation, as well as on engineering and services for hospitals and other health care facilities. In 2012, Group sales were €19.3 billion. As of March 31, 2013, more than 171,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

SALES, EARNINGS, AND CASH FLOW

€ in millions	Q1/2013	Q1/2012	Change
Sales	**4,890**	4,419	11%
EBIT [1]	**696**	661	5%
Net income [2]	**224**	200	12%
Earnings per share in € [2]	**1.26**	1.23	2%
Operating cash flow	**444**	538	-17%

BALANCE SHEET AND INVESTMENTS

€ in millions	March 31, 2013	Dec. 31, 2012	Change
Total assets	**31,311**	30,664	2%
Non-current assets	**23,044**	22,551	2%
Equity [3]	**13,298**	12,758	4%
Net debt	**10,174**	10,143	0%
Investments [4]	**258**	2,078	-88%

RATIOS

€ in millions	Q1/2013	Q1/2012
EBITDA margin [1]	**18.4%**	19.0%
EBIT margin [1]	**14.2%**	15.0%
Depreciation and amortization in % of sales	**4.1**	4.0
Operating cash flow in % of sales	**9.1**	12.2
Equity ratio (March 31/December 31)	**42.5%**	41.6%
Net debt/EBITDA (March 31/December 31) [5]	**2.6**	2.6

[1] 2013 adjusted for one-time integration costs of Fenwal Holdings, Inc. ("Fenwal") of €7 million
[2] Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2013 adjusted for one-time integration costs of Fenwal of €5 million after tax; 2012 adjusted for a non-taxable investment gain of €30 million at Fresenius Medical Care
[3] Equity including noncontrolling interest
[4] Investments in property, plant and equipment and intangible assets, acquisitions (Q1).
[5] 2013 pro forma including Fenwal; adjusted for one-time costs of €6 million (non-financing expenses) related to the offer to RHÖN-KLINIKUM AG shareholders; adjusted for one-time costs of €86 million at Fresenius Medical Care and one-time integration costs of Fenwal of €7 million; 2012 pro forma including Damp Group, Liberty Dialysis Holdings, Inc. and Fenwal, adjusted for one-time costs of €6 million (non-financing expenses) related to the offer to RHÖN-KLINIKUM AG shareholders, and one-time costs of €86 million at Fresenius Medical Care

INFORMATION ON THE BUSINESS SEGMENTS

FRESENIUS MEDICAL CARE – Dialysis products, Dialysis care

US$ in millions	**Q1/2013**	Q1/2012	Change
Sales	**3,464**	3,249	7%
EBIT	**493**	503	-2%
Net income [1]	**225**	244	-8%
Operating cash flow	**315**	481	-34%
Investments/Acquisitions	**223**	1,827	-88%
R & D expenses	**30**	29	6%
Employees, per capita on balance sheet date (March 31/December 31)	**91,584**	90,866	1%

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

€ in millions	**Q1/2013**	Q1/2012	Change
Sales	**1,260**	1,092	15%
EBIT	**237**	215	10%
Net income [2]	**119**	98	21%
Operating cash flow	**132**	93	42%
Investments/Acquisitions	**58**	37	57%
R & D expenses	**53**	45	18%
Employees, per capita on balance sheet date (March 31/December 31)	**30,668**	30,214	2%

FRESENIUS HELIOS – Hospital operation

€ in millions	**Q1/2013**	Q1/2012 [5]	Change
Sales	**841**	710	18%
EBIT	**87**	68	28%
Net income [3]	**56**	41	37%
Operating cash flow	**33**	34	-3%
Investments/Acquisitions	**23**	563	-96%
Employees, per capita on balance sheet date (March 31/December 31)	**42,755**	42,881	0%

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

€ in millions	**Q1/2013**	Q1/2012 [6]	Change
Sales	**184**	149	23%
EBIT	**5**	5	0%
Net income [4]	**3**	4	-25%
Operating cash flow	**45**	45	0%
Investments/Acquisitions	**8**	1	--
Order intake	**93**	104	-11%
Employees, per capita on balance sheet date (March 31/December 31)	**5,831**	4,432	32%

[1] Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA; Q1 2012 adjusted for a non-taxable investment gain of US$127 million related to the acquisition of Liberty Dialysis Holdings, Inc.
[2] Net income attributable to shareholders of Fresenius Kabi AG
[3] Net income attributable to shareholders of HELIOS Kliniken GmbH
[4] Net income attributable to shareholders of VAMED AG
[5] Adjusted for post-acute care clinic Zihlschlacht transferred to Fresenius Vamed
[6] Adjusted for post-acute care clinic Zihlschlacht

FRESENIUS SHARE

In the first quarter of 2013, the Fresenius share continued its positive development of the previous year and reached a new all-time high of €97.11. With an increase of 11% compared to the year-end closing price of 2012, the shares continued to outperform the DAX.

FIRST QUARTER OF 2013

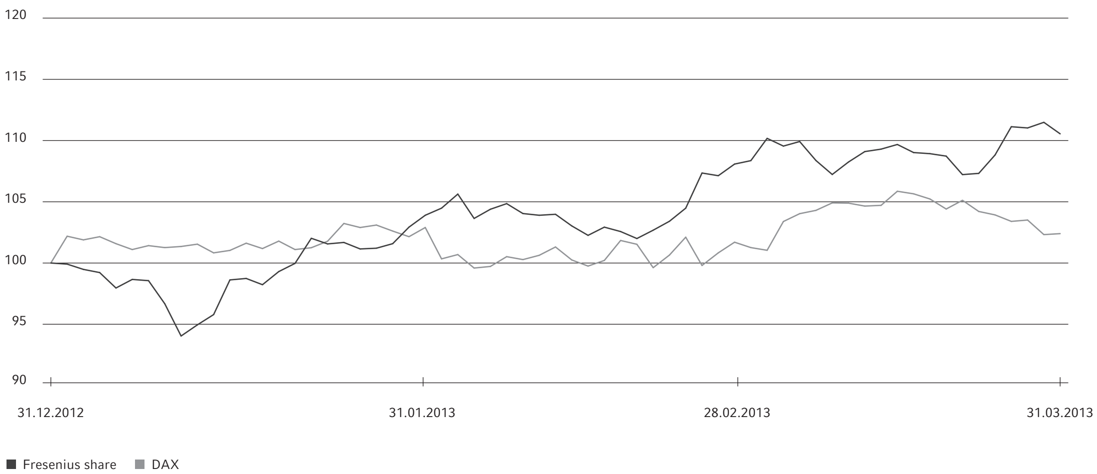
The uncertain outlook for the global economic development caused an unsteady sentiment in the first quarter of 2013. While central banks continued their accommodative monetary policy responding to the low economic prospects, the crisis in Cyprus and the Italian election results further increased uncertainty on the financial markets.

Nevertheless, leading stock indices in the U.S., Europe and Japan continued to rise and partially marked new record levels. In the light of historically low interest rates, equities remain an attractive asset class. Shares especially in non-cyclical market segments benefited from this development.

For the first time since July 2007, the DAX index exceeded 8,000 points in March 2013. The Fresenius share developed very positively and reached a new all-time high of €97.11 on March 28, 2013. With a share price increase of 11% to €96.29 compared to the 2012 year-end closing price the Fresenius share concluded the first quarter successfully. In the same period the DAX index increased by 2% to 7.795 points.

RELATIVE SHARE PRICE PERFORMANCE VS. DAX

31.12.2012 = 100



KEY DATA OF THE FRESENIUS SHARE

	Q1/2013	2012	Change
Number of shares (March 31/December 31)	**178,271,131**	178,188,260	0%
Quarter-end quotation in €	**96.29**	87.10	11%
High in €	**97.11**	96.38	1%
Low in €	**81.91**	72.07	14%
Ø Trading volume (number of shares per trading day)	**501,455**	482,030	4%
Market capitalization, € in millions (March 31/December 31)	**17,166**	15,520	11%

MANAGEMENT REPORT

Fresenius is off to an excellent start in 2013. We improved on last year's outstanding sales and earnings and had the best first quarter in the Company's history. Fresenius Kabi and Fresenius Helios recorded particularly strong growth. Our first-quarter performance puts us on track to meet our goals for the full year 2013 and to exceed €1 billion in Group net income for the first time.[1]

SUCCESSFUL START INTO 2013 – FRESENIUS FULLY CONFIRMS OUTLOOK

	Q1/2013	at actual rates	in constant currency
Sales	**€4.9 bn**	+11%	+12%
EBIT[2]	**€696 m**	+5%	+6%
Net income[3]	**€224 m**	+12%	+12%

HEALTH CARE INDUSTRY

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

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

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

Health care structures are being reviewed and cost-cutting potential identified in order to contain the steadily rising health care expenditures. However, such measures cannot compensate for the cost pressures arising from medical advances and demographic change. Market-based elements are increasingly being introduced into the health care system to create incentives for cost- and quality-conscious behavior. Overall treatment costs shall be reduced through improved quality standards and optimized medical processes.

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

[1] Net income attributable to shareholders of Fresenius SE & Co. KGaA; adjusted for one-time integration costs of Fenwal (~€50 million pre-tax)
[2] 2013 adjusted for one-time integration costs of Fenwal of €7 million
[3] Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2013 adjusted for one-time integration costs of Fenwal of €5 million after tax; 2012 adjusted for an non-taxable investment gain of €30 million at Fresenius Medical Care

RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

SALES

Group sales increased by 11% (12% in constant currency) to €4,890 million (Q1 2012: €4,419 million). Organic sales growth was 5%. Acquisitions contributed a further 8%. Divestitures reduced sales growth by 1%.

Organic sales growth was 6% in North America and 3% in Europe. In Latin America (15%) and Africa (24%) organic sales growth was particularly strong. In Asia-Pacific organic sales growth was 6%.

EARNINGS

Group EBITDA[1] grew by 7% (8% in constant currency) to €898 million (Q1 2012: €838 million). Group EBIT[1] increased by 5% (6% in constant currency) to €696 million (Q1 2012: €661 million). The EBIT margin was 14.2% (Q1 2012: 15.0%).

Group net interest was -€163 million (Q1 2012: -€147 million), including €14 million one-time costs resulting from the early redemption of the Senior Notes originally due 2016.

The Group tax rate[2] improved to 29.1% (Q1 2012: 30.4%).

Noncontrolling interest was €154 million (Q1 2012: €158 million), of which 94% was attributable to the noncontrolling interest in Fresenius Medical Care.

SALES BY REGION

€ in millions	Q1/2013	Q1/2012	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/ divestitures	% of total sales
North America	**2,102**	1,870	12%	-1%	13%	6%	7%	43%
Europe	**1,974**	1,801	10%	0%	10%	3%	7%	40%
Asia-Pacific	**454**	423	7%	-1%	8%	6%	2%	9%
Latin America	**276**	254	9%	-8%	17%	15%	2%	6%
Africa	**84**	71	18%	-7%	25%	24%	1%	2%
Total	**4,890**	4,419	11%	-1%	12%	5%	7%	100%

SALES BY BUSINESS SEGMENT

€ in millions	Q1/2013	Q1/2012	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/ divestitures	% of total sales
Fresenius Medical Care	**2,623**	2,478	6%	-1%	7%	4%	3%	54%
Fresenius Kabi	**1,260**	1,092	15%	-2%	17%	7%	10%	25%
Fresenius Helios	**841**	710	18%	0%	18%	5%	13%	17%
Fresenius Vamed	**184**	149	23%	0%	23%	10%	13%	4%

[1] 2013 adjusted for one-time integration costs of Fenwal of €7 million
[2] 2013 adjusted for one-time integration costs of Fenwal; 2012 adjusted for a non-taxable investment gain at Fresenius Medical Care

EARNINGS

€ in millions	Q1/2013	Q1/2012
EBIT [1]	**696**	661
Net income [2]	**224**	200
Net income [3]	**219**	230
Earnings per share in € [2]	**1.26**	1.23
Earnings per share in € [3]	**1.23**	1.41

Group net income[2] increased by 12% (12% in constant currency) to €224 million (Q1 2012: €200 million). Earnings per share[2] increased by 2% to €1.26 (Q1 2012: €1.23). As of March 31, 2013, Fresenius had 178,271,131 shares outstanding (March 31, 2012: 163,334,670).

Group net income attributable to shareholders of Fresenius SE & Co. KGaA including one-time integration costs for Fenwal was €219 million or €1.23 per share.

INVESTMENTS

The Fresenius Group spent €179 million on property, plant and equipment (Q1 2012: €151 million). Acquisition spending was €79 million (Q1 2012: €1,927 million).

CASH FLOW

Operating cash flow was €444 million (Q1 2012: €538 million). The decrease was mainly a result of a €76 million payment, partially offset by repayments received, both of which were associated with the amendment to the agreement relating to the iron product Venofer®, and other working capital items at Fresenius Medical Care. The cash flow margin reached 9.1% (Q1 2012: 12.2%). Net capital expenditure increased to €188 million (Q1 2012: €152 million).

Free cash flow before acquisitions and dividends was €256 million (Q1 2012: €386 million). Free cash flow after acquisitions and dividends increased to €229 million (Q1 2012: -€1,096 million).

INVESTMENTS BY BUSINESS SEGMENT

€ in millions	Q1/2013	Q1/2012	thereof property, plant and equipment	thereof acquisitions	Change	% of total
Fresenius Medical Care	**169**	1,361	112	57	-88%	65%
Fresenius Kabi	**58**	37	45	13	57%	23%
Fresenius Helios	**23**	563	20	3	-96%	9%
Fresenius Vamed	**8**	1	1	7	--	3%
Corporate/Other	**–**	116	1	-1	-100%	–
Total	**258**	2,078	179	79	-88%	100%

[1] 2013 adjusted for one-time integration costs of Fenwal of €7 million
[2] Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2013 adjusted for one-time integration costs of Fenwal of €5 million after tax; 2012 adjusted for a non-taxable investment gain of €30 million at Fresenius Medical Care
[3] Net income attributable to shareholders of Fresenius SE & Co. KGaA

ASSET AND LIABILITY STRUCTURE

The Group's total assets increased by 2% (flat in constant currency) to €31,311 million (Dec. 31, 2012: €30,664 million). Current assets grew by 2% to €8,267 million (Dec. 31, 2012: €8,113 million). Non-current assets increased by 2% to €23,044 million (Dec. 31, 2012: €22,551 million).

Total shareholders' equity increased by 4% to €13,298 million (Dec. 31, 2012: €12,758 million). The equity ratio increased to 42.5% (Dec. 31, 2012: 41.6%).

Group debt was €11,024 million (Dec. 31, 2012: €11,028 million). Net debt was €10,174 million (Dec. 31, 2012: €10,143 million). As of March 31, 2013, the net debt/EBITDA ratio was 2.57 [1] (Dec. 31, 2012: 2.56 [2]).

CASH FLOW STATEMENT (SUMMARY)

€ in millions	Q1/2013	Q1/2012	Change
Net income	373	455	-18%
Depreciation and amortization	202	177	14%
Change in accruals for pensions	15	9	67%
Cash flow	590	641	-8%
Change in working capital	-146	-6	--
Investment gain [3]	0	-97	100%
Operating cash flow	444	538	-17%
Property, plant and equipment	-190	-154	-23%
Proceeds from the sale of property, plant and equipment	2	2	0%
Cash flow before acquisitions and dividends	256	386	-34%
Cash used for acquisitions, net	23	-1,458	102%
Dividends paid	-50	-24	-108%
Free cash flow paid after acquisitions and dividends	229	-1,096	121%
Cash provided by/used for financing activities	-277	1,329	-121%
Effect of exchange rates on change in cash and cash equivalents	13	-13	200%
Net change in cash and cash equivalents	-35	220	-116%

[1] Pro forma including Fenwal; adjusted for one-time costs of €6 million (non-financing expenses) related to the offer to RHÖN-KLINIKUM AG shareholders; adjusted for one-time costs of €86 million at Fresenius Medical Care and one-time integration costs of Fenwal of €7 million
[2] Pro forma including Damp Group, Liberty Dialysis Holdings, Inc. and Fenwal, adjusted for one-time costs of €6 million (non-financing expenses) related to the offer to RHÖN-KLINIKUM AG shareholders, and one-time costs of €86 million at Fresenius Medical Care
[3] Q1 2012: € 97 million non-taxable investment gain at Fresenius Medical Care AG & Co. KGaA; thereof €30 million attributable to shareholders of Fresenius SE & Co. KGaA

BUSINESS SEGMENTS

FRESENIUS MEDICAL CARE

Fresenius Medical Care is the world's leading provider of services and products for patients with chronic kidney failure. As of March 31, 2013, Fresenius Medical Care was treating 261,648 patients in 3,180 dialysis clinics.

US$ in millions	Q1/2013	Q1/2012	Change
Sales	**3,464**	3,249	7%
EBITDA	**650**	646	1%
EBIT	**493**	503	-2%
Net income [1]	**225**	244	-8%
Employees (March 31/December 31)	**91,584**	90,866	1%

FIRST QUARTER OF 2013

- Strong growth in dialysis services
- One-time effects drive slight EBIT decrease
- 2013 outlook confirmed

Sales increased by 7% (7% in constant currency) to US$3,464 million (Q1 2012: US$3,249 million). Organic sales growth was 4%. Acquisitions contributed a further 4%. Divestitures reduced sales by 1%.

Sales in dialysis services increased by 8% (9% in constant currency) to US$2,678 million (Q1 2012: US$2,478 million). Dialysis product sales grew by 2% (2% in constant currency) to US$786 million (Q1 2012: US$771 million).

In North America sales grew 9% to US$2,287 million (Q1 2012: US$2,105 million). Dialysis services sales grew by 10% to US$2,104 million (Q1 2012: US$1,918 million), although the quarter had two dialysis days less. Average revenue per treatment for U.S. services increased to US$359 (Q1 2012: US$353). Dialysis product sales were US$183 million (Q1 2012: US$187 million).

Sales outside North America ("International" segment) grew by 3% (4% in constant currency) to US$1,169 million (Q1 2012: US$1,136 million). Sales in dialysis services increased by 3% to US$574 million (Q1 2012: US$560 million). Dialysis product sales grew by 3% to US$595 million (Q1 2012: US$576 million).

EBIT decreased by 2% to US$493 million (Q1 2012: US$503 million). The EBIT margin was 14.2% (Q1 2012: 15.5%). The operating margin for North America decreased from 16.5% to 16.1%, impacted by higher personnel expenses and two dialysis days less as compared to the first quarter 2012. The operating margin in the International segment decreased from 17.2% to 15.7%, mainly due to special charges related to the devaluation of the Venezuelan Bolivar.

Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA decreased by 8% to US$225 million (Q1 2012 [1]: US$244 million).

The operating cash flow decreased by 34% to US$315 million (Q1 2012 US$481 million. The cash flow margin was 9.1% (Q1 2012: 14.8%).

Please see page 16 of the Management Report for the 2013 outlook of Fresenius Medical Care.

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

[1] Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA; Q1 2012 adjusted for a non-taxable investment gain of US$127 million related to the acquisition of Liberty Dialysis Holdings, Inc.

FRESENIUS KABI

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

€ in millions	Q1/2013	Q1/2012	Change
Sales	**1,260**	1,092	15%
EBITDA	**288**	254	13%
EBIT	**237**	215	10%
Net income [1]	**119**	98	21%
Employees (March 31/December 31)	**30,668**	30,214	2%

FIRST QUARTER OF 2013

- Strong organic sales growth of 7%
- EBIT margin of 18.8% (incl. Fenwal) at upper end of guidance
- 2013 outlook fully confirmed

Sales increased by 15% (17% in constant currency) to €1,260 million (Q1 2012: €1,092 million). Organic sales growth was 7%, well above the full year guidance of 3% to 5%. Acquisitions contributed 11%, while divestitures reduced sales by 1%.

Sales in Europe grew by 6% (organic growth: 2%) to €517 million (Q1 2012: €487 million). Sales in North America increased by 37% to €401 million (Q1 2012: €292 million), primarily driven by the first-time consolidation of Fenwal. Strong organic growth of 14% was mainly supported by product launches and competitors facing continued supply constraints. In Asia-Pacific sales increased by 12% (organic growth: 9%) to €223 million (Q1 2012: €199 million). Sales in Latin America/Africa increased by 4% (organic growth: 9%) to €119 million (Q1 2012: €114 million). Growth in the first quarter 2013 compares to an exceptionally strong Q1 2012 base, posting 8% organic sales growth in Europe, 20% in Asia-Pacific and 15% in Latin America/Africa.

EBIT grew by 10% to €237 million (Q1 2012: €215 million), driven in particular by excellent earnings growth in North America. The EBIT margin of 18.8% was at the upper end of full-year guidance. Excluding Fenwal, the EBIT margin was 20.0% (Q1 2012: 19.7%).

The first quarter 2013 includes provisions built for expected one-time charges to remediate manufacturing issues following FDA audits at the Grand Island, USA, and Kalyani, India, facilities. These slightly exceed the gain resulting from the sale of the respiratory homecare business in France.

Net income [1] increased by 21% to €119 million (Q1 2012: €98 million).

Fresenius Kabi's operating cash flow increased by 42% to €132 million (Q1 2012: €93 million). The cash flow margin increased to 10.5% (Q1 2012: 8.5%). Cash flow before acquisitions and dividends improved to €76 million (Q1 2012: €57 million).

The integration of Fenwal progressed as planned with related first quarter costs of €7 million pre-tax.

Please see page 16 of the Management Report for the 2013 outlook of Fresenius Kabi.

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

FRESENIUS HELIOS

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

€ in millions	Q1/2013	Q1/2012[1]	Change
Sales	**841**	710	18%
EBITDA	**114**	92	24%
EBIT	**87**	68	28%
Net income[2]	**56**	41	37%
Employees (March 31/December 31)	**42,755**	42,881	0%

FIRST QUARTER OF 2013

- Strong organic sales growth of 5% at the upper end of guidance
- EBIT margin increase by 70 basis points to 10.3%
- 2013 outlook fully confirmed

Sales increased by 18% to €841 million (Q1 2012: €710 million). Organic sales growth was 5%, acquisitions contributed 14%. Divestitures reduced sales growth by 1%.

EBIT grew by 28% to €87 million (Q1 2012: €68 million). The EBIT margin improved by 70 basis points to 10.3% (Q1 2012: 9.6%).

Net income[2] increased by 37% to €56 million (Q1 2012: €41 million).

Sales of the established hospitals grew by 5% to €739 million. EBIT improved by 20% to €83 million. The EBIT margin increased to 11.2% (Q1 2012: 9.8%). Sales of the acquired hospitals (consolidation <1 year) were €102 million, EBIT was €4 million.

In April 2013, Fresenius Helios completed the acquisition of the hospital in Wipperfuerth, North-Rhine Westphalia, announced in November 2012. The hospital was consolidated as of January 1, 2013. 2011 sales were €20 million.

Please see page 16 of the Management Report for the 2013 outlook of Fresenius Helios.

[1] Adjusted for post-acute care clinic Zihlschlacht transferred to Fresenius Vamed
[2] Net income attributable to shareholders of HELIOS Kliniken GmbH

FRESENIUS VAMED

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

€ in millions	Q1/2013	Q1/2012[1]	Change
Sales	**184**	149	23%
EBITDA	**7**	7	0%
EBIT	**5**	5	0%
Net income[2]	**3**	4	-25%
Employees (March 31/December 31)	**5,831**	4,432	32%

FIRST QUARTER OF 2013

- Excellent organic sales growth of 10%
- EBIT in line with expectations
- 2013 outlook fully confirmed

Sales increased by 23% to €184 million (Q1 2012: €149 million). Organic sales growth was 10%, acquisitions contributed a further 13%. Sales in the project business increased by 6% to €82 million (Q1 2012: €77 million). Sales in the service business grew by 42% to €102 million (Q1 2012: €72 million).

EBIT was €5 million (Q1 2012: €5 million). The EBIT margin reached 2.7% (Q1 2012: 3.4%).

Net income[2] was €3 million (Q1 2012: €4 million).

Order intake was €93 million (Q1 2012: €104 million), including a €48 million turnkey project for a diagnostic center in Russia. As of March 31, 2013, Fresenius Vamed's order backlog was €998 million (Dec. 31, 2012: €987 million).

Please see page 16 of the Management Report for the 2013 outlook of Fresenius Vamed.

[1] Adjusted for post-acute care clinic Zihlschlacht
[2] Net income attributable to shareholders of Vamed AG

EMPLOYEES

As of March 31, 2013, the Fresenius Group increased the number of its employees by 1% to 171,764 (Dec. 31, 2012: 169,324), mainly due to acquisitions.

EMPLOYEES BY BUSINESS SEGMENT

Number of employees	Mar. 31, 2013	Dec. 31, 2012	Change
Fresenius Medical Care	91,584	90,866	1%
Fresenius Kabi	30,668	30,214	2%
Fresenius Helios	42,755	42,881	0%
Fresenius Vamed	5,831	4,432	32%
Corporate/Other	926	931	-1%
Total	171,764	169,324	1%

RESEARCH AND DEVELOPMENT

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

RESEARCH AND DEVELOPMENT EXPENSES BY BUSINESS SEGMENT

€ in millions	Q1/2013	Q1/2012	Change
Fresenius Medical Care	23	22	5%
Fresenius Kabi	53	45	18%
Fresenius Helios	–	–	--
Fresenius Vamed	0	0	
Corporate/Other	1	4	-75%
Total	77	71	8%

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

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

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

DIALYSIS

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

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

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

Our R & D strategy is aligned with this focus:

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

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

ANTIBODY THERAPIES

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

Fresenius Biotech's sales increased by 2% to €8.3 million (Q1 2012: €8.1 million). Removab sales were €0.7 million (Q1 2012: €1.1 million). ATG Fresenius S sales increased by 9% to €7.6 million (Q1 2012: €7.0 million). Fresenius Biotech's EBIT was -€3 million (Q1 2012: -€6 million).

In December 2012, Fresenius announced the decision to discontinue its Fresenius Biotech subsidiary. The Company is in talks with several parties about a sale of Fresenius Biotech, while simultaneously assessing the equally viable option of continuing the immunosuppressive drug ATG-Fresenius S within the Fresenius Group. ATG-Fresenius S has been well established in the hospital market for decades, and is consistently profitable. Fresenius will divest the trifunctional antibody Removab (catumaxomab) business. Withdrawing from Removab will have a positive effect on Group earnings starting in 2013.

OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the 2012 annual report, there have been no material changes in Fresenius' overall opportunities and risk situation. In the ordinary course of Fresenius Group's operations, the Fresenius Group is subject to litigation, arbitration and investigations relating to various aspects of its business. The Fresenius Group regularly analyzes current information about such claims for probable losses and provides accruals for such matters, including estimated expenses for legal services, as appropriate.

In addition, we report on legal proceedings, currency and interest risks on pages 40 to 44 in the Notes of this report.

SUBSEQUENT EVENTS

There were no significant changes in the Group position or the health care sector since the end of the first quarter of 2013.

RATING

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

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

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

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

OUTLOOK 2013

FRESENIUS GROUP

Based on the Group's performance in the first quarter, Fresenius fully confirms its full-year guidance. For 2013, Fresenius expects sales to increase by 7% to 10% and net income [1] to increase by 7% to 12%, both in constant currency.

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

FRESENIUS MEDICAL CARE

The company expects revenue to grow to more than US$14.6 billion in 2013. Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA is expected to be between US$1.1 billion and US$1.2 billion in 2013. As previously disclosed, the range of the net income guidance considers the U.S. government reversing the effect of sequestration for the calendar year. If this takes place it represents approximately US$45 million in net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA. It is possible that the U.S. government may modify all or a portion of this but the likelihood of this diminishes as the year progresses.

FRESENIUS KABI

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

The company projects an EBIT margin of 19% to 20% excluding Fenwal and of 18% to 19% including Fenwal. EBIT [2] in constant currency is expected to exceed 2012 EBIT. The guidance includes expected one-time charges to remediate manufacturing issues following FDA audits at the Grand Island, USA, and Kalyani, India, facilities. It also includes a gain related to the sale of the respiratory homecare business in France.

FRESENIUS HELIOS

Fresenius Helios fully confirms its outlook for 2013. The company projects organic sales growth of 3% to 5% and EBIT in the range of €360 million to €380 million.

FRESENIUS VAMED

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

GROUP FINANCIAL OUTLOOK 2013

	Targets 2013
Revenue growth at constant currency	7% – 10%
Net income growth [1] at constant currency	7% – 12%

OUTLOOK 2013 BY BUSINESS SEGMENT

		Targets 2013
Fresenius Medical Care	Sales	>US$14.6 bn
	Net income [3]	US$1.1 bn – US$1.2 bn
Fresenius Kabi	Sales growth (constant currency)	12% – 14%
	Sales growth (organic)	3% – 5%
	EBIT margin excl. Fenwal	19% – 20%
	EBIT margin incl. Fenwal	18% – 19%
Fresenius Helios	Sales growth (organic)	3% – 5%
	EBIT	€360 m – €380 m
Fresenius Vamed	Sales growth	8% – 12%
	EBIT growth	5% – 10%

[1] Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2013 adjusted for one-time integration costs of Fenwal (~€50 million pre tax); 2012 adjusted for a non-taxable investment gain and certain one-time costs at Fresenius Medical Care as well as for one-time costs related to the offer to RHÖN-KLINIKUM AG shareholders
[2] Fresenius Kabi guidance adjusted for one-time integration costs of Fenwal (~€50 million pre tax); also see Group guidance
[3] Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

INVESTMENTS

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

EMPLOYEES

The number of employees in the Group will continue to rise in the future as a result of the expected expansion. We expect that the number of employees will increase to approximately 175,000 in 2013.

RESEARCH AND DEVELOPMENT

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

Given the continued cost-containment efforts in the health care sector, cost efficiency combined with a strong quality focus is acquiring ever greater importance in product development and the improvement of treatment concepts. We are concentrating our R & D activities on products and therapies for the treatment of patients with chronic kidney failure. Another focus is infusion and nutrition therapies and the development of generic IV drugs as well as medical devices.

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

€ in millions	Q1/2013	Q1/2012
Sales	4,890	4,419
Cost of sales	-3,362	-2,980
Gross profit	1,528	1,439
Selling, general and administrative expenses	-762	-707
Research and development expenses	-77	-71
Operating income (EBIT)	689	661
Investment gain	0	97
Net interest	-163	-147
Financial result	-163	-50
Income before income taxes	526	611
Income taxes	-153	-156
Net income	373	455
Less noncontrolling interest	154	225
Net income attributable to shareholders of Fresenius SE & Co. KGaA	219	230
Earnings per ordinary share in €	1.23	1.41
Fully diluted earnings per ordinary share in €	1.22	1.39

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

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

€ in millions	Q1/2013	Q1/2012
Net income	373	455
Other comprehensive income (loss)		
Foreign currency translation	220	-152
Cash flow hedges	12	12
Change of fair value of available for sale financial assets	9	8
Actuarial gains/losses on defined benefit pension plans	-3	8
Income taxes related to components of other comprehensive income (loss)	-7	-16
Other comprehensive income (loss), net	231	-140
Total comprehensive income	604	315
Comprehensive income attributable to noncontrolling interest subject to put provisions	29	1
Comprehensive income attributable to noncontrolling interest not subject to put provisions	271	127
Comprehensive income attributable to shareholders of Fresenius SE & Co. KGaA	304	187

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

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

ASSETS

€ in millions	March 31, 2013	December 31, 2012
Cash and cash equivalents	850	885
Trade accounts receivable, less allowance for doubtful accounts	3,787	3,650
Accounts receivable from and loans to related parties	18	18
Inventories	1,961	1,840
Other current assets	1,278	1,319
Deferred taxes	373	401
I. Total current assets	**8,267**	8,113
Property, plant and equipment	4,977	4,918
Goodwill	15,408	15,014
Other intangible assets	1,280	1,284
Other non-current assets	1,082	1,077
Deferred taxes	297	258
II. Total non-current assets	**23,044**	22,551
Total assets	**31,311**	30,664

LIABILITIES AND SHAREHOLDERS' EQUITY

€ in millions	March 31, 2013	December 31, 2012
Trade accounts payable	835	961
Short-term accounts payable to related parties	1	2
Short-term accrued expenses and other short-term liabilities	3,300	3,211
Short-term debt	696	205
Short-term loans from related parties	0	4
Current portion of long-term debt and capital lease obligations	716	519
Short-term accruals for income taxes	309	230
Deferred taxes	49	66
A. Total short-term liabilities	**5,906**	5,198
Long-term debt and capital lease obligations, less current portion	4,309	4,436
Senior Notes	5,303	5,864
Long-term accrued expenses and other long-term liabilities	460	436
Pension liabilities	693	679
Long-term accruals for income taxes	215	213
Deferred taxes	695	682
B. Total long-term liabilities	**11,675**	12,310
I. Total liabilities	**17,581**	17,508
II. Noncontrolling interest subject to put provisions	**432**	398
A. Noncontrolling interest not subject to put provisions	**5,358**	5,125
Subscribed capital	178	178
Capital reserve	3,228	3,225
Other reserves	4,577	4,358
Accumulated other comprehensive loss	-43	-128
B. Total Fresenius SE & Co. KGaA shareholders' equity	**7,940**	7,633
III. Total shareholders' equity	**13,298**	12,758
Total liabilities and shareholders' equity	**31,311**	30,664

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

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

€ in millions	Q1/2013	Q1/2012
Operating activities		
Net income	**373**	455
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities		
Depreciation and amortization	**202**	177
Gain on sale of investments and divestitures	**-40**	0
Change in deferred taxes	**-31**	18
Gain/loss on sale of fixed assets	**1**	–
Changes in assets and liabilities, net of amounts from businesses acquired or disposed of		
Trade accounts receivable, net	**-89**	-185
Inventories	**-92**	-81
Other current and non-current assets	**64**	55
Accounts receivable from/payable to related parties	**-4**	-11
Trade accounts payable, accrued expenses and other short-term and long-term liabilities	**-17**	80
Accruals for income taxes	**77**	30
Net cash provided by operating activities	**444**	538
Investing activities		
Purchase of property, plant and equipment	**-190**	-154
Proceeds from sales of property, plant and equipment	**2**	2
Acquisitions and investments, net of cash acquired and net purchases of intangible assets	**-72**	-1,593
Proceeds from sale of investments and divestitures	**95**	135
Net cash used in investing activities	**-165**	-1,610
Financing activities		
Proceeds from short-term loans	**540**	29
Repayments of short-term loans	**-54**	-38
Proceeds from short-term loans from related parties	**–**	–
Repayments of short-term loans from related parties	**–**	–
Proceeds from long-term debt and capital lease obligations	**134**	38
Repayments of long-term debt and capital lease obligations	**-130**	-96
Proceeds from the issuance of Senior Notes	**500**	1,768
Repayments of liabilities from Senior Notes	**-1,150**	0
Changes of accounts receivable securitization program	**-123**	-254
Proceeds from the exercise of stock options	**7**	8
Dividends paid	**-50**	-24
Change in noncontrolling interest	**-1**	-126
Exchange rate effect due to corporate financing	**–**	–
Net cash used in/provided by financing activities	**-327**	1,305
Effect of exchange rate changes on cash and cash equivalents	**13**	-13
Net decrease/increase in cash and cash equivalents	**-35**	220
Cash and cash equivalents at the beginning of the reporting period	**885**	635
Cash and cash equivalents at the end of the reporting period	**850**	855

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

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

	Subscribed Capital			Reserves	
	Number of ordinary shares in thousand	Amount € in thousands	Amount € in millions	Capital reserve € in millions	Other reserves € in millions
As of December 31, 2011	163,237	163,237	163	2,136	3,658
Proceeds from the exercise of stock options	98	98	–	5	
Compensation expense related to stock options				5	
Dividends paid					
Purchase of noncontrolling interest not subject to put provisions					
Purchase of ordinary shares of Fresenius Medical Care AG & Co. KGaA					-71
Change in fair value of noncontrolling interest subject to put provisions				-7	
Comprehensive income (loss)					
Net income					230
Other comprehensive income (loss)					
Cash flow hedges					
Change of fair value of available for sale financial assets					
Foreign currency translation					
Actuarial gains on defined benefit pension plans					
Comprehensive income (loss)					230
As of March 31, 2012	163,335	163,335	163	2,139	3,817
As of December 31, 2012	178,188	178,188	178	3,225	4,358
Proceeds from the exercise of stock options	83	83	–	4	
Compensation expense related to stock options				6	
Dividends paid					
Sale of noncontrolling interest not subject to put provisions					
Change in fair value of noncontrolling interest subject to put provisions				-7	
Comprehensive income (loss)					
Net income					219
Other comprehensive income (loss)					
Cash flow hedges					
Change of fair value of available for sale financial assets					
Foreign currency translation					
Actuarial losses on defined benefit pension plans					
Comprehensive income					219
As of March 31, 2013	**178,271**	**178,271**	**178**	**3,228**	**4,577**

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

	Accumulated other comprehensive income (loss) € in millions	Total Fresenius SE & Co. KGaA shareholders' equity € in millions	Noncontrolling interest not subject to put provisions € in millions	Total shareholders' equity € in millions
As of December 31, 2011	14	5,971	4,606	10,577
Proceeds from the exercise of stock options		5	3	8
Compensation expense related to stock options		5	3	8
Dividends paid		0	-15	-15
Purchase of noncontrolling interest not subject to put provisions		0	75	75
Purchase of ordinary shares of Fresenius Medical Care AG & Co. KGaA		-71	-43	-114
Change in fair value of noncontrolling interest subject to put provisions		-7	-17	-24
Comprehensive income (loss)				
Net income		230	215	445
Other comprehensive income (loss)				
Cash flow hedges	5	5	-9	-4
Change of fair value of available for sale financial assets	8	8	–	8
Foreign currency translation	-58	-58	-82	-140
Actuarial gains on defined benefit pension plans	2	2	3	5
Comprehensive income (loss)	-43	187	127	314
As of March 31, 2012	-29	6,090	4,739	10,829
As of December 31, 2012	-128	7,633	5,125	12,758
Proceeds from the exercise of stock options		4	3	7
Compensation expense related to stock options		6	3	9
Dividends paid		0	-28	-28
Sale of noncontrolling interest not subject to put provisions		0	-2	-2
Change in fair value of noncontrolling interest subject to put provisions		-7	-14	-21
Comprehensive income (loss)				
Net income		219	135	354
Other comprehensive income (loss)				
Cash flow hedges	4	4	4	8
Change of fair value of available for sale financial assets	9	9	–	9
Foreign currency translation	73	73	133	206
Actuarial losses on defined benefit pension plans	-1	-1	-1	-2
Comprehensive income	85	304	271	575
As of March 31, 2013	**-43**	**7,940**	**5,358**	**13,298**

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

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

	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other			Fresenius Group		
by business segment, € in millions	2013	2012[2]	Veränd.	2013[3]	2012	Veränd.	2013	2012	Veränd.	2013	2012	Veränd.	2013[4]	2012[5]	Veränd.	2013	2012	Veränd.
Sales	**2,623**	2,478	6%	**1,260**	1,092	15%	**841**	710	18%	**184**	149	23%	**-18**	-10	-80%	**4,890**	4,419	11%
thereof contribution to consolidated sales	**2,618**	2,474	6%	**1,249**	1,080	16%	**841**	710	18%	**175**	149	17%	**7**	6	17%	**4,890**	4,419	11%
thereof intercompany sales	**5**	4	25%	**11**	12	-8%	**0**	0		**9**	–	--	**-25**	-16	-56%	**0**	0	
contribution to consolidated sales	**54%**	56%		**25%**	25%		**17%**	16%		**4%**	3%		**0%**	0%		**100%**	100%	
EBITDA	**492**	493	0%	**288**	254	13%	**114**	92	24%	**7**	7	0%	**-10**	-8	-25%	**891**	838	6%
Depreciation and amortization	**118**	109	8%	**51**	39	31%	**27**	24	13%	**2**	2	0%	**4**	3	33%	**202**	177	14%
EBIT	**374**	384	-3%	**237**	215	10%	**87**	68	28%	**5**	5	0%	**-14**	-11	-27%	**689**	661	4%
Net interest	**-79**	-75	-5%	**-66**	-69	4%	**-15**	-14	-7%	**-1**	–	--	**-2**	11	-118%	**-163**	-147	-11%
Income taxes	**-98**	-105	7%	**-45**	-40	-13%	**-14**	-10	-40%	**-1**	-1	0%	**5**	–	--	**-153**	-156	2%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	**171**	186	-8%	**119**	98	21%	**56**	41	37%	**3**	4	-25%	**-130**	-99	-31%	**219**	230	-5%
Operating cash flow	**239**	367	-35%	**132**	93	42%	**33**	34	-3%	**45**	45	0%	**-5**	-1	--	**444**	538	-17%
Cash flow before acquisitions and dividends	**128**	274	-53%	**76**	57	33%	**14**	15	-7%	**44**	44	0%	**-6**	-4	-50%	**256**	386	-34%
Total assets[1]	**17,290**	16,921	2%	**9,029**	8,662	4%	**4,436**	4,408	1%	**756**	676	12%	**-200**	-3	--	**31,311**	30,664	2%
Debt[1]	**6,287**	6,290	0%	**5,088**	4,964	2%	**1,308**	1,293	1%	**105**	74	42%	**-1,764**	-1,593	-11%	**11,024**	11,028	0%
Capital expenditure, gross	**112**	95	18%	**45**	33	36%	**20**	20	0%	**1**	1	0%	**1**	2	-50%	**179**	151	19%
Acquisitions, gross/investments	**57**	1,266	-95%	**13**	4	--	**3**	543	-99%	**7**	0		**-1**	114	-101%	**79**	1,927	-96%
Research and development expenses	**23**	22	5%	**53**	45	18%	**–**	–	--	**0**	–	--	**1**	4	-75%	**77**	71	8%
Employees (per capita on balance sheet date)[1]	**91,584**	90,866	1%	**30,668**	30,214	2%	**42,755**	42,881	0%	**5,831**	4,432	32%	**926**	931	-1%	**171,764**	169,324	1%
Key figures																		
EBITDA margin	**18.8%**	19.9%		**22.9%**	23.3%		**13.6%**	13.0%		**3.8%**	4.7%					**18.4%[3]**	19.0%	
EBIT margin	**14.2%**	15.5%		**18.8%**	19.7%		**10.3%**	9.6%		**2.7%**	3.4%					**14.2%[3]**	15.0%	
Depreciation and amortization in % of sales	**4.5%**	4.4%		**4.0%**	3.6%		**3.2%**	3.4%		**1.1%**	1.3%					**4.1%**	4.0%	
Operating cash flow in % of sales	**9.1%**	14.8%		**10.5%**	8.5%		**3.9%**	4.8%		**24.5%**	30.2%					**9.1%**	12.2%	
ROOA[1]	**11.1%**	11.4%		**12.4%**	12.3%		**8.4%**	8.2%		**11.8%**	12.8%					**10.9%[6]**	11.0%[7]	

[1] 2012: December 31
[2] Excluding special item from the acquisition of Liberty Dialysis Holdings, Inc.
[3] Excluding one-time integration costs of Fenwal Holdings, Inc.
[4] Including one-time integration costs of Fenwal Holdings, Inc.
[5] Including special item from the acquisition of Liberty Dialysis Holdings, Inc.
[6] The underlying pro forma EBIT does not include one-time integration costs of Fenwal Holdings, Inc., one-time costs related to the takeover offer to the shareholders of RHÖN-KLINIKUM AG, special items from the renegotiation of the Venofer contract and the donation to the American Society of Nephrology.
[7] The underlying pro forma EBIT does not include one-time costs related to the takeover offer to the shareholders of RHÖN-KLINIKUM AG, special items from the renegotiation of the Venofer contract and the donation to the American Society of Nephrology.

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

TABLE OF CONTENTS NOTES

GENERAL NOTES

1. PRINCIPLES

I. GROUP STRUCTURE

Fresenius is a worldwide operating health care group with products and services for dialysis, the hospital and the medical care of patients at home. Further areas of activity are hospital operations as well as engineering and services for hospitals and other health care facilities. In addition to the activities of the parent company Fresenius SE & Co. KGaA, Bad Homburg v. d. Höhe, the operating activities were split into the following legally independent business segments (subgroups) as of March 31, 2013:

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

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

II. BASIS OF PRESENTATION

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

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

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

III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

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

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

The consolidated financial statements for the first quarter ended March 31, 2013 include all adjustments that, in the opinion of the Management Board, are of a normal and recurring nature and are necessary to provide an appropriate view of the assets and liabilities, financial position and results of operations of the Fresenius Group.

The results of operations for the first quarter ended March 31, 2013 are not necessarily indicative of the results of operations for the fiscal year 2013.

Classifications

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

Use of estimates

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

IV. RECENT PRONOUNCEMENTS, APPLIED

The Fresenius Group has prepared its consolidated financial statements at March 31, 2013 in conformity with U.S. GAAP in force for interim periods on January 1, 2013.

The Fresenius Group applied the following standards, as far as they are relevant for Fresenius Group's business, for the first time in the first quarter ended March 31, 2013:

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

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

V. RECENT PRONOUNCEMENTS, NOT YET APPLIED

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

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

In February 2013, the FASB issued **Accounting Standards Update 2013-04** (ASU 2013-04), FASB ASC Topic 405, Liabilities – Obligations Resulting from Joint and Several Liability Arrangements for which the Total Amount of the Obligations is Fixed at the Reporting Date. ASU 2013-04's objective is to provide guidance and clarification on the recognition, measurement and disclosure of obligations resulting from joint and several liability arrangements such as debt arrangements, other contractual obligations and settled litigation and judicial rulings. The update is effective for periods beginning on or after December 15, 2013. The Fresenius Group is currently evaluating the impact of ASU 2013-04 on its consolidated financial statements.

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

2. ACQUISITIONS, DIVESTITURES AND INVESTMENTS

The Fresenius Group made acquisitions and investments of €79 million and €1,927 million in the first quarter of 2013 and 2012, respectively. Of this amount, €72 million was paid in cash and €7 million was assumed obligations in the first quarter of 2013.

FRESENIUS MEDICAL CARE

In the first quarter of 2013, Fresenius Medical Care spent €57 million on acquisitions, mainly for the purchase of dialysis clinics.

Acquisition of Liberty Dialysis Holdings, Inc.

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

Total consideration for the Liberty Acquisition was US$2,181 million, consisting of US$1,696 million cash, net of cash acquired and US$485 million non-cash consideration. Accounting standards for business combinations require previously held equity interests to be fair valued at the time of the acquisition with the difference to book value to be recognized as a gain or loss in income. Prior to the Liberty Acquisition, Fresenius Medical Care had a 49% equity investment in Renal Advantage Partners, LLC, the fair value of which, US$202 million, is included as part of the non-cash consideration. The fair value was determined based on the discounted cash flow method, utilizing a discount rate of approximately 13%. In addition to Fresenius Medical Care's investment, it also had a loan receivable from Renal Advantage Partners, LLC of US$279 million, at a fair value of US$283 million, which was retired as part of the transaction.

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

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

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

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

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

The fair valuation of Fresenius Medical Care's investment at the time of the Liberty Acquisition resulted in a preliminary non-taxable gain of US$127 million for the first quarter of 2012. This gain was then finalized at December 31, 2012 in the amount of US$140 million. The retirement of the loan receivable resulted in a gain of US$5.5 million for the first quarter of 2012. This gain was finalized and recognized in net interest in the amount of US$9 million at December 31, 2012.

Divestitures

In connection with the United States Federal Trade Commission consent order relating to the Liberty Acquisition, Fresenius Medical Care agreed to divest a total of 62 renal dialysis centers. Of the 61 clinics sold to date, 24 were FMC-AG & Co. KGaA clinics which generated a gain of US$33.5 million that was included in the 2012 consolidated statement of income.

FRESENIUS KABI

In the first quarter of 2013, Fresenius Kabi spent €13 million on acquisitions, mainly for compounding companies in Germany.

Acquisition of Fenwal Holdings, Inc.

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

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

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

€ in millions	
Trade accounts receivable	61
Working capital and other assets	212
Assets	115
Liabilities	-522
Goodwill	379
Identifiable immaterial assets	343
Consideration transferred	**588**
Net debt acquired	259
Transaction amount	**847**

It is currently estimated that amortizable intangible assets acquired in this acquisition will have weighted-average useful lives of 10 to 15 years. The acquired amortizable intangible assets primarily consist of customer relationships in the amount of €82 million and technology in the amount of €237 million.

The goodwill in the amount of €379 million that was acquired as part of the Fenwal Acquisition is not deductible for tax purposes.

In December 2012, Fenwal has contributed sales in the amount of €39 million and operating income in the amount of €1 million to the consolidated income.

Divestitures

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

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

FRESENIUS HELIOS

In the first quarter of 2013, Fresenius Helios spent €3 million on acquisitions, mainly for the purchase of the St. Josef Krankenhaus, Wipperfürth, Germany.

Acquisition of Damp Holding AG

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

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

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

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

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

Damp's results have been included in the consolidated statement of income since April 1, 2012. Specifically, in 2012, Damp has contributed sales and operating income in the amount of €306 million and €8 million, respectively, to the consolidated income.

FRESENIUS VAMED

In the first quarter of 2013, Fresenius Vamed spent €7 million on acquisitions, mainly for the purchase of the hospital Nemocnice sv. Zdislavy a. s., Czech Republic.

CORPORATE / OTHER

Divestitures

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

In December 2012, Fresenius has decided to focus on its four established business segments Fresenius Medical Care, Fresenius Kabi, Fresenius Helios and Fresenius Vamed. The Fresenius Biotech subsidiary will be discontinued. Fresenius assesses the option of continuing the immunosuppressive drug ATG-Fresenius S within the Group, but will divest the trifunctional antibody Removab business.

As a result of this decision, the assets and liabilities of Fresenius Biotech were shown as held for sale in the consolidated statement of financial position as of March 31, 2013 and December 31, 2012 under other assets and other liabilities.

PRO FORMA FINANCIAL INFORMATION

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

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

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

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

	Q1/2012	
€ in millions	as reported	pro forma
Sales	4,419	4,721
Net income attributable to shareholders of Fresenius SE & Co. KGaA	230	231
Basic earnings per ordinary share in €	1.41	1.42
Fully diluted earnings per ordinary share in €	1.39	1.40

NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

3. SPECIAL ITEMS

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the first quarter of 2013 in the amount of €219 million includes as special item one-time costs from the integration of Fenwal Holdings, Inc. in the amount of €5 million (€7 million before tax).

4. SALES

Sales by activity were as follows:

€ in millions	Q1/2013	Q1/2012
Sales of services	3,019	2,735
less patient service bad debt provision	-49	-51
Sales of products and related goods	1,834	1,656
Sales from long-term production contracts	83	77
Other sales	3	2
Sales	4,890	4,419

5. INVESTMENT GAIN

Fresenius Medical Care's acquisition of the remaining 51% stake in Renal Advantage Partners, LLC, in addition to its 49% equity investment held previously, represents a business combination achieved in stages in the course of the acquisition of Liberty Dialysis Holdings, Inc. The previous equity investment was measured at its fair value at the date of the acquisition of Liberty Dialysis Holdings, Inc. by Fresenius Medical Care. In the first quarter of 2012, the resultant non-taxable income of US$127 million (€97 million) was presented in the separate line item investment gain in the consolidated statement of income.

6. TAXES

In the United States, Fresenius Medical Care filed claims for refunds contesting the Internal Revenue Service's (IRS) disallowance of Fresenius Medical Care Holdings, Inc.'s (FMCH) civil settlement payment deductions taken by FMCH in prior year tax returns. As a result of a settlement agreement with the IRS, Fresenius Medical Care received a partial refund in September 2008 of US$37 million, inclusive of interest, and preserved its right to pursue claims in the United States Courts for refunds of all other disallowed deductions, which totaled approximately US$126 million. On December 22, 2008, Fresenius Medical Care filed a complaint for complete refund in the United States District Court for the District of Massachusetts, styled as Fresenius Medical Care Holdings, Inc. v. United States. On August 15, 2012, a jury entered a verdict for FMCH granting additional deductions of US$95 million. The District Court has denied post trial motions by the IRS to set aside the verdict and the IRS has affirmed that a final District Court judgment in the amount of approximately US$50 million should be entered in favor of FMCH to reflect the cash value of the additional tax deductions granted in the verdict. The IRS will have rights of appeal when the final judgment is entered.

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

7. EARNINGS PER SHARE

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

	Q1/2013	Q1/2012
Numerators, € in millions		
Net income attributable to shareholders of Fresenius SE & Co. KGaA	219	230
less effect from dilution due to Fresenius Medical Care shares	–	1
Income available to all ordinary shares	219	229
Denominators in number of shares		
Weighted-average number of ordinary shares outstanding	178,236,155	163,302,717
Potentially dilutive ordinary shares	1,838,889	1,863,109
Weighted-average number of ordinary shares outstanding assuming dilution	180,075,044	165,165,826
Basic earnings per ordinary share in €	1.23	1.41
Fully diluted earnings per ordinary share in €	1.22	1.39

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8. CASH AND CASH EQUIVALENTS

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

€ in millions	March 31, 2013	Dec. 31, 2012
Cash	828	865
Time deposits and securities (with a maturity of up to 90 days)	22	20
Total cash and cash equivalents	**850**	**885**

As of March 31, 2013 and December 31, 2012, earmarked funds of €119 million and €38 million, respectively, were included in cash and cash equivalents.

9. TRADE ACCOUNTS RECEIVABLE

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

€ in millions	March 31, 2013	Dec. 31, 2012
Trade accounts receivable	4,213	4,056
less allowance for doubtful accounts	426	406
Trade accounts receivable, net	**3,787**	**3,650**

10. INVENTORIES

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

€ in millions	March 31, 2013	Dec. 31, 2012
Raw materials and purchased components	473	433
Work in process	299	291
Finished goods	1,275	1,216
less reserves	86	100
Inventories, net	**1,961**	**1,840**

11. OTHER CURRENT AND NON-CURRENT ASSETS

As of March 31, 2013, investments, securities and long-term loans comprised investments of €471 million (December 31, 2012: €484 million), mainly regarding the joint venture between Fresenius Medical Care and Galenica Ltd., that were accounted for under the equity method. In the first quarter of 2013, income of €4 million (Q1 2012: €4 million) resulting from this valuation was included in selling, general and administrative expenses in the consolidated statement of income. Moreover, investments, securities and long-term loans included €169 million financial assets available for sale as of March 31, 2013 (December 31, 2012: €182 million).

12. GOODWILL AND OTHER INTANGIBLE ASSETS

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

AMORTIZABLE INTANGIBLE ASSETS

	March 31, 2013			Dec. 31, 2012		
€ in millions	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Patents, product and distribution rights	594	224	370	585	216	369
Technology	325	38	287	321	32	289
Non-compete agreements	251	173	78	242	162	80
Other	694	336	358	684	319	365
Total	**1,864**	**771**	**1,093**	**1,832**	**729**	**1,103**

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

€ in millions	Q2–4/2013	2014	2015	2016	2017	Q1/2018
Estimated amortization expenses	102	131	125	119	114	27

NON-AMORTIZABLE INTANGIBLE ASSETS

	March 31, 2013			Dec. 31, 2012		
€ in millions	**Acquisition cost**	**Accumulated amortization**	**Carrying amount**	Acquisition cost	Accumulated amortization	Carrying amount
Tradenames	**180**	**0**	**180**	175	0	175
Management contracts	**7**	**0**	**7**	6	0	6
Goodwill	**15,408**	**0**	**15,408**	15,014	0	15,014
Total	**15,595**	**0**	**15,595**	15,195	0	15,195

The carrying amount of goodwill has developed as follows:

€ in millions	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate/ Other	**Fresenius Group**
Carrying amount as of January 1, 2012	**7,100**	**3,793**	**1,722**	**48**	**6**	**12,669**
Additions	1,707	396	447	11	0	2,561
Disposals	0	-1	–	0	0	-1
Reclassifications	0	0	-18	18	0	0
Foreign currency translation	-150	-65	0	0	0	-215
Carrying amount as of December 31, 2012	**8,657**	**4,123**	**2,151**	**77**	**6**	**15,014**
Additions	44	9	12	5	0	70
Disposals	0	-4	0	0	0	-4
Reclassifications	–	0	0	0	0	–
Foreign currency translation	233	95	0	0	0	328
Carrying amount as of March 31, 2013	**8,934**	**4,223**	**2,163**	**82**	**6**	**15,408**

As of March 31, 2013 and December 31, 2012, the carrying amounts of the other non-amortizable intangible assets were €171 million and €165 million, respectively, for Fresenius Medical Care as well as €16 million, respectively, for Fresenius Kabi.

13. DEBT AND CAPITAL LEASE OBLIGATIONS

SHORT-TERM DEBT

The Fresenius Group had short-term debt of €696 million and €205 million at March 31, 2013 and December 31, 2012, respectively. As of March 31, 2013, this debt consisted of borrowings by certain subsidiaries of the Fresenius Group under lines of credit with commercial banks of €196 million. Furthermore, €500 million were outstanding under the commercial paper program of Fresenius SE & Co. KGaA.

LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

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

€ in millions	March 31, 2013	Dec. 31, 2012
Fresenius Medical Care 2012 Credit Agreement	**2,055**	2,016
2008 Senior Credit Agreement	**1,200**	1,170
Euro Notes	**864**	739
European Investment Bank Agreements	**501**	498
Accounts receivable facility of Fresenius Medical Care	**0**	123
Capital lease obligations	**92**	94
Other	**313**	315
Subtotal	**5,025**	4,955
less current portion	**716**	519
Long-term debt and capital lease obligations, less current portion	**4,309**	4,436

Fresenius Medical Care 2012 Credit Agreement

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

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

	March 31, 2013			
	Maximum amount available		**Balance outstanding**	
		€ in millions		**€ in millions**
Revolving Credit (in US$)	US$600 million	469	**US$31 million**	**25**
Revolving Credit (in €)	€500 million	500	**€0 million**	**0**
Term Loan A	US$2,600 million	2,030	**US$2,600 million**	**2,030**
Total		2,999		**2,055**

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

In addition, at March 31, 2013 and December 31, 2012, Fresenius Medical Care had letters of credit outstanding in the amount of US$16 million and US$77 million, respectively, which were not included above as part of the balance outstanding at those dates but which reduce available borrowings under the Revolving Credit Facility.

As of March 31, 2013, FMC-AG & Co. KGaA and its subsidiaries were in compliance with all covenants under the Fresenius Medical Care 2012 Credit Agreement.

2013 Senior Credit Agreement

On December 20, 2012, Fresenius SE & Co. KGaA and various subsidiaries entered into a delayed draw syndicated credit agreement (2013 Senior Credit Agreement) in the amount of US$1,300 million and €1,250 million. Funding of the 2013 Senior Credit Agreement is expected for June 28, 2013. Upon funding, proceeds will be used to refinance the 2008 Senior Credit Agreement and for general corporate purposes.

The 2013 Senior Credit Agreement consists of:

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

Until funding of the revolving facilities and Term Loan A, the 2013 Senior Credit Agreement allows for establishment of a term loan facility in the aggregate principal amount of US$500 million (Term Loan B). After funding, the 2013 Senior Credit Agreement may be further increased by establishing additional incremental facilities if certain conditions are met.

The interest rate on each borrowing under the 2013 Senior Credit Agreement will be a rate equal to either (i) LIBOR or EURIBOR (as applicable) plus an applicable margin or (ii) the Base Rate as defined in the 2013 Senior Credit Agreement plus an applicable margin. The applicable margin will be variable and depends on the leverage ratio as defined in the 2013 Senior Credit Agreement.

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

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

The 2013 Senior Credit Agreement contains a number of customary affirmative and negative covenants and other payment restrictions. These covenants include limitations on liens, sale of assets, incurrence of debt, investments and acquisitions and restrictions on the payment of dividends, among other items. The 2013 Senior Credit Agreement also includes financial covenants – as defined in the agreement – that require Fresenius SE & Co. KGaA and its subsidiaries (other than Fresenius Medical Care and its subsidiaries) to maintain a maximum leverage ratio and a minimum interest coverage ratio.

2008 Senior Credit Agreement

On August 20, 2008, in connection with the acquisition of APP Pharmaceuticals, Inc. (since 2012: Fresenius Kabi USA, Inc.), the Fresenius Group entered into a syndicated credit agreement (2008 Senior Credit Agreement) in an original amount of US$2.45 billion. The 2008 Senior Credit Agreement will be replaced by the 2013 Senior Credit Agreement in June 2013. Therefore, the 2008 Senior Credit Agreement is mainly shown as long-term debt in the consolidated statement of financial position.

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

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

	March 31, 2013			
	Maximum amount available		**Balance outstanding**	
		€ in millions		**€ in millions**
Revolving Credit Facilities	US$550 million	430	**US$0 million**	**0**
Term Loan A	US$375 million	293	**US$375 million**	**293**
Term Loan D (in US$)	US$959 million	749	**US$959 million**	**749**
Term Loan D (in €)	€158 million	158	**€158 million**	**158**
Total		1,630		**1,200**

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

As of March 31, 2013, the Fresenius Group was in compliance with all covenants under the 2008 Senior Credit Agreement.

Euro Notes

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

			Book value/nominal value € in millions	
	Maturity	Interest rate	**March 31, 2013**	Dec. 31, 2012
Fresenius Finance B.V. 2008/2014	April 2, 2014	5.98%	**112**	112
Fresenius Finance B.V. 2008/2014	April 2, 2014	variable	**88**	88
Fresenius Finance B.V. 2007/2014	July 2, 2014	5.75%	**38**	38
Fresenius Finance B.V. 2007/2014	July 2, 2014	variable	**62**	62
Fresenius SE & Co. KGaA 2012/2016	April 4, 2016	3.36%	**156**	156
Fresenius SE & Co. KGaA 2012/2016	April 4, 2016	variable	**129**	129
Fresenius SE & Co. KGaA 2013/2017	Aug. 22, 2017	2.65%	**51**	0
Fresenius SE & Co. KGaA 2013/2017	Aug. 22, 2017	variable	**74**	0
Fresenius SE & Co. KGaA 2012/2018	April 4, 2018	4.09%	**72**	72
Fresenius SE & Co. KGaA 2012/2018	April 4, 2018	variable	**43**	43
Fresenius Medical Care AG & Co. KGaA 2009/2014	Oct. 27, 2014	8.38%	**12**	12
Fresenius Medical Care AG & Co. KGaA 2009/2014	Oct. 27, 2014	variable	**27**	27
Euro Notes			**864**	739

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

As of March 31, 2013, the Fresenius Group was in compliance with all of its covenants under the Euro Notes.

European Investment Bank Agreements

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

		Book value € in millions	
	Maturity	March 31, 2013	Dec. 31, 2012
Fresenius SE & Co. KGaA	2013	**196**	196
Fresenius Medical Care AG & Co. KGaA	2013/2014	**249**[1]	246[1]
HELIOS Kliniken GmbH	2019	**56**	56
Loans from EIB		**501**	498

[1] Difference due to foreign currency translation and repayments

The majority of the loans are denominated in euros. The U.S. dollar denominated borrowings of FMC-AG & Co. KGaA amounted to US$140 million (€109 million) at March 31, 2013. At March 31, 2013, all credit lines were utilized.

The loans borrowed by Fresenius SE & Co. KGaA and FMC-AG & Co. KGaA, which are due in June and September 2013 as well as February 2014 are shown as current portion of long-term debt and capital lease obligations in the consolidated statement of financial position.

As of March 31, 2013, the Fresenius Group was in compliance with the respective covenants.

CREDIT LINES

In addition to the financial liabilities described before, the Fresenius Group maintains additional credit facilities which have not been utilized, or have only been utilized in part, as of the reporting date. At March 31, 2013, the additional financial cushion resulting from unutilized credit facilities was approximately €2.2 billion.

14. SENIOR NOTES

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

				Book value € in millions	
	Notional amount	Maturity	Interest rate	March 31, 2013	Dec. 31, 2012
Fresenius Finance B.V. 2006/2013	€500 million	Jan. 31, 2013	5.00%	**0**	500
Fresenius Finance B.V. 2006/2016	€650 million	Jan. 31, 2016	5.50%	**0**	645
Fresenius Finance B.V. 2012/2019	€500 million	Apr. 15, 2019	4.25%	**500**	500
Fresenius Finance B.V. 2013/2020	€500 million	July 15, 2020	2.875%	**500**	0
Fresenius US Finance II, Inc. 2009/2015	€275 million	July 15, 2015	8.75%	**268**	267
Fresenius US Finance II, Inc. 2009/2015	US$500 million	July 15, 2015	9.00%	**381**	369
FMC Finance VI S.A. 2010/2016	€250 million	July 15, 2016	5.50%	**248**	248
FMC Finance VII S.A. 2011/2021	€300 million	Feb. 15, 2021	5.25%	**294**	294
FMC Finance VIII S.A. 2011/2016	€100 million	Oct. 15, 2016	variable	**100**	100
FMC Finance VIII S.A. 2011/2018	€400 million	Sept. 15, 2018	6.50%	**396**	396
FMC Finance VIII S.A. 2012/2019	€250 million	July 31, 2019	5.25%	**243**	243
Fresenius Medical Care US Finance, Inc. 2007/2017	US$500 million	July 15, 2017	6.875%	**388**	376
Fresenius Medical Care US Finance, Inc. 2011/2021	US$650 million	Feb. 15, 2021	5.75%	**504**	489
Fresenius Medical Care US Finance II, Inc. 2011/2018	US$400 million	Sept. 15, 2018	6.50%	**309**	300
Fresenius Medical Care US Finance II, Inc. 2012/2019	US$800 million	July 31, 2019	5.625%	**625**	606
Fresenius Medical Care US Finance II, Inc. 2012/2022	US$700 million	Jan. 31, 2022	5.875%	**547**	531
Senior Notes				**5,303**	5,864

On January 7, 2013, Fresenius announced the early redemption of the 5.5% Senior Notes due in 2016 that were issued in 2006. The aggregate principal amount of €650 million was completely repaid on February 7, 2013 at a price of 100.916% plus accrued and unpaid interest. Initially, the redemption was financed by utilizing existing credit lines. From the end of June 2013, drawings under the Senior Secured Credit Agreement arranged in December 2012 shall be utilized.

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

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

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

As of March 31, 2013, the Fresenius Group was in compliance with all of its covenants.

15. PENSIONS AND SIMILAR OBLIGATIONS

DEFINED BENEFIT PENSION PLANS

At March 31, 2013, the pension liability of the Fresenius Group was €706 million. The current portion of the pension liability of €13 million is recognized in the consolidated statement of financial position within short-term accrued expenses and other short-term liabilities. The non-current portion of €693 million is recorded as pension liability.

Contributions to Fresenius Group's pension fund were €3 million in the first quarter of 2013. The Fresenius Group expects approximately €15 million contributions to the pension fund during 2013.

Defined benefit pension plans' net periodic benefit costs of €19 million (Q1 2012: €14 million) were comprised of the following components:

€ in millions	Q1/2013	Q1/2012
Service cost	7	5
Interest cost	10	9
Expected return on plan assets	-4	-4
Amortization of unrealized actuarial losses, net	6	4
Amortization of prior service costs	–	–
Amortization of transition obligations	–	–
Settlement loss	–	0
Net periodic benefit cost	**19**	14

16. NONCONTROLLING INTEREST

NONCONTROLLING INTEREST SUBJECT TO PUT PROVISIONS

Noncontrolling interest subject to put provisions changed as follows:

€ in millions	Q1/2013
Noncontrolling interest subject to put provisions as of January 1, 2013	**398**
Noncontrolling interest subject to put provisions in profit	19
Purchase of noncontrolling interest subject to put provisions	6
Dividend payments	-22
Currency effects, first-time consolidations and other changes	31
Noncontrolling interest subject to put provisions as of March 31, 2013	**432**

As of March 31, 2013 and December 31, 2012, €178 million and €173 million, respectively, were exercisable. During the first quarter of 2013, no put options were exercised.

NONCONTROLLING INTEREST NOT SUBJECT TO PUT PROVISIONS

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

€ in millions	March 31, 2013	Dec. 31, 2012
Noncontrolling interest not subject to put provisions in Fresenius Medical Care AG & Co. KGaA	4,914	4,692
Noncontrolling interest not subject to put provisions in VAMED AG	33	33
Noncontrolling interest not subject to put provisions in the business segments		
Fresenius Medical Care	200	201
Fresenius Kabi	95	86
Fresenius Helios	113	111
Fresenius Vamed	3	2
Total noncontrolling interest not subject to put provisions	**5,358**	5,125

Noncontrolling interest not subject to put provisions changed as follows:

€ in millions	Q1/2013
Noncontrolling interest not subject to put provisions as of January 1, 2013	**5,125**
Noncontrolling interest not subject to put provisions in profit	135
Stock options	6
Sale of noncontrolling interest not subject to put provisions	-2
Dividend payments	-28
Currency effects, first-time consolidations and other changes	122
Noncontrolling interest not subject to put provisions as of March 31, 2013	**5,358**

17. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

SUBSCRIBED CAPITAL

During the first quarter of 2013, 82,871 stock options were exercised. Consequently, as of March 31, 2013, the subscribed capital of Fresenius SE & Co. KGaA consisted of 178,271,131 bearer ordinary shares. The shares are issued as non-par value shares. The proportionate amount of the subscribed capital is €1.00 per share.

CONDITIONAL CAPITAL

Corresponding to the stock option plans, the Conditional Capital of Fresenius SE & Co. KGaA is divided into Conditional Capital I, Conditional Capital II, Conditional Capital III and Conditional Capital IV. These are used to satisfy the subscription rights in connection with previously issued stock options or convertible bonds, as the case may be, for bearer ordinary shares under the stock option plans of 1998, 2003 and 2008 (see note 24, Stock options).

The following table shows the development of the Conditional Capital:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 1998	857,970
Conditional Capital II Fresenius AG Stock Option Plan 2003	2,497,254
Conditional Capital III Fresenius SE Stock Option Plan 2008	5,383,434
Conditional Capital IV, approved on May 11, 2012	16,323,734
Total Conditional Capital as of January 1, 2013	**25,062,392**
Fresenius AG Stock Option Plan 2003 – options exercised	-32,197
Fresenius SE Stock Option Plan 2008 – options exercised	-50,674
Total Conditional Capital as of March 31, 2013	**24,979,521**

DIVIDENDS

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

In May 2013, the general partner and the Supervisory Board of Fresenius SE & Co. KGaA will propose a dividend of €1.10 per bearer ordinary share to the Annual General Meeting, i. e. a total dividend payment of €196 million.

18. OTHER COMPREHENSIVE INCOME (LOSS)

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

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

€ in millions	Cash flow hedges	Change of fair value of available for sale financial assets	Foreign currency translation	Actuarial gains/losses on defined benefit pension plans	Total, before non-controlling interest	Non-controlling interest	Total
Balance as of December 31, 2011	-145	-8	248	-81	14	132	146
Other comprehensive income (loss) before reclassifications	4	8	-58	-5	-51	-101	-152
Amounts reclassified from accumulated other comprehensive income (loss)	1	0	–	7	8	4	12
Other comprehensive income (loss), net	5	8	-58	2	-43	-97	-140
Balance as of March 31, 2012	-140	0	190	-79	-29	35	6
Balance as of December 31, 2012	-122	-17	168	-157	-128	13	-115
Other comprehensive income (loss) before reclassifications	2	9	73	-24	60	145	205
Amounts reclassified from accumulated other comprehensive income (loss)	2	0	–	23	25	1	26
Other comprehensive income (loss), net	4	9	73	-1	85	146	231
Balance as of March 31, 2013	**-118**	**-8**	**241**	**-158**	**-43**	**159**	**116**

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

€ in millions	Amount of gain or loss reclassified from accumulated other comprehensive (income) loss: **Q1/2013**	Q1/2012	Affected line item in the consolidated statement of income
Details about accumulated other comprehensive (income) loss components			
Cash flow hedges			
Interest rate contracts	**6**	5	Interest income/expense
Foreign exchange contracts	**-1**	-3	Cost of sales
Foreign exchange contracts	**–**	–	Selling, general and administrative expenses
Foreign exchange contracts	**–**	–	Interest income/expense
Other comprehensive income	**5**	2	
Tax expense or benefit	**-1**	–	
Other comprehensive income, net	**4**	2	
Amortization of defined benefit pension items			
Prior service costs	**5**	1	[1]
Transition obligations	**–**	–	[1]
Actuarial gains/losses on defined benefit pension plans	**15**	8	[1]
Other comprehensive income	**20**	9	
Tax expense or benefit	**2**	1	
Other comprehensive income, net	**22**	10	
Total reclassifications for the period	**26**	12	

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

OTHER NOTES

19. LEGAL PROCEEDINGS

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

Further information regarding legal disputes, court proceedings and investigations can be found in detail in the consolidated financial statements in the 2012 Annual Report. In the following, only the changes during the first quarter ended March 31, 2013 compared to the information provided in the consolidated financial statements are described. These changes should be read in conjunction with the overall information in the consolidated financial statements in the 2012 Annual Report; defined terms or abbreviations having the same meaning as in the 2012 Annual Report.

PRODUCT LIABILITY LITIGATION

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

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

RENAL CARE GROUP – CLASS ACTION "ACQUISITION"

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

INTERNAL REVIEW

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

20. FINANCIAL INSTRUMENTS

VALUATION OF FINANCIAL INSTRUMENTS

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

		March 31, 2013		Dec. 31, 2012	
€ in millions	Fair value hierarchy level	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Cash and cash equivalents	1	**850**	**850**	885	885
Assets recognized at carrying amount	2	**3,805**	**3,805**	3,668	3,668
Assets recognized at fair value	1	**169**	**169**	182	182
Liabilities recognized at carrying amount	2	**11,860**	**12,484**	11,991	12,593
Liabilities recognized at fair value	2	**22**	**22**	23	23
Noncontrolling interest subject to put provisions recognized at fair value	3	**432**	**432**	398	398
Derivatives for hedging purposes	2	**-32**	**-32**	-35	-35

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

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

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

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

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

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

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

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

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

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

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

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

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

FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

€ in millions	March 31, 2013		Dec. 31, 2012	
	Assets	**Liabilities**	Assets	Liabilities
Interest rate contracts (current)	**0**	**8**	0	50
Interest rate contracts (non-current)	**0**	**15**	0	18
Foreign exchange contracts (current)	**12**	**14**	15	11
Foreign exchange contracts (non-current)	**–**	**–**	1	–
Derivatives designated as hedging instruments [1]	**12**	**37**	16	79
Interest rate contracts (current)	**0**	**5**	0	6
Interest rate contracts (non-current)	**0**	**2**	0	2
Foreign exchange contracts (current) [1]	**30**	**37**	37	9
Foreign exchange contracts (non-current) [1]	**–**	**–**	–	–
Derivatives not designated as hedging instruments	**30**	**44**	37	17

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

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

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

Derivatives for hedging purposes were recognized at gross value within other assets in an amount of €42 million and other liabilities in an amount of €74 million.

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

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

€ in millions	Q1/2013		
	Gain or loss recognized in other comprehensive income (loss) (effective portion)	Gain or loss reclassified from accumulated other comprehensive income (loss) (effective portion)	Gain or loss recognized in the consolidated statement of income
Interest rate contracts	8	6	1
Foreign exchange contracts	-1	-1	–
Derivatives in cash flow hedging relationships [1]	**7**	**5**	**1**
Foreign exchange contracts			-8
Derivatives in fair value hedging relationships			**-8**
Derivatives designated as hedging instruments	**7**	**5**	**-7**

€ in millions	Q1/2012		
	Gain or loss recognized in other comprehensive income (loss) (effective portion)	Gain or loss reclassified from accumulated other comprehensive income (loss) (effective portion)	Gain or loss recognized in the consolidated statement of income
Interest rate contracts	-7	5	–
Foreign exchange contracts	17	-3	0
Derivatives in cash flow hedging relationships [1]	**10**	**2**	**–**
Foreign exchange contracts			8
Derivatives in fair value hedging relationships			**8**
Derivatives designated as hedging instruments	**10**	**2**	**8**

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

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

€ in millions	Gain or loss recognized in the consolidated statement of income	
	Q1/2013	Q1/2012
Interest rate contracts	**2**	–
Foreign exchange contracts	**31**	1
Derivatives not designated as hedging instruments	**33**	1

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

The Fresenius Group expects to recognize a net amount of €3 million of the existing losses for foreign exchange contracts deferred in accumulated other comprehensive income (loss) in the consolidated statement of income within the next 12 months. For interest rate contracts, the Fresenius Group expects to recognize €44 million of losses in the course of normal business during the next 12 months in interest expense.

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

In the first quarter of 2013, gains of €9 million (Q1 2012: €8 million) for available for sale financial assets were recognized in other comprehensive income (loss).

MARKET RISK

General

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

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

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

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

Derivative financial instruments

Classification

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

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

At March 31, 2013 and December 31, 2012, the Fresenius Group had €41 million and €51 million of derivative financial assets subject to netting arrangements and €77 million and €92 million of derivative financial liabilities subject to netting arrangements. Offsetting these derivative financial instruments would have resulted in net assets of €26 million and €34 million as well as net liabilities of €62 million and €75 million at March 31, 2013 and December 31, 2012, respectively.

Foreign exchange risk management

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

As of March 31, 2013, the notional amounts of foreign exchange contracts totaled €2,979 million. These foreign exchange contracts have been entered into to hedge risks from operational business and in connection with loans in foreign currency. The predominant part of the foreign exchange forward contracts to hedge risks from operational business was recognized as cash flow hedge, while foreign exchange contracts in connection with loans in foreign currencies are partly recognized as fair value hedges. The fair values of cash flow hedges and fair value hedges were -€2 million and €0.4 million, respectively.

As of March 31, 2013, the Fresenius Group was party to foreign exchange contracts with a maximum maturity of 32 months.

Interest rate risk management

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

As of March 31, 2013, the interest rate swaps had a notional volume of US$1,200 million (€937 million) and €271 million as well as fair values of -US$22 million and -€13 million, respectively, which expire between 2013 and 2022.

Stock price risk management

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

21. SUPPLEMENTARY INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of March 31, 2013, the equity ratio was 42.5% and the debt ratio (debt/total assets) was 35.2%. As of March 31, 2013, the net debt/EBITDA ratio (before special items) was 2.6.

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

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

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

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

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

22. SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

€ in millions	**Q1/2013**	Q1/2012
Interest paid	**239**	188
Income taxes paid	**91**	36

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

€ in millions	Q1/2013	Q1/2012
Assets acquired	**89**	2,419
Liabilities assumed	**-15**	-284
Noncontrolling interest	**-8**	-140
Notes assumed in connection with acquisitions	**-8**	-149
Cash paid	**58**	1,846
Cash acquired	**-3**	-124
Cash paid for acquisitions, net	**55**	1,722
Cash paid for investments, net of cash acquired	**17**	–
Cash paid for intangible assets, net	**–**	1
Total cash paid for acquisitions and investments, net of cash acquired, and net purchases of intangible assets	**72**	1,723

23. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

GENERAL

The consolidated segment reporting shown on page 23 of this interim report is an integral part of the notes.

The Fresenius Group has identified the business segments Fresenius Medical Care, Fresenius Kabi, Fresenius Helios and Fresenius Vamed, which corresponds to the internal organizational and reporting structures (Management Approach) at March 31, 2013.

The business segments were identified in accordance with FASB ASC Topic 280, Segment Reporting, which defines the segment reporting requirements in the annual financial statements and interim reports with regard to the operating business, product and service businesses and regions. The business segments of the Fresenius Group are as follows:

Fresenius Medical Care is the world's leading provider of dialysis products and dialysis care for the life-saving treatment of patients with chronic kidney failure. Fresenius Medical Care treats 261,648 patients in its 3,180 own dialysis clinics.

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

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

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

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

NOTES ON THE BUSINESS SEGMENTS

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

RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS

€ in millions	Q1/2013	Q1/2012
Total EBIT of reporting segments	**703**	672
General corporate expenses Corporate/Other (EBIT)	**-14**	-11
Group EBIT	**689**	661
Investment gain	**0**	97
Net interest	**-163**	-147
Income before income taxes	**526**	611

RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	March 31, 2013	Dec. 31, 2012
Short-term debt	**696**	205
Short-term loans from related parties	**0**	4
Current portion of long-term debt and capital lease obligations	**716**	519
Long-term debt and capital lease obligations, less current portion	**4,309**	4,436
Senior Notes	**5,303**	5,864
Debt	**11,024**	11,028
less cash and cash equivalents	**850**	885
Net debt	**10,174**	10,143

24. STOCK OPTIONS

FRESENIUS SE & CO. KGAA STOCK OPTION PLANS

As of March 31, 2013, Fresenius SE & Co. KGaA had two stock option plans in place: the Fresenius AG Stock Option Plan 2003 (2003 Plan) which is based on convertible bonds and the stock option based Fresenius SE Stock Option Plan 2008 (2008 Plan). On June 30, 2012, the term of the options granted under the Fresenius AG Stock Option Plan 1998 expired.

Transactions during the first quarter of 2013

During the first quarter of 2013, Fresenius SE & Co. KGaA received cash of €3 million from the exercise of 82,871 stock options.

893,762 convertible bonds were outstanding and exercisable under the 2003 Plan at March 31, 2013. The members of the Fresenius Management SE Management Board held 220,360 convertible bonds. At March 31, 2013, out of 4,377,931 outstanding stock options issued under the 2008 Plan, 1,080,708 were exercisable and 852,040 were held by the members of the Fresenius Management SE Management Board.

As of March 31, 2013, 1,974,470 options for ordinary shares were outstanding and exercisable. On March 31, 2013, total unrecognized compensation cost related to non-vested options granted under the 2008 Plan was €27 million. This cost is expected to be recognized over a weighted-average period of 1.9 years.

FRESENIUS MEDICAL CARE AG & CO. KGAA STOCK OPTION PLANS

During the first quarter of 2013, 103,327 stock options for ordinary shares were exercised. Fresenius Medical Care AG & Co. KGaA received cash of €3.1 million upon exercise of these stock options and €0.4 million from a related tax benefit.

25. RELATED PARTY TRANSACTIONS

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

Klaus-Peter Müller, a member of the Supervisory Board of Fresenius Management SE and of Fresenius SE & Co. KGaA, is the chairman of the supervisory board of Commerzbank AG. The Fresenius Group maintains business relations with Commerzbank under customary conditions.

Dr. Dieter Schenk, deputy chairman of the Supervisory Board of Fresenius Management SE, is a partner in the international law firm Noerr LLP, which provides legal services to the Fresenius Group. In the first quarter of 2013, after discussion and approval of each mandate by the Supervisory Board of Fresenius Management SE, the Fresenius Group paid €0.6 million to this law firm for legal services rendered.

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

26. SUBSEQUENT EVENTS

There have been no significant changes in the Fresenius Group's operating environment following the end of the first quarter of 2013. No other events of material importance on the assets and liabilities, financial position, and results of operations of the Group have occurred following the end of the first quarter of 2013.

27. CORPORATE GOVERNANCE

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

FINANCIAL CALENDAR

Annual General Meeting, Frankfurt am Main, Germany	May 17, 2013
Payment of dividend [1]	May 20, 2013
Report on 1st half 2013 Conference call, Live webcast	July 30, 2013
Report on 1st – 3rd quarters 2013 Conference call, Live webcast	November 5, 2013

[1] Subject to prior approval by the Annual General Meeting

FRESENIUS SHARE / ADR

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

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

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

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