



Quarterly Financial Report of Fresenius Group

applying United States Generally Accepted Accounting Principles
(U.S. GAAP)

1st Half and 2nd Quarter 2014

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FRESENIUS GROUP FIGURES AT A GLANCE

Fresenius is a global health care group providing products and services for dialysis, hospitals, and outpatient medical care. In addition, Fresenius focuses on hospital operations. We also manage projects and provide services for hospitals and other health care facilities. In 2013, Group sales were €20.3 billion. As of June 30, 2014, approximately 210,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

SALES, EARNINGS, AND CASH FLOW

€ in millions	Q2/2014	Q2/2013	Change	H1/2014	H1/2013	Change
Sales	5,521	5,097	8%	10,733	9,987	7%
EBIT ¹	760	752	1%	1,403	1,448	-3%
Net income ²	259	258	0%	487	482	1%
Earnings per share in € ² before stock split	1.44	1.44	0%	2.71	2.70	0%
Earnings per share in € ² after stock split	0.48	0.48	0%	0.90	0.90	0%
Operating cash flow	610	503	21%	750	947	-21%

BALANCE SHEET AND INVESTMENTS

€ in millions	June 30, 2014	Dec. 31, 2013	Change
Total assets	35,502	32,758	8%
Non-current assets	26,038	24,786	5%
Equity ³	13,706	13,260	3%
Net debt	13,457	11,940	13%
Investments ⁴	1,738	575	--

RATIOS

€ in millions	Q2/2014	Q2/2013	H1/2013	H1/2013
EBITDA margin ¹	17.9%	18.9%	17.3%	18.6%
EBIT margin ¹	13.8%	14.8%	13.1%	14.5%
Depreciation and amortization in % of sales	4.1%	4.1%	4.2%	4.1%
Operating cash flow in % of sales	11.0%	9.9%	7.0%	9.5%
Equity ratio (June 30/December 31)			38.6%	40.5%
Net debt/EBITDA (June 30/December 31) ⁵			3.39	2.51

¹ 2014 before integration costs (Fenwal; acquired Rhön hospitals) and disposal gains (two HELIOS hospitals; Rhön stake); 2013 before integration costs (Fenwal)

² Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2014 before integration costs (Fenwal; acquired Rhön hospitals) and disposal gains (two HELIOS hospitals; Rhön stake); 2013 before integration costs (Fenwal)

³ Equity including noncontrolling interest

⁴ Investments in property, plant and equipment, and intangible assets, acquisitions (H1)

⁵ 2014 pro forma including acquired Rhön hospitals and excluding disposal of two HELIOS hospitals; before integration costs (Fenwal; acquired Rhön hospitals) and disposal gains (two HELIOS hospitals; Rhön stake); 2013 pro forma excluding advances made for the acquisition of hospitals from Rhön-Klinikum AG; before integration costs (Fenwal)

INFORMATION BY BUSINESS SEGMENT

FRESENIUS MEDICAL CARE – Dialysis products, Dialysis services

US\$ in millions	H1/2014	H1/2013	Change
Sales	7,398	7,076	5%
EBIT	1,001	1,038	-4%
Net income ¹	439	488	-10%
Operating cash flow	562	841	-33%
Investments/Acquisitions	1,022	447	129%
R & D expenses	61	61	-1%
Employees, per capita on balance sheet date (June 30/December 31)	100,374	95,637	5%

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

€ in millions	H1/2014	H1/2013	Change
Sales	2,466	2,519	-2%
EBIT ²	411	469	-12%
Net income ³	217	242	-10%
Operating cash flow	215	238	-10%
Investments/Acquisitions	147	166	-11%
R & D expenses	125	117	7%
Employees, per capita on balance sheet date (June 30/December 31)	32,676	31,961	2%

FRESENIUS HELIOS – Hospital operations

€ in millions	H1/2014	H1/2013	Change
Sales	2,521	1,695	49%
EBIT ⁴	250	179	40%
Net income ⁵	179	119	50%
Operating cash flow	205	80	156%
Investments/Acquisitions	840	55	--
Employees, per capita on balance sheet date (June 30/December 31)	68,731	42,913	60%

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

€ in millions	H1/2014	H1/2013	Change
Sales	398	421	-5%
EBIT	15	15	0%
Net income ⁶	10	9	11%
Operating cash flow	-62	3	--
Investments/Acquisitions	4	11	-64%
Order intake	300	311	-4%
Employees, per capita on balance sheet date (June 30/December 31)	7,333	7,010	5%

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

² Before integration costs (Fenwal)

³ Net income attributable to shareholders of Fresenius Kabi AG; before integration costs (Fenwal)

⁴ 2014 before integration costs (acquired Rhön hospitals) and disposal gains (two HELIOS hospitals; Rhön stake)

⁵ Net income attributable to shareholders of HELIOS Kliniken GmbH; 2014 before integration costs (acquired Rhön hospitals) and disposal gains (two HELIOS hospitals; Rhön stake)

⁶ Net income attributable to shareholders of VAMED AG

FRESENIUS SHARE

Following a strong start to the year and a new all-time high of €119.70 in February, the Fresenius share closed at €108.90 at the end of the first half. On August 1, the three-for-one stock split became effective.

FIRST HALF OF 2014

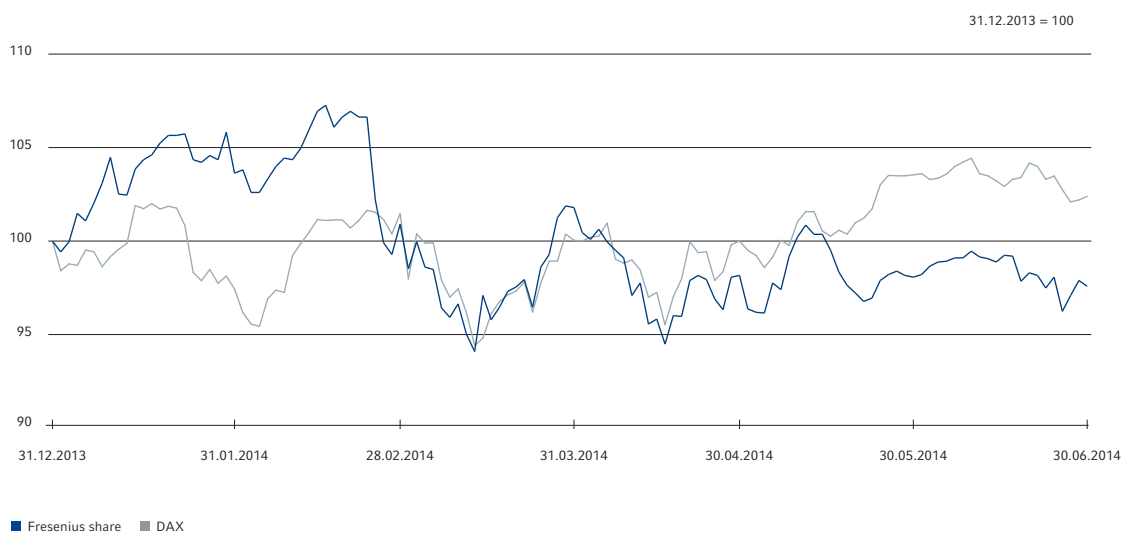
Following a strong start to the year, stock markets were affected by geopolitical tensions and weak economic growth in emerging markets. At the same time, the accelerating growth of the global economy continued during the first half. The Eurozone's growth domestic product is expected to expand by 1% in 2014, while GDP growth in the US is forecast at 2.3%. In support of this positive trend, the ECB continued its expansive fiscal policy and set the interest rate for bank deposits at below 0% for the first time ever. The US Federal Reserve continued to reduce bond purchases in the second quarter. An

increase in the prime interest rate is not expected to occur before 2015.

The Fresenius share reached a new all-time high of €119.70 in February. The share closed at €108.90 on June 30 (December 31, 2013: €111.60). The DAX increased 4.6% over the same period and reached a record high of 10,029 points in June.

On August 1, the three-for-one stock split approved by the Annual General Meeting in May became effective. The share closed at € 36.99 on August 4, the first trading day following the stock split.

RELATIVE SHARE PRICE PERFORMANCE VS. DAX



KEY DATA OF THE FRESENIUS SHARE

	H1/2014	2013	Change
Number of shares before stock split (June 30/December 31)	179,992,481	179,694,829	
Quarter-end quotation in €	108.90	111.60	-2.4 %
High in €	119.70	111.95	6.9 %
Low in €	105.00	81.91	28.2 %
Ø Trading volume (number of shares per trading day)	383,676	423,064	-9.3 %
Market capitalization, € in millions (June 30/December 31)	19,572	20,054	-2.5 %

MANAGEMENT REPORT

All business segments showed marked improvement from the first quarter. The integration of the newly acquired hospitals is fully on track and Kabi saw growing business momentum in all key markets. Looking ahead, Fresenius expects growth to accelerate further across the Group in the second half of the year and fully confirms its 2014 earnings guidance.

ACCELERATED GROWTH IN Q2 – FRESENIUS RAISES FY 2014 SALES OUTLOOK, FULLY CONFIRMS EARNINGS OUTLOOK

	H1/2014	at actual rates	in constant currency
Sales	€10.7 bn	+7%	+12%
EBIT ¹	€1,403 m	-3%	0%
Net income ²	€487 m	+1%	+3%

HEALTH CARE INDUSTRY

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

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

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

Health care structures are being reviewed and cost-cutting potential identified in order to contain the steadily rising health care expenditures. However, such measures cannot

compensate for the cost pressure. Market-based elements are increasingly being introduced into the health care system to create incentives for cost- and quality-conscious behavior. Overall treatment costs shall be reduced through improved quality standards. In addition, ever-greater importance is being placed on disease prevention and innovative reimbursement models linked to treatment quality standards.

RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

SALES

Group sales increased by 7% (12% in constant currency) to €10,733 million (H1/2013: €9,987 million). Organic sales growth was 3%. Acquisitions contributed 9%. Divestitures had a marginal effect on sales growth.

Organic sales growth was 3% in North America and 2% in Europe. In Asia-Pacific organic sales growth was 2%, impacted by a slow first quarter in China for Fresenius Medical Care and Fresenius Kabi. In Latin America organic sales growth was 9%. In Africa, the decline in sales is mainly due to fluctuations in the project business at Fresenius Vamed.

¹ 2014 before integration costs (Fenwal: €3 million; acquired Rhön hospitals: €8 million) and disposal gains (two HELIOS hospitals: €22 million; Rhön stake: €35 million); 2013 before integration costs (Fenwal: €27 million)

² Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2014 before integration costs (Fenwal: €2 million; acquired Rhön hospitals: €6 million) and disposal gains (two HELIOS hospitals: €21 million; Rhön stake: €34 million); 2013 before integration costs (Fenwal: €20 million); including these effects, net income attributable to shareholders of Fresenius SE & Co. KGaA increased by 16% (+17% in constant currency) to €534 million

EARNINGS

€ in millions	Q2/2014	Q2/2013	H1/2014	H1/2013
EBIT ¹	760	752	1,403	1,448
Net income ²	259	258	487	482
Net income ³	286	243	534	462
Earnings per share in € ² before stock split	1.44	1.44	2.71	2.70
Earnings per share in € ³ before stock split	1.59	1.36	2.97	2.59
Earnings per share in € ² after stock split	0.48	0.48	0.90	0.90
Earnings per share in € ³ after stock split	0.53	0.45	0.99	0.86

Adverse currency translation effects weighed on Group sales in all regions, particularly in Latin America (-19%), Asia-Pacific (-7%), Africa (-7%) and North America (-5%).

EARNINGS

Group EBITDA¹ was €1,854 million (H1/2013: €1,860 million) and increased by 3% in constant currency. Group EBIT¹ decreased by 3% (0% in constant currency) to €1,403 million (H1/2013: €1,448 million). Besides currency headwinds, this development is mainly attributable to the year-over-year comparison of issues at Fresenius Medical Care and Fresenius Kabi which occurred in 2013. The EBIT margin was 13.1% (H1/2013: 14.5%).

Group net interest was -€283 million (H1/2013: -€313 million). Improved financing terms as well as favorable currency effects contributed to the decrease. In addition, H1/2013 net

interest included €14 million one-time costs resulting from the early redemption of a Senior Note.

The Group tax rate¹ was 29.6% and above the prior-year level (H1/2013: 28.5%). In Q2/2014, the Group tax rate was 32.4% due to a special tax effect at Fresenius Medical Care.

Noncontrolling interest was €301 million (H1/2013: €330 million), of which 94% was attributable to the noncontrolling interest in Fresenius Medical Care.

Group net income² increased by 1% (3% in constant currency) to €487 million (H1/2013: €482 million). Earnings per share² were €2.71 (H1/2013: €2.70). Group net income² excluding the special tax effect at Fresenius Medical Care increased by 2% (4% in constant currency).

Group net income attributable to shareholders of Fresenius SE & Co. KGaA including integration costs for Fenwal and the acquired Rhön hospitals, as well as the disposal gains from

SALES BY REGION

€ in millions	H1/2014	H1/2013	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/ divestitures	% of total sales
North America	4,272	4,268	0%	-5%	5%	3%	2%	40%
Europe	4,852	4,010	21%	-1%	22%	2%	20%	45%
Asia-Pacific	945	954	-1%	-7%	6%	2%	4%	9%
Latin America	517	570	-9%	-19%	10%	9%	1%	5%
Africa	147	185	-21%	-7%	-14%	-15%	1%	1%
Total	10,733	9,987	7%	-5%	12%	3%	9%	100%

SALES BY BUSINESS SEGMENT

€ in millions	H1/2014	H1/2013	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/ divestitures	% of total sales
Fresenius Medical Care	5,399	5,388	0%	-6%	6%	4%	2%	50%
Fresenius Kabi	2,466	2,519	-2%	-5%	3%	2%	1%	23%
Fresenius Helios	2,521	1,695	49%	0%	49%	3%	46%	23%
Fresenius Vamed	398	421	-5%	0%	-5%	-8%	3%	4%

¹ 2014 before integration costs (Fenwal; acquired Rhön hospitals) and disposal gains (two HELIOS hospitals; Rhön stake); 2013 before integration costs (Fenwal)

² Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2014 before integration costs (Fenwal; acquired Rhön hospitals) and disposal gains (two HELIOS hospitals; Rhön stake); 2013 before integration costs (Fenwal)

³ Net income attributable to shareholders of Fresenius SE & Co. KGaA

two HELIOS hospitals and the Rhön stake increased by 16% (+17% in constant currency) to €534 million. Earnings per share increased by 15% (+16% in constant currency) to €2.97.

On August 1, 2014, the stock split with capital increase from company funds approved by the Annual General Meeting in May became effective (see subsequent events on page 18). After implementation of the stock split earnings per share¹ were €0.90 (H1/2013: €0.90). Including integration costs for Fenwal and the acquired Rhön hospitals, as well as the disposal gains from two HELIOS hospitals and the Rhön stake, earnings per share were €0.99.

RECONCILIATION

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

INVESTMENTS

The Fresenius Group spent €522 million on property, plant and equipment (H1/2013: €425 million). The Company primarily invested in the modernization and expansion of production facilities and hospitals as well as in the equipment of new, and the expansion of existing dialysis clinics.

RECONCILIATION

€ in millions	H1 /2014 before special items	Fenwal integration costs	integration costs for acquired Rhön hospitals	disposal gain from two HELIOS hospitals	disposal gain from Rhön stake	H1 /2014 according to U.S. GAAP (incl. spe- cial items)	H1/2013 before special items	Fenwal integration costs	H1/2013 according to U.S. GAAP (incl. spe- cial items)
Sales	10,733					10,733	9,987		9,987
EBIT	1,403	-3	-8	22	35	1,449	1,448	-27	1,421
Interest result	-283					-283	-313		-313
Net income before taxes	1,120	-3	-8	22	35	1,166	1,135	-27	1,108
Income taxes	-332	1	2	-1	-1	-331	-323	7	-316
Net income	788	-2	-6	21	34	835	812	-20	792
Less noncontrolling interest	-301					-301	-330		-330
Net income attributable to shareholders of Fresenius SE & Co. KGaA	487	-2	-6	21	34	534	482	-20	462

€ in millions	Q2 /2014 before special items	Fenwal integration costs	integration costs for acquired Rhön hospitals	disposal gain from two HELIOS hospitals	disposal gain from Rhön stake	Q2 /2014 according to U.S. GAAP (incl. spe- cial items)	Q2/2013 before special items	Fenwal integration costs	Q2/2013 according to U.S. GAAP (incl. spe- cial items)
Sales	5,521					5,521	5,097		5,097
EBIT	760	-2	-8	0	35	785	752	-20	732
Interest result	-145					-145	-150		-150
Net income before taxes	615	-2	-8	0	35	640	602	-20	582
Income taxes	-199	1	2	0	-1	-197	-168	5	-163
Net income	416	-1	-6	0	34	443	434	-15	419
Less noncontrolling interest	-157					-157	-176		-176
Net income attributable to shareholders of Fresenius SE & Co. KGaA	259	-1	-6	0	34	286	258	-15	243

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2014 before integration costs (Fenwal; acquired Rhön hospitals) and disposal gains (two HELIOS hospitals; Rhön stake); 2013 before integration costs (Fenwal)

INVESTMENTS BY BUSINESS SEGMENT

€ in millions	H1/2014	H1/2013	thereof property, plant and equipment	thereof acquisitions	Change	% of total
Fresenius Medical Care	746	340	306	440	119%	43%
Fresenius Kabi	147	166	128	19	-11%	9%
Fresenius Helios	840	55	83	757	--	48%
Fresenius Vamed	4	11	3	1	-64%	0%
Corporate/Other	1	3	2	-1	-67%	0%
Total	1,738	575	522	1,216	--	100%

Total acquisition spending was €1,216 million (H1/2013: €150 million), including €756 million for the acquisition of hospitals from Rhön-Klinikum AG.

CASH FLOW

Operating cash flow was €750 million (H1/2013: €947 million) with a margin of 7.0% (H1/2013: 9.5%). The decrease was mainly attributable to the payment for the W.R. Grace bankruptcy settlement of US\$115 million¹, increased working capital at Fresenius Medical Care and Fresenius Kabi as well as a change from annual to monthly upfront payments to Fresenius Vamed for a technical management contract all in Q1/2014.

Net capital expenditure increased to €532 million (H1/2013: €416 million). Free cash flow before acquisitions and dividends was €218 million (H1/2013: €531 million).

Free cash flow after acquisitions and dividends was -€1,275 million (H1/2013: 92 million).

ASSET AND LIABILITY STRUCTURE

The Group's total assets increased by 8% (at actual rates and in constant currency) to €35,502 million (Dec. 31, 2013: €32,758 million). This increase is mainly attributable to the first-time consolidation of hospitals acquired from Rhön-Klinikum AG. Current assets grew by 19% to €9,464 million (Dec. 31, 2013: €7,972 million). Non-current assets increased by 5% to €26,038 million (Dec. 31, 2013: €24,786 million).

Total shareholders' equity increased by 3% to €13,706 million (Dec. 31, 2013: €13,260 million).

The equity ratio was 38.6% (Dec. 31, 2013: 40.5%).

CASH FLOW STATEMENT (SUMMARY)

€ in millions	H1/2014	H1/2013	Change
Net income	835	792	5%
Depreciation and amortization	451	412	9%
Change in accruals for pensions	8	24	-67%
Cash flow	1,294	1,228	5%
Change in working capital	-544	-281	-94%
Operating cash flow	750	947	-21%
Property, plant and equipment	-537	-433	-24%
Proceeds from the sale of property, plant and equipment	5	17	-71%
Cash flow before acquisitions and dividends	218	531	-59%
Cash used for acquisitions, net	-1,036	7	--
Dividends paid	-457	-446	-2%
Free cash flow paid after acquisitions and dividends	-1,275	92	--
Cash provided by/used for financing activities	1,468	-133	--
Effect of exchange rates on change in cash and cash equivalents	13	-2	--
Net change in cash and cash equivalents	206	-43	--

¹ See Annual Report 2013, page 150 f.

Group debt was €14,527 million (Dec. 31, 2013: €12,804 million). Net debt was €13,457 million (Dec. 31, 2013: €11,940 million).

As of June 30, 2014, the net debt/EBITDA ratio was 3.39¹ (Dec. 31, 2013: 2.51²). The increase is mainly due to the acquisition of hospitals from Rhön-Klinikum AG.

SECOND QUARTER OF 2014

Group sales increased by 8% to €5,521 million (Q2/2013: €5,097 million). In constant currency, sales increased by 13%. Organic sales growth was 3%, acquisitions contributed a further 10%. EBIT³ increased by 1% at actual rates (5% in constant currency) to €760 million (Q2/2013: €752 million). In Q2/2014, the EBIT margin increased sequentially by 150 bps to 13.8%. Group net income⁴ reached €259 million (Q2/2013: €258 million). In constant currency, growth of 3% was achieved. Earnings per share⁴ was €1.44 (Q2/2013: €1.44). In constant currency, earnings per share improved by 2%. Group net income, attributable to shareholders of Fresenius SE & Co. KGaA reached €286 million (Q2/2013: €243 million). Earnings per share were €1.59.

After implementation of the stock split, earnings per share⁴ were €0.48 (Q2/2013: €0.48). Including integration costs for Fenwal and the acquired Rhön hospitals, as well as the disposal gains from the Rhön stake, earnings per share were €0.53.

Operating cash flow was €610 million (Q2/2013: €503 million) with a margin of 11.0% (Q2/2013: 9.9%). Investments in property, plant and equipment increased to €288 million (Q2/2013: €246 million). Acquisition spending was €292 million (Q2/2013: €71 million).

ANNUAL GENERAL MEETING 2014

At the Annual General Meeting 2014, the shareholders of Fresenius SE & Co. KGaA approved all agenda items with a large majority. Fresenius SE & Co. KGaA shareholders voted with a majority of 99.81% to approve the 21st consecutive dividend increase proposed by the general partner and the Supervisory Board. Shareholders received €1.25 per common share (2013: €1.10). With a majority of 99.48%, the shareholders approved a stock split with capital increase from company funds and the corresponding changes to the Articles of Association.

Please see page 11 for all voting results.

¹ Pro forma including acquired Rhön hospitals and excluding two HELIOS hospitals; before integration costs (Fenwal; acquired Rhön hospitals) and disposal gains (two HELIOS hospitals; Rhön stake)

² Pro forma excluding advances made for the acquisition of hospitals from Rhön-Klinikum AG; before integration costs (Fenwal)

³ 2014 before integration costs (Fenwal: €2 million; acquired Rhön hospitals: €8 million) and disposal gains (Rhön stake: €35 million); 2013 before integration costs (Fenwal: €20 million)

⁴ Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2014 before integration costs (Fenwal: €1 million; acquired Rhön hospitals: €6 million) and disposal gains (Rhön stake: €34 million); 2013 before integration costs (Fenwal: €15 million)

Item no.	Description	Number of shares for which valid votes were cast	in % of the capital stock	Yes votes		No votes	
				Number	in % of the valid votes cast	Number	in % of the valid votes cast
Item no. 1	Resolution on the Approval of the Annual Financial Statements of Fresenius SE & Co. KGaA for the Fiscal Year 2013	133,022,867	73.97 %	132,990,806	99.98%	32,061	0.02%
Item no. 2	Resolution on the Allocation of the Distributable Profit	133,024,559	73.97 %	132,769,026	99.81%	255,533	0.19%
Item no. 3	Resolution on the Approval of the Actions of the General Partner for the Fiscal Year 2013	83,085,433	46.20 %	81,774,695	98.42%	1,310,738	1.58%
Item no. 4	Resolution on the Approval of the Actions of the Supervisory Board for the Fiscal Year 2013	82,038,635	45.62 %	80,712,687	98.38%	1,325,948	1.62%
Item no. 5	Election of the Auditor and Group Auditor for the Fiscal Year 2014	83,878,062	46.64 %	82,683,761	98.58%	1,194,301	1.42%
Item no. 6	Resolution on the Approval of the Adjustment of Existing Enterprise Agreements	133,023,036	73.97 %	133,021,694	99.99%	1,342	0.01%
Item no. 7	Resolution on a Capital Increase from Company Funds with Issue of New Shares, the Adjustment of the Authorization for the Granting of Subscription Rights to Managerial Staff Members (Führungskräfte) and Members of the Management Board of Fresenius SE & Co. KGaA or an Affiliated Company (Stock Option Program 2013), as well as on the Corresponding Adjustments of Article 4 (Share Capital) and Article 13 (Remuneration of Supervisory Board Members)	133,022,355	73.97 %	132,335,973	99.48%	686,382	0.52%
Item no. 8	Resolution on the Cancellation of the Existing Authorized Capital I and on the Creation of a New Authorized Capital I with Authorization for Exclusion of Subscription Rights and a Corresponding Amendment to the Articles of Association	132,340,012	73.59 %	122,036,988	92.21%	10,303,024	7.79%
Item no. 9	Resolution on the Cancellation of the Existing Authorization to issue Option Bonds and/or Convertible Bonds dated May 11, 2012 and the Associated Conditional Capital III, and on the Creation of a New Authorization to issue Option Bonds and/or Convertible Bonds, on the Exclusion of Subscription Rights, and on the Creation of Conditional Capital and corresponding Amendments to the Articles of Association	131,450,906	73.10 %	122,981,703	93.56%	8,469,203	6.44%
Item no. 10	Resolution on the Cancellation of the Authorization to Purchase and Use Own Shares pursuant to sec. 71 para. 1 sent. 8 of the German Stock Corporation Act granted by Resolution of the Annual General Meeting of May 11, 2012, and an Authorization to Purchase and Use Own Shares pursuant to sec. 71 para. 1 sent. 8 of the German Stock Corporation Act and on the Exclusion of Subscription Rights	131,905,491	73.35 %	127,443,153	96.62%	4,462,338	3.38%
Item no. 11	Resolution on the Authorization to utilize Equity Derivatives to purchase Own Shares subject to Exclusion of any Tender Right	132,939,328	73.93 %	129,169,769	97.16%	3,769,559	2.84%

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 June 30, 2014, Fresenius Medical Care was treating 280,942 patients in 3,335 dialysis clinics.

US\$ in millions	Q2/2014	Q2/2013	Change	H1/2014	H1/2013	Change
Sales	3,835	3,613	6%	7,398	7,076	5%
EBITDA	725	703	3%	1,337	1,353	-1%
EBIT	556	544	2%	1,001	1,038	-4%
Net income ¹	234	263	-11%	439	488	-10%
Employees (June 30/December 31)				100,374	95,637	5%

FIRST HALF OF 2014

- ▶ Second quarter shows accelerated growth and margin improvement
- ▶ Net income impacted by US\$18 million special tax effect
- ▶ 2014 guidance confirmed

Sales increased by 5% (6% in constant currency) to US\$7,398 million (H1/2013: US\$7,076 million). Organic sales growth was 4%. Acquisitions contributed 2%. Adverse currency effects reduced sales by 1%.

Sales in dialysis services increased by 6% (7% in constant currency) to US\$5,731 million (H1/2013: US\$5,421 million). Dialysis product sales increased by 1% (1% in constant currency) to US\$1,667 million (H1/2013: US\$1,655 million).

In North America sales grew by 5% to US\$4,914 million (H1/2013: US\$4,663 million). Dialysis services sales increased by 6% to US\$4,517 million (H1/2013: US\$4,261 million). Dialysis product sales decreased by 1% to US\$397 million (H1/2013: US\$402 million).

Sales outside North America ("International" segment) increased by 3% (5% increase in constant currency) to US\$2,458 million (H1/2013: US\$2,397 million) impacted

inter alia by the reorganization of the distribution network in China. Sales in dialysis services increased by 5% (10% in constant currency) to US\$1,214 million (H1/2013: US\$1,161 million). Dialysis product sales increased by 1% (1% in constant currency) to US\$1,244 million (H1/2013: US\$1,236 million).

EBIT decreased by 4% to US\$1,001 million (H1/2013: US\$1,038 million). The EBIT margin was 13.5% (H1/2013: 14.7%). EBIT was impacted by sequestration and rebasing of Medicare's reimbursement rate in the United States.

Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA decreased by 10% to US\$439 million (H1/2013: US\$488 million). Excluding a special tax effect at Fresenius Medical Care in Q2/2014, net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA was US\$457 million.

Operating cash flow was US\$562 million (H1/2013: US\$841 million). The decrease was mainly attributable to the payment for the W.R. Grace bankruptcy settlement of US\$115 million and increased working capital in Q1/2014. The cash flow margin was 7.6% (H1/2013: 11.9%).

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

SECOND QUARTER OF 2014

Fresenius Medical Care increased sales by 6% (7% in constant currency) to US\$3,835 million (Q2/2013: US\$3,613 million). Organic sales growth was 5%, acquisitions contributed 2%. Adverse currency translation effects reduced sales by 1%. EBIT increased by 2% to US\$556 million (Q2/2013: US\$544 million). The EBIT margin increased sequentially by 200 bps to 14.5%. Net income¹ was US\$234 million, a decrease of 11% (Q2/2013: US\$263 million).

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

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

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

FRESENIUS KABI

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

€ in millions	Q2/2014	Q2/2013	Change	H1/2014	H1/2013	Change
Sales	1,253	1,259	0%	2,466	2,519	-2%
EBITDA ¹	260	287	-9%	513	575	-11%
EBIT ¹	210	232	-9%	411	469	-12%
Net income ²	111	123	-10%	217	242	-10%
Employees (June 30/December 31)				32,676	31,961	2%

FIRST HALF OF 2014

- ▶ 4% organic sales growth and EBIT margin of 16.8% in Q2
- ▶ €10 million adverse currency impact on EBIT in Q2
- ▶ 13.8% cash flow margin in Q2
- ▶ 2014 guidance fully confirmed

Sales decreased by 2% (+3% increase in constant currency) to €2,466 million (H1/2013: €2,519 million). Organic sales growth was 2% (Q2/2014: 4%). Adverse currency translation effects weighed on sales (-5%), mainly due to the weaker currencies in the United States, Brazil, Argentina and South Africa against the Euro.

Sales in Europe decreased by 1% (organic sales growth: +1%) to €1,024 million (H1/2013: €1,030 million). Sales in North America decreased by 5% (organic sales growth: 0%) to €747 million (H1/2013: €784 million). Asia-Pacific sales were €464 million (organic sales growth: +6%; H1/2013: €456 million). Sales in Latin America/Africa decreased by 7% (organic sales growth: +11%) to €231 million (H1/2013: €249 million).

EBIT¹ was €411 million (H1/2013: €469 million), a decrease of 9% in constant currency. Adverse currency translation effects particularly weighed on Q2 EBIT with -4% compared to -2% in Q1/2014. Besides currency headwinds, EBIT was impacted by lower HES sales and the 2013 price cuts in China. The EBIT margin of 16.7% was in line with expectations and our guidance range.

Net income² decreased by 10% to €217 million (H1/2013: €242 million).

Fresenius Kabi's operating cash flow was €215 million (H1/2013: €238 million) with a margin of 8.7% (H1/2013: 9.4%), mainly due to temporarily higher working capital requirements. Cash flow improved from Q1 (€42 million) to Q2 (€173 million). Cash flow before acquisitions and dividends in H1/2014 was €73 million (H1/2013: €120 million).

Integration costs for Fenwal were €3 million (pre-tax) in H1/2014. These costs are reported in the Group Corporate/Other segment. The vast majority of planned integration costs of €40–50 million are expected to accrue towards the end of 2014.

SECOND QUARTER OF 2014

In the second quarter of 2014, Fresenius Kabi increased sales by 5% in constant currency to €1,253 million (Q2/2013: €1,259 million). Organic sales growth was 4%, acquisitions contributed 1%. EBIT¹ declined by 9% to €210 million (Q2/2013: €232 million). The EBIT margin was 16.8% (Q2/2013: 18.4%). Sequentially, EBIT margin improved by 20 basis points in Q2/2014. Fresenius Kabi's net income² decreased by 10% to €111 million (Q2/2013: €123 million).

Please see page 19 of the Management Report for the 2014 outlook of Fresenius Kabi.

¹ Before integration costs (Fenwal)

² Net income attributable to shareholders of Fresenius Kabi AG; before integration costs (Fenwal)

FRESENIUS HELIOS

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

€ in millions	Q2/2014	Q2/2013	Change	H1/2014	H1/2013	Change
Sales	1,294	854	52%	2,521	1,695	49%
EBITDA ¹	186	121	54%	344	235	46%
EBIT ¹	136	92	48%	250	179	40%
Net income ²	102	63	62%	179	119	50%
Employees (June 30/December 31)				68,731	42,913	60%

FIRST HALF OF 2014

- ▶ 3% organic sales growth fully in line with guidance
- ▶ Acquired hospitals show positive margin development
- ▶ New 2014 guidance: EBIT of €540 – 560 million for HELIOS including the acquired hospitals

Sales increased by 49% to €2,521 million (H1/2013: €1,695 million). The strong increase in sales is mainly due to the acquired hospitals from Rhön-Klinikum AG. The divestment of two HELIOS hospitals reduced sales growth by 2%. Organic sales growth was 3% in H1 and Q2.

EBIT¹ grew by 40% to €250 million (H1/2013: €179 million). The EBIT margin was 9.9% (H1/2013: 10.6%). The margin decline is due to the consolidation of the newly acquired hospitals.

Net income² increased by 50% to €179 million (H1/2013: €119 million).

Sales of the established hospitals grew by 3% to €1,713 million. EBIT improved by 5% to €184 million. The EBIT margin increased to 10.7% (H1/2013: 10.6%).

Sales of the acquired hospitals were €808 million, EBIT was €66 million and EBIT margin was 8.2%. Q2/2014 EBIT margin increased substantially to 9.1% (Q1/2014: 7.0%).

In Q1/2014, approximately 90% of the acquisition of hospitals from Rhön-Klinikum AG was completed. Approximately 70% of the acquired business was consolidated as of

January 1, 2014, and approximately 20% as of March 1, 2014. The acquisition of HSK Dr. Horst Schmidt Kliniken in Wiesbaden is consolidated as of June 30, 2014. In addition, HELIOS acquired Rhön-Klinikum's 265-bed hospital in Cuxhaven with 2013 sales of approximately €40 million. The transaction was completed on July 31, 2014.

The integration of the acquired hospitals is progressing as planned.

SECOND QUARTER OF 2014

In the second quarter of 2014, Fresenius Helios improved sales to €1,294 million (Q2/2013: €854 million), an increase of 52%. Organic sales growth was 3%, acquisitions contributed 51% to sales growth, divestments reduced sales by 2%. EBIT³ increased by 48% to €136 million (Q2/2013: €92 million). The EBIT margin decreased by 30 basis points to 10.5% compared to Q2/2013. Sequentially, the EBIT margin increased substantially by 120 basis points compared to 9.3% in Q1/2014. Net income⁴ grew by 62% to €102 million (Q2/2013: €63 million).

Please see page 19 of the Management Report for the 2014 outlook of Fresenius Helios.

¹ 2014 before integration costs and disposal gains (two HELIOS hospitals; Rhön stake)

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

³ 2014 before integration costs and disposal gains (Rhön stake)

⁴ Net income attributable to shareholders of HELIOS Kliniken GmbH; 2014 before integration costs and disposal gains (Rhön stake)

FRESENIUS VAMED

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

€ in millions	Q2/2014	Q2/2013	Change	H1/2014	H1/2013	Change
Sales	207	237	-13%	398	421	-5%
EBITDA	12	12	0%	20	19	5%
EBIT	9	10	-10%	15	15	0%
Net income ¹	6	6	0%	10	9	11%
Employees (June 30/December 31)				7,333	7,010	5%

FIRST HALF OF 2014

- ▶ Continued strong order intake of €300 million
- ▶ Results reflect typical quarterly fluctuations in the project business
- ▶ 2014 guidance fully confirmed

Sales decreased by 5% to €398 million (H1/2013: €421 million). Organic sales growth was -8%. Acquisitions contributed 3%. Sales in the project business decreased by 17% to €173 million (H1/2013: €208 million) reflecting typical quarterly fluctuations. Sales in the service business grew by 6% to €225 million (H1/2013: €213 million).

EBIT was €15 million (H1/2013: €15 million) with a margin of 3.8% (H1/2013: 3.6%).

Net income¹ increased to €10 million (H1/2013: €9 million).

Order intake was €300 million (H1/2013: €311 million).

As of June 30, 2014, order backlog was €1,262 million (Dec. 31, 2013: €1,139 million).

SECOND QUARTER OF 2014

Sales in the second quarter of 2014 were €207 million (Q2/2013: €237 million). EBIT was €9 million (Q2/2013: €10 million). EBIT margin was 4.3% (Q2/2013: 4.2%). Net income¹ remained at the previous year's level of €6 million.

Please see page 19 of the Management Report for the 2014 outlook of Fresenius Vamed.

¹ Net income attributable to shareholders of Vamed AG

EMPLOYEES

As of June 30, 2014, the number of employees increased by 18% to 209,933 (Dec. 31, 2013: 178,337). This is mainly due to the acquisition of hospitals from Rhön-Klinikum AG.

EMPLOYEES BY BUSINESS SEGMENT

Number of employees	June 30, 2014	Dec 31, 2013	Change
Fresenius Medical Care	100,374	95,637	5%
Fresenius Kabi	32,676	31,961	2%
Fresenius Helios	68,731	42,913	60%
Fresenius Vamed	7,333	7,010	5%
Corporate/Other	819	816	0%
Total	209,933	178,337	18%

RESEARCH AND DEVELOPMENT

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

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

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

RESEARCH AND DEVELOPMENT EXPENSES BY BUSINESS SEGMENT

€ in millions	H1/2014	H1/2013	Change
Fresenius Medical Care	44	47	-6%
Fresenius Kabi	125	117	7%
Fresenius Helios	–	–	--
Fresenius Vamed	0	0	
Corporate/Other	1	3	-67%
Total	170	167	2%

DIALYSIS

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

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

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

OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the 2013 annual report, there have been no material changes in Fresenius' overall opportunities and risk situation in the first half of 2014.

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 44 to 50 in the Notes of this report.

SUBSEQUENT EVENTS

On August 1, 2014, the stock split with capital increase from company funds approved by the Annual General Meeting in May became effective. After close of trading, shareholders' deposits and the stock exchange listing were converted.

Trading at the new split-adjusted price began on August 4, 2014. Every shareholder received two additional shares for each share held. Fresenius shares continue to trade under ISIN DE0005785604. Following the split, the subscribed capital of Fresenius SE & Co. KGaA amounts to € 540,511,632 divided into 540,511,632 ordinary shares. In conjunction with the stock split, Fresenius has also changed the ratio of its American Depositary Receipts ("ADRs") which trade on OTCQX International Premier in the U.S. The ratio has changed from 8 ADRs representing one underlying Fresenius share to 4 ADRs representing one underlying share. The ratio change came into effect on August 4, 2014.

HELIOS acquired Rhön-Klinikum's 265-bed hospital in Cuxhaven with 2013 sales of approximately €40 million. The transaction was completed on July 31, 2014 and will be consolidated as of August 1, 2014.

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

RATING

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

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

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

On March 20, 2014, Fitch confirmed the BB+ rating of Fresenius with positive outlook. The rating confirmation reflects the performance in 2013 as well as the completion and financing of the acquisition of hospitals from Rhön-Klinikum AG. Fitch had placed Fresenius on rating watch in September 2013 following Rhön transaction announcement.

OUTLOOK 2014¹

FRESENIUS GROUP

Fresenius raises its sales outlook following acquisitions at Fresenius Medical Care, and now expects sales to increase by 14% to 16% in constant currency. Previously, the Company expected sales growth of 12% to 15%. Fresenius fully confirms its net income² guidance, and continues to expect an increase of 2% to 5% in constant currency.

The net debt/EBITDA ratio is expected to be approximately 3.25 particularly reflecting Fresenius Medical Care's acquisitions (previously 3.00 to 3.25).

FRESENIUS MEDICAL CARE

Fresenius Medical Care confirms its outlook for 2014. Fresenius Medical Care expects sales of approximately US\$15.2 billion, translating into a growth rate of around 4%. This outlook excludes sales of about US\$500 million from acquisitions.

Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA is expected to be unchanged between US\$1.0 to US\$1.05 billion. The company has initiated a global efficiency program designed to enhance its

¹ Includes contributions from the acquisition of hospitals from Rhön-Klinikum AG

² Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2014 before integration costs (Fenwal; acquired Rhön hospitals) and disposal gains (two HELIOS hospitals; Rhön stake); 2013 before integration costs (Fenwal)

performance over a multi-year period. Potential cost savings before income taxes of up to US\$60 million generated from this program are not included in the outlook for 2014.

FRESENIUS KABI

Fresenius Kabi fully confirms its 2014 outlook and projects organic sales growth of 4% to 6% and an EBIT margin of 16.5% to 18%.

FRESENIUS HELIOS

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

FRESENIUS VAMED

Fresenius Vamed fully confirms its 2014 outlook and expects to achieve organic sales growth of 5% to 10% and EBIT growth of 5% to 10%.

INVESTMENTS

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

EMPLOYEES

The number of employees in the Group will continue to rise in the future as a result of the expected expansion. We expect the number of employees to be more than 210,000 in 2014. This is mainly the result of the acquisition of hospitals from Rhön-Klinikum AG. The number of employees is expected to increase in all business segments.

RESEARCH AND DEVELOPMENT

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

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

GROUP FINANCIAL OUTLOOK 2014¹

	Previous guidance	New guidance ²
Sales, growth (constant currency)	12% – 15%	14% – 16%
Net income ³ , growth (in constant currency)	2% – 5%	confirmed

¹ Includes contributions from the acquisition of hospitals from Rhön-Klinikum AG

² Includes acquisitions at Fresenius Medical Care

³ Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2014 before integration costs (Fenwal; acquired Rhön hospitals) and disposal gains (two HELIOS hospitals; Rhön stake); 2013 before integration costs (Fenwal)

OUTLOOK 2014 BY BUSINESS SEGMENT

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

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

² Fresenius Helios continues to project 2014 organic sales growth of 3 to 5%; the acquired Rhön hospitals are also expected to show 3 to 5% organic growth

³ New EBIT guidance including acquired Rhön hospitals

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

€ in millions	Q2/2014	Q2/2013	H1/2014	H1/2013
Sales	5,521	5,097	10,733	9,987
Cost of sales	-3,875	-3,505	-7,569	-6,867
Gross profit	1,646	1,592	3,164	3,120
Selling, general and administrative expenses	-772	-770	-1,545	-1,532
Research and development expenses	-89	-90	-170	-167
Operating income (EBIT)	785	732	1,449	1,421
Net interest	-145	-150	-283	-313
Income before income taxes	640	582	1,166	1,108
Income taxes	-197	-163	-331	-316
Net income	443	419	835	792
Less noncontrolling interest	157	176	301	330
Net income attributable to shareholders of Fresenius SE & Co. KGaA	286	243	534	462
Earnings per ordinary share in € (before stock split 1:3)	1.59	1.36	2.97	2.59
Fully diluted earnings per ordinary share in € (before stock split 1:3)	1.57	1.34	2.94	2.56
Earnings per ordinary share in € (after stock split 1:3)	0.53	0.45	0.99	0.86
Fully diluted earnings per ordinary share in € (after stock split 1:3)	0.52	0.44	0.98	0.85

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	Q2/2014	Q2/2013	H1/2014	H1/2013
Net income	443	419	835	792
Other comprehensive income (loss)				
Foreign currency translation	93	-263	31	-43
Cash flow hedges	14	21	18	33
Change of fair value of available for sale financial assets	-37	8	-23	17
Actuarial gains on defined benefit pension plans	1	11	4	8
Income taxes related to components of other comprehensive income (loss)	2	-5	-4	-12
Other comprehensive income (loss), net	73	-228	26	3
Total comprehensive income	516	191	861	795
Comprehensive income attributable to noncontrolling interest subject to put provisions	28	11	47	40
Comprehensive income attributable to noncontrolling interest not subject to put provisions	196	28	296	299
Comprehensive income attributable to shareholders of Fresenius SE & Co. KGaA	292	152	518	456

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	June 30, 2014	December 31, 2013
Cash and cash equivalents	1,070	864
Trade accounts receivable, less allowance for doubtful accounts	3,926	3,474
Accounts receivable from and loans to related parties	34	28
Inventories	2,277	2,014
Other current assets	1,824	1,261
Deferred taxes	333	331
I. Total current assets	9,464	7,972
Property, plant and equipment	6,340	5,082
Goodwill	16,952	14,826
Other intangible assets	1,226	1,241
Other non-current assets	1,265	3,433
Deferred taxes	255	204
II. Total non-current assets	26,038	24,786
Total assets	35,502	32,758

LIABILITIES AND SHAREHOLDERS' EQUITY

€ in millions	June 30, 2014	December 31, 2013
Trade accounts payable	856	885
Short-term accounts payable to related parties	1	2
Short-term accrued expenses and other short-term liabilities	3,508	3,057
Short-term debt	785	959
Short-term loans from related parties	3	6
Current portion of long-term debt and capital lease obligations	593	855
Short-term accruals for income taxes	243	211
Deferred taxes	45	48
A. Total short-term liabilities	6,034	6,023
Long-term debt and capital lease obligations, less current portion	6,131	5,871
Senior Notes	6,559	5,113
Convertible bonds	456	0
Long-term accrued expenses and other long-term liabilities	490	434
Pension liabilities	734	714
Long-term accruals for income taxes	177	180
Deferred taxes	721	691
B. Total long-term liabilities	15,268	13,003
I. Total liabilities	21,302	19,026
II. Noncontrolling interest subject to put provisions	494	472
A. Noncontrolling interest not subject to put provisions	5,195	5,065
Subscribed capital	180	180
Capital reserve	3,337	3,314
Other reserves	5,361	5,052
Accumulated other comprehensive loss	-367	-351
B. Total Fresenius SE & Co. KGaA shareholders' equity	8,511	8,195
III. Total shareholders' equity	13,706	13,260
Total liabilities and shareholders' equity	35,502	32,758

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	H1/2014	H1/2013
Operating activities		
Net income	835	792
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities		
Depreciation and amortization	451	412
Gain on sale of investments and divestitures	-56	-44
Change in deferred taxes	-24	-15
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	-166	-91
Inventories	-192	-177
Other current and non-current assets	-95	-3
Accounts receivable from/payable to related parties	-9	-9
Trade accounts payable, accrued expenses and other short-term and long-term liabilities	-12	78
Accruals for income taxes	17	4
Net cash provided by operating activities	750	947
Investing activities		
Purchase of property, plant and equipment	-537	-433
Proceeds from sales of property, plant and equipment	5	17
Acquisitions and investments, net of cash acquired and net purchases of intangible assets	-1,043	-138
Proceeds from sale of investments and divestitures	7	145
Net cash used in investing activities	-1,568	-409
Financing activities		
Proceeds from short-term loans	614	416
Repayments of short-term loans	-812	-67
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	1,772	1,777
Repayments of long-term debt and capital lease obligations	-2,118	-1,485
Proceeds from the issuance of Senior Notes	1,420	500
Repayments of liabilities from Senior Notes	0	-1,150
Proceeds from the issuance of convertible bonds	500	0
Payments for the share buy-back program of Fresenius Medical Care	0	-176
Changes of accounts receivable securitization program	52	17
Proceeds from the exercise of stock options	42	37
Dividends paid	-457	-446
Change in noncontrolling interest	-	-2
Exchange rate effect due to corporate financing	-2	-
Net cash provided by/used in financing activities	1,011	-579
Effect of exchange rate changes on cash and cash equivalents	13	-2
Net increase/decrease in cash and cash equivalents	206	-43
Cash and cash equivalents at the beginning of the reporting period	864	885
Cash and cash equivalents at the end of the reporting period	1,070	842

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

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Subscribed Capital			Reserves	
	Number of ordinary shares in thousand	Amount € in thousands	Amount € in millions	Capital reserve € in millions	Other reserves € in millions
As of December 31, 2012	178,188	178,188	178	3,225	4,358
Proceeds from the exercise of stock options	245	245	–	18	
Compensation expense related to stock options				12	
Dividends paid					-196
Sale of noncontrolling interest not subject to put provisions					
Share buy-back program of Fresenius Medical Care AG & Co. KGaA					-59
Change in fair value of noncontrolling interest subject to put provisions				-3	
Comprehensive income (loss)					462
Net income					462
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)					462
As of June 30, 2013	178,433	178,433	178	3,252	4,565
As of December 31, 2013	179,695	179,695	180	3,314	5,052
Proceeds from the exercise of stock options	297	297	–	21	
Compensation expense related to stock options				6	
Dividends paid					-225
Purchase of noncontrolling interest not subject to put provisions					
Change in fair value of noncontrolling interest subject to put provisions				-4	
Comprehensive income (loss)					534
Net income					534
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)					534
As of June 30, 2014	179,992	179,992	180	3,337	5,361

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Accumulated other com- prehensive 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, 2012	-128	7,633	5,125	12,758
Proceeds from the exercise of stock options		18	19	37
Compensation expense related to stock options		12	7	19
Dividends paid		-196	-207	-403
Sale of noncontrolling interest not subject to put provisions		0	-13	-13
Share buy-back program of Fresenius Medical Care AG & Co. KGaA		-59	-131	-190
Change in fair value of noncontrolling interest subject to put provisions		-3	-5	-8
Comprehensive income (loss)				
Net income		462	293	755
Other comprehensive income (loss)				
Cash flow hedges	18	18	7	25
Change of fair value of available for sale financial assets	17	17	-	17
Foreign currency translation	-43	-43	-4	-47
Actuarial gains on defined benefit pension plans	2	2	3	5
Comprehensive income (loss)	-6	456	299	755
As of June 30, 2013	-134	7,861	5,094	12,955
As of December 31, 2013	-351	8,195	5,065	13,260
Proceeds from the exercise of stock options		21	21	42
Compensation expense related to stock options		6	-1	5
Dividends paid		-225	-188	-413
Purchase of noncontrolling interest not subject to put provisions		0	10	10
Change in fair value of noncontrolling interest subject to put provisions		-4	-8	-12
Comprehensive income (loss)				
Net income		534	258	792
Other comprehensive income (loss)				
Cash flow hedges	7	7	5	12
Change of fair value of available for sale financial assets	-16	-16	-	-16
Foreign currency translation	-8	-8	31	23
Actuarial gains on defined benefit pension plans	1	1	2	3
Comprehensive income (loss)	-16	518	296	814
As of June 30, 2014	-367	8,511	5,195	13,706

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

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

	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other			Fresenius Group			
	2014	2013	Change	2014 ²	2013 ²	Change	2014 ³	2013	Change	2014	2013	Change	2014 ^{4,5}	2013 ⁴	Change	2014	2013	Change	
by business segment, € in millions																			
Sales	5,399	5,388	0%	2,466	2,519	-2%	2,521	1,695	49%	398	421	-5%	-51	-36	-42%	10,733	9,987	7%	
thereof contribution to consolidated sales	5,381	5,376	0%	2,447	2,497	-2%	2,521	1,695	49%	381	404	-6%	3	15	-80%	10,733	9,987	7%	
thereof intercompany sales	18	12	50%	19	22	-14%	0	0		17	17	0%	-54	-51	-6%	0	0		
contribution to consolidated sales	50%	54%		23%	25%		23%	17%		4%	4%		0%	0%		100%	100%		
EBITDA	976	1,030	-5%	513	575	-11%	344	235	46%	20	19	5%	47	-26	--	1,900	1,833	4%	
Depreciation and amortization	245	240	2%	102	106	-4%	94	56	68%	5	4	25%	5	6	-17%	451	412	9%	
EBIT	731	790	-7%	411	469	-12%	250	179	40%	15	15	0%	42	-32	--	1,449	1,421	2%	
Net interest	-142	-158	10%	-95	-130	27%	-27	-27	0%	0	-1	100%	-19	3	--	-283	-313	10%	
Income taxes	-203	-208	2%	-88	-84	-5%	-40	-29	-38%	-4	-4	0%	4	9	-56%	-331	-316	-5%	
Net income attributable to shareholders of Fresenius SE & Co. KGaA	320	372	-14%	217	242	-10%	179	119	50%	10	9	11%	-192	-280	31%	534	462	16%	
Operating cash flow	410	640	-36%	215	238	-10%	205	80	156%	-62	3	--	-18	-14	-29%	750	947	-21%	
Cash flow before acquisitions and dividends	107	397	-73%	73	120	-39%	122	34	--	-66	-2	--	-18	-18	0%	218	531	-59%	
Total assets ¹	17,678	16,764	5%	8,801	8,598	2%	8,074	6,597	22%	694	726	-4%	255	73	--	35,502	32,758	8%	
Debt ¹	6,692	6,103	10%	4,907	4,735	4%	1,512	3,538	-57%	133	117	14%	1,283	-1,689	176%	14,527	12,804	13%	
Capital expenditure, gross	306	254	20%	128	111	15%	83	50	66%	3	5	-40%	2	5	-60%	522	425	23%	
Acquisitions, gross/investments	440	86	--	19	55	-65%	757	5	--	1	6	-83%	-1	-2	50%	1,216	150	--	
Research and development expenses	44	47	-6%	125	117	7%	--	--	--	0	0		1	3	-67%	170	167	2%	
Employees (per capita on balance sheet date) ¹	100,374	95,637	5%	32,676	31,961	2%	68,731	42,913	60%	7,333	7,010	5%	819	816	0%	209,933	178,337	18%	
Key figures																			
EBITDA margin	18.1%	19.1%		20.8%	22.8%		13.6%	13.9%		5.0%	4.5%					17.3%	18.6%		
EBIT margin	13.5%	14.7%		16.7%	18.6%		9.9%	10.6%		3.8%	3.6%					13.1%	14.5%		
Depreciation and amortization in % of sales	4.5%	4.5%		4.1%	4.2%		3.7%	3.3%		1.3%	1.0%					4.2%	4.1%		
Operating cash flow in % of sales	7.6%	11.9%		8.7%	9.4%		8.1%	4.7%		-15.6%	0.7%					7.0%	9.5%		
ROOA ¹	10.1%	10.5%		10.8%	11.9%		7.0%	9.3%		10.9%	11.6%					9.3%	10.6%		

¹ 2013; December 31

² Before integration costs (Fenwal)

³ Before integration costs (acquired Rhön hospitals) and disposal gains (two HELIOS hospitals; Rhön stake)

⁴ After integration costs (Fenwal)

⁵ After integration costs (acquired Rhön hospitals) and disposal gains (two HELIOS hospitals; Rhön stake)

⁶ The underlying pro forma EBIT does not include integration costs (Fenwal; acquired Rhön hospitals) and disposal gains (two HELIOS hospitals; Rhön stake).

⁷ The underlying pro forma EBIT does not include integration costs (Fenwal).

The consolidated segment reporting is an integral part of the notes.

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

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

	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other			Fresenius Group		
	2014	2013	Change	2014 ¹	2013 ¹	Change	2014 ²	2013	Change	2014	2013	Change	2014 ^{3,4}	2013 ³	Change	2014	2013	Change
	2,797	2,765	1%	1,253	1,259	0%	1,294	854	52%	207	237	-13%	-30	-18	-67%	5,521	5,097	8%
Sales	2,785	2,758	1%	1,242	1,248	0%	1,294	854	52%	198	229	-14%	2	8	-75%	5,521	5,097	8%
thereof contribution to consolidated sales	12	7	71%	11	11	0%	0	0		9	8	13%	-32	-26	-23%	0	0	
thereof intercompany sales	51%	54%		22%	25%		23%	17%		4%	4%		0%	0%		100%	100%	
contribution to consolidated sales	529	538	-2%	260	287	-9%	186	121	54%	12	12	0%	25	-16	--	1,012	942	7%
EBITDA	123	122	1%	50	55	-9%	50	29	72%	3	2	50%	1	2	-50%	227	210	8%
Depreciation and amortization	406	416	-2%	210	232	-9%	136	92	48%	9	10	-10%	24	-18	--	785	732	7%
EBIT	-72	-79	9%	-47	-64	27%	-11	-12	8%	1	0		-16	5	--	-145	-150	3%
Net interest	-129	-110	-17%	-46	-39	-18%	-22	-15	-47%	-3	-3	0%	3	4	-25%	-197	-163	-21%
Income taxes																		
Net income attributable to shareholders of Fresenius SE & Co. KGaA	170	201	-15%	111	123	-10%	102	63	62%	6	6	0%	-103	-150	31%	286	243	18%
Operating cash flow	328	401	-18%	173	106	63%	128	47	172%	-8	-42	81%	-11	-9	-22%	610	503	21%
Cash flow before acquisitions and dividends	169	269	-37%	96	44	118%	76	20	--	-11	-46	76%	-9	-12	25%	321	275	17%
Capital expenditure, gross	160	142	13%	74	66	12%	51	30	70%	1	4	-75%	2	4	-50%	288	246	17%
Acquisitions, gross/investments	293	29	--	2	42	-95%	-3	2	--	0	-1	100%	0	-1	100%	292	71	--
Research and development expenses	22	24	-8%	66	64	3%	-	-	--	0	0		1	2	-50%	89	90	-1%
Key figures																		
EBITDA margin	18.9%	19.5%		20.8%	22.8%		14.4%	14.2%		5.8%	5.1%					17.9%	18.9%	¹
EBIT margin	14.5%	15.1%		16.8%	18.4%		10.5%	10.8%		4.3%	4.2%					13.8%	14.8%	¹
Depreciation and amortization in % of sales	4.4%	4.4%		4.0%	4.4%		3.9%	3.4%		1.4%	0.8%					4.1%	4.1%	
Operating cash flow in % of sales	11.7%	14.5%		13.8%	8.4%		9.9%	5.5%		-3.9%	-17.7%					11.0%	9.9%	

¹ Before integration costs (Fenwal)² Before integration costs (acquired Rhön hospitals) and disposal gains (Rhön stake)³ After integration costs (Fenwal)⁴ After integration costs (acquired Rhön hospitals) and disposal gains (Rhön stake)

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

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GENERAL NOTES

1. PRINCIPLES

I. GROUP STRUCTURE

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

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

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

II. BASIS OF PRESENTATION

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, 2013.

III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The condensed consolidated financial statements and management report for the first half and the second quarter ended June 30, 2014 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, 2013, published in the 2013 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 half and the second quarter ended June 30, 2014 include all adjustments that, in the opinion of the Management Board, are of a normal and recurring nature and are necessary to provide an appropriate view of the assets and liabilities, financial position and results of operations of the Fresenius Group.

The results of operations for the first half ended June 30, 2014 are not necessarily indicative of the results of operations for the fiscal year 2014.

Classifications

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

Use of estimates

The preparation of consolidated financial statements in conformity with 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 June 30, 2014 in conformity with U.S. GAAP in force for interim periods on January 1, 2014.

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

In July 2013, the Financial Accounting Standards Board (FASB) issued **Accounting Standards Update 2013-11** (ASU 2013-11), FASB Accounting Standards Codification (ASC) Topic 740, Income Taxes – Presentation of an Unrecognized

Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists. The purpose of ASU 2013-11 is to align the financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss or a tax credit carryforward exists. In most cases, the unrecognized tax benefit should be presented as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss or a tax credit carryforward. The update is effective for fiscal years, and interim periods within those years, beginning on or after December 15, 2013. The Fresenius Group adopted ASU 2013-11 as of January 1, 2014. ASU 2013-11 does not have a material impact on the consolidated financial statements of the Fresenius Group.

In July 2013, the FASB issued **Accounting Standards Update 2013-10** (ASU 2013-10), FASB ASC Topic 815, Derivatives and Hedging – Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes. The purpose of ASU 2013-10 is to provide the inclusion of the Fed Funds Effective Swap Rate as a U.S. benchmark interest rate for hedge accounting purposes. This rate will now be available to use along with the U.S. government interest rates and the London Interbank Offered Rate. This update is effective prospectively for new or designated hedging relationships entered into on or after July 17, 2013. Currently, the Fresenius Group does not intend to utilize the newly available Fed Funds Effective Swap Rate for its hedge accounting.

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 sells either a part or all of its investment in a foreign entity, as well as when a company ceases to hold 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 fiscal years, and interim periods within those years, beginning on or after December 15, 2013. The Fresenius Group adopted ASU 2013-05 as of January 1, 2014. ASU 2013-05 does not have a material impact on the consolidated financial statements of the Fresenius Group.

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 fiscal years, and interim periods within those years, beginning on or after December 15, 2013. The Fresenius Group adopted ASU 2013-04 as of January 1, 2014. ASU 2013-04 does not have a material impact on the consolidated financial statements of the Fresenius Group.

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 adopted ASU 2011-06 effective January 1, 2014. ASU 2011-06 does not have a material impact on the consolidated financial statements of the Fresenius Group.

V. RECENT PRONOUNCEMENTS, NOT YET APPLIED

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

In June 2014, the FASB issued **Accounting Standards Update 2014-12** (ASU 2014-12), FASB ASC Topic 718, Compensation – Stock Compensation – Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period. The amendments in ASU 2014-12 require that a performance target that affects vesting and that could be achieved after the requisite service period is treated as a performance condition. The update is effective for fiscal years and interim periods within those years beginning on or after December 15, 2015. Earlier adoption is permitted. The Fresenius Group utilized and will continue to utilize the guidance updated by this ASU and as such there is no expected impact on its consolidated financial statements.

In June 2014, the FASB issued **Accounting Standards Update 2014-11** (ASU 2014-11), FASB ASC Topic 860, Transfers and Servicing – Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures, which aligns the accounting for repurchase-to-maturity transactions and repurchase financing arrangements with the accounting for other typical repurchase agreements, i. e. these transactions will be accounted for as secured borrowings. ASU 2014-11 also requires additional disclosures about repurchase agreements and other similar transactions. The update is effective for fiscal years and interim periods within those years beginning on or after December 15, 2014. The Fresenius Group is currently evaluating the impact of ASU 2014-11 on its consolidated financial statements.

In May 2014, the FASB issued **Accounting Standards Update 2014-09** (ASU 2014-09), FASB ASC Topic 606, Revenue from Contracts with Customers. Simultaneously, the International Accounting Standards Board (IASB) published its equivalent revenue standard, IFRS 15, Revenue from Contracts with Customers. The standards are the result of a convergence project between FASB and the IASB. This update

specifies how and when companies reporting under U.S. GAAP will recognize revenue as well as providing users of financial statements with more informative and relevant disclosures. ASU 2014-09 supersedes some guidance included in Topic 605, Revenue Recognition, some guidance within the scope of Topic 360, Property, Plant, and Equipment, and some guidance within the scope of Topic 350, Intangibles – Goodwill and Other. This ASU applies to nearly all contracts with customers, unless those contracts are within the scope of other standards (for example, lease contracts or insurance contracts). This update is effective for fiscal years and interim periods within those years beginning on or after December 15, 2016. Earlier adoption is not permitted. The Fresenius Group is currently evaluating the impact of ASU 2014-09 on its consolidated financial statements.

In April 2014, the FASB issued **Accounting Standards Update 2014-08** (ASU 2014-08), FASB ASC Topic 205, Presentation of Financial Statements and FASB ASC Topic 360, Property, Plant, and Equipment – Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity. ASU 2014-08's objective is to reduce the complexity and difficulty in applying guidance for discontinued operations. ASU 2014-08's main focus is to limit the presentation to disposals representing a strategic shift that has a major effect on operations or financial results. The update is effective for fiscal years and interim periods within those years beginning on or after December 15, 2014. The Fresenius Group is currently evaluating the impact of ASU 2014-08 on its consolidated financial statements.

In January 2014, the FASB issued **Accounting Standards Update 2014-05** (ASU 2014-05), FASB ASC Topic 853, Service Concession Arrangements. ASU 2014-05's objective is to specify that an operating entity should not account for a service concession arrangement that is within the scope of ASU 2014-05 as a lease. The update is effective for fiscal years and interim periods within those years beginning on or after December 15, 2014. The Fresenius Group is currently evaluating the impact of ASU 2014-05 on its consolidated financial statements.

2. ACQUISITIONS, DIVESTITURES AND INVESTMENTS

The Fresenius Group made acquisitions and investments of €1,216 million and €150 million in the first half of 2014 and 2013, respectively. Of this amount, €1,043 million was paid in cash and €173 million was assumed obligations in the first half of 2014.

FRESENIUS MEDICAL CARE

In the first half of 2014, Fresenius Medical Care spent €440 million on acquisitions, mainly for the purchase of dialysis clinics and the short-term investment in available for sale securities.

On June 27, 2014, Fresenius Medical Care announced the acquisition of a majority stake in Sound Inpatient Physicians, Inc., USA, a physician services organization focused on hospitalist and post-acute care services, for approximately US\$550 million. The transaction was closed in July 2014.

FRESENIUS KABI

In the first half of 2014, Fresenius Kabi spent €19 million on acquisitions, mainly for the purchase of further shares in Fresenius Kabi Oncology Ltd., India.

On April 25, 2014, Fresenius Kabi announced the formation of a joint venture with the pharmaceutical company CJSC Binnopharm in Russia. The joint venture combines Fresenius Kabi's Russian and CIS business with CJSC Binnopharm. Fresenius Kabi will hold a 51% stake in the new company. The transaction is expected to close by year end 2014. On May 9, 2014 Fresenius Kabi announced the acquisition of the Brazilian pharmaceutical company Novafarma Indústria Farmacêutica Ltda. After antitrust approval, the transaction could be closed on July 3, 2014. Furthermore, on July 4, 2014, Fresenius Kabi acquired two companies in Ecuador, Medisumi, a pharmaceutical distributor, as well as Labfarm, an I.V. antibiotic manufacturer.

FRESENIUS HELIOS

Fresenius Helios spent €757 million on acquisitions in the first half of 2014. Thereof, €756 million related to the acquisition of hospitals and outpatient facilities of Rhön-Klinikum AG, Germany. Taking into account the advance payment of €2,178 million made at the end of the year 2013 in conjunction with this acquisition, the transaction amount added up to €2,934 million.

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

Acquisition of hospitals of Rhön-Klinikum AG

Between February 27 and June 16, 2014, Fresenius Helios completed the acquisition of 40 hospitals and 12 outpatient facilities of Rhön-Klinikum AG, Germany. In most instances, 100% of the share capital was purchased, only in a few cases 94% to 99% of the share capital was acquired. In relation to HSK Dr. Horst Schmidt Kliniken, 49% of the share capital was acquired.

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

Due to contractual conditions, the Fresenius Group was primary beneficiary of the majority of the acquired hospitals and outpatient facilities for the period from January 1, 2014 until the closing of the majority of the transaction on February 27, 2014. During this period, the Fresenius Group therefore fully consolidated these companies according to regulations for variable interest entities. The majority of the other acquired companies has been fully consolidated as of February 27, 2014. The HSK Dr. Horst Schmidt Kliniken that were acquired on June 16, 2014 have been consolidated since June 30, 2014.

The transaction was accounted for as a business combination. The following table summarizes the current estimated fair values of assets acquired and liabilities assumed at the date of the acquisition. This allocation of the purchase price is based upon the best information available to management at present. Due to the relatively short interval between the closing date of the acquisition and the date of the statement

of financial position, this information may be incomplete. Any adjustments to acquisition accounting, net of related income tax effects, will be recorded with a corresponding adjustment to goodwill.

€ in millions	
Trade accounts receivable	234
Working capital and other assets	326
Assets	1,107
Liabilities	-533
Goodwill	1,879
Noncontrolling interest	-2
Consideration transferred	3,011
Net cash acquired	-77
Transaction amount	2,934

The goodwill in the amount of €1,879 million that was acquired as part of the acquisition is not deductible for tax purposes.

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

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

In the first half of 2014, the acquired hospitals and outpatient facilities have contributed €808 million to sales and €66 million to the operating income (EBIT) of the Fresenius Group.

In addition, Fresenius Helios acquired Rhön-Klinikum AG's 265-bed hospital in Cuxhaven with sales of approximately €40 million in 2013. The transaction was closed on July 31, 2014.

FRESENIUS VAMED

In the first half of 2014, Fresenius Vamed spent €1 million on acquisitions.

CORPORATE / OTHER

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

NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

3. SPECIAL ITEMS

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the first half of 2014 in the amount of €534 million includes special items relating to the integration of Fenwal and the acquired Rhön hospitals as well as relating to the divestment of two HELIOS hospitals and of the Rhön stake.

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

€ in millions	EBIT	Net income attributable to shareholders of Fresenius SE & Co. KGaA
Earnings H1/2014, adjusted		487
Integration costs for Fenwal	-3	-2
Integration costs for the acquired Rhön hospitals	-8	-6
Disposal gain from the divestment of two HELIOS hospitals	22	21
Disposal gain from the divestment of the Rhön stake	35	34
Earnings H1/2014 according to U.S. GAAP		534

4. SALES

Sales by activity were as follows:

€ in millions	H1/2014	H1/2013
Sales of services	7,019	6,138
less patient service bad debt provision	-93	-100
Sales of products and related goods	3,628	3,733
Sales from long-term production contracts	176	210
Other sales	3	6
Sales	10,733	9,987

5. TAXES

During the first half of 2014, there were no material changes relating to tax audits, accruals for income taxes, unrecognized tax benefits as well as recognized and accrued payments for interest and penalties. Explanations regarding the tax audits and further information can be found in the consolidated financial statements in the 2013 Annual Report.

6. EARNINGS PER SHARE

The following table shows the earnings per share including and excluding the dilutive effect from stock options issued before registration of the capital increase from company's funds (stock split 1:3, see note 17, Fresenius SE & Co KGaA shareholders' equity) with the commercial register on August 1, 2014:

	H1/2014	H1/2013
Numerators, € in millions		
Net income attributable to shareholders of Fresenius SE & Co. KGaA	534	462
less effect from dilution due to Fresenius Medical Care shares	–	–
Income available to all ordinary shares	534	462
Denominators in number of shares		
Weighted-average number of ordinary shares outstanding	179,853,835	178,306,694
Potentially dilutive ordinary shares	1,519,162	1,817,683
Weighted-average number of ordinary shares outstanding assuming dilution	181,372,997	180,124,377
Basic earnings per ordinary share in €	2.97	2.59
Fully diluted earnings per ordinary share in €	2.94	2.56

After registration of the capital increase from company's funds (stock split 1:3, see note 17, Fresenius SE & Co KGaA shareholders' equity) with the commercial register on August 1, 2014, earnings per share including and excluding the dilutive effect from stock options issued were as follows:

	H1/2014	H1/2013
Basic earnings per ordinary share in €	0.99	0.86
Fully diluted earnings per ordinary share in €	0.98	0.85

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

7. CASH AND CASH EQUIVALENTS

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

€ in millions	June 30, 2014	Dec. 31, 2013
Cash	1,057	846
Time deposits and securities (with a maturity of up to 90 days)	13	18
Total cash and cash equivalents	1,070	864

As of June 30, 2014 and December 31, 2013, earmarked funds of €46 million and €22 million, respectively, were included in cash and cash equivalents.

8. TRADE ACCOUNTS RECEIVABLE

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

€ in millions	June 30, 2014	Dec. 31, 2013
Trade accounts receivable	4,430	3,961
less allowance for doubtful accounts	504	487
Trade accounts receivable, net	3,926	3,474

9. INVENTORIES

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

€ in millions	June 30, 2014	Dec. 31, 2013
Raw materials and purchased components	494	445
Work in process	370	323
Finished goods	1,497	1,314
less reserves	84	68
Inventories, net	2,277	2,014

10. OTHER CURRENT AND NON-CURRENT ASSETS

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

As of June 30, 2014, investments, securities and long-term loans were comprised of investments of €541 million (December 31, 2013: €482 million), mainly regarding the joint venture between Fresenius Medical Care and Galenica Ltd., that were accounted for under the equity method. In the

first half of 2014, income of €13 million (H1/2013: €7 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 €124 million financial assets available for sale as of June 30, 2014 (December 31, 2013: €197 million). Furthermore, investments and long-term loans included €130 million as of June 30, 2014 that Fresenius Medical Care loaned to a middle-market dialysis provider.

11. GOODWILL AND OTHER INTANGIBLE ASSETS

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

AMORTIZABLE INTANGIBLE ASSETS

€ in millions	June 30, 2014			Dec. 31, 2013		
	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Patents, product and distribution rights	577	250	327	571	235	336
Technology	307	58	249	303	48	255
Non-compete agreements	241	185	56	237	174	63
Other	806	406	400	771	371	400
Total	1,931	899	1,032	1,882	828	1,054

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

€ in millions	Q3-4/2014	2015	2016	2017	2018	Q1-2/2019
Estimated amortization expenses	76	145	137	132	128	62

NON-AMORTIZABLE INTANGIBLE ASSETS

€ in millions	June 30, 2014			December 31, 2013		
	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Tradenames	189	0	189	182	0	182
Management contracts	5	0	5	5	0	5
Goodwill	16,952	0	16,952	14,826	0	14,826
Total	17,146	0	17,146	15,013	0	15,013

The carrying amount of goodwill has developed as follows:

€ in millions	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate/ Other	Fresenius Group
Carrying amount as of January 1, 2013	8,657	4,123	2,151	77	6	15,014
Additions	195	138	14	8	0	355
Disposals	0	-4	0	0	0	-4
Reclassifications	-	0	0	0	0	-
Foreign currency translation	-398	-141	0	0	0	-539
Carrying amount as of December 31, 2013	8,454	4,116	2,165	85	6	14,826
Additions	166	3	1,880	0	0	2,049
Disposals	0	-	-26	0	0	-26
Foreign currency translation	74	29	0	0	0	103
Carrying amount as of June 30, 2014	8,694	4,148	4,019	85	6	16,952

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

As of June 30, 2014 and December 31, 2013, the carrying amounts of the other non-amortizable intangible assets were €165 million and €158 million, respectively, for Fresenius Medical Care as well as €29 million, respectively, for Fresenius Kabi.

12. DEBT AND CAPITAL LEASE OBLIGATIONS

SHORT-TERM DEBT

The Fresenius Group had short-term debt of €785 million and €959 million at June 30, 2014 and December 31, 2013, respectively. As of June 30, 2014, this debt consisted of borrowings by certain entities of the Fresenius Group under lines of credit with commercial banks of €355 million. Furthermore, €430 million were outstanding under the commercial paper program of Fresenius SE & Co. KGaA, which was increased to €1,000 million in March 2014.

LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

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

€ in millions	June 30, 2014	Dec. 31, 2013
Fresenius Medical Care 2012 Credit Agreement	2,393	1,963
2013 Senior Credit Agreement	2,537	1,709
Bridge Financing Facility	0	1,410
Euro Notes	987	859
European Investment Bank Agreements	44	188
Accounts receivable facility of Fresenius Medical Care	310	255
Capital lease obligations	154	94
Other	299	248
Subtotal	6,724	6,726
less current portion	593	855
Long-term debt and capital lease obligations, less current portion	6,131	5,871

Fresenius Medical Care 2012 Credit Agreement

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

On July 1, 2014, the Fresenius Medical Care 2012 Credit Agreement was increased by establishing an incremental term loan tranche of US\$600 million (Term Loan A-2) to finance an investment in the U.S. into Sound Inpatient Physicians, Inc., which closed in July 2014, and for general corporate purposes.

Term Loan A-2 has a one year maturity and must be mandatorily prepaid with 100% of the net cash proceeds of US\$-denominated bonds or syndicated term loans, to the extent that these proceeds exceed a certain threshold.

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

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

	June 30, 2014			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit (in US\$)	US\$600 million	440	US\$235 million	173
Revolving Credit (in €)	€500 million	500	€463 million	463
Term Loan A	US\$2,400 million	1,757	US\$2,400 million	1,757
Total		2,697		2,393

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

In addition, at June 30, 2014 and December 31, 2013, Fresenius Medical Care had letters of credit outstanding in the amount of US\$7 million and US\$9 million, respectively, which were not included above as part of the balance outstanding at those dates but which reduce available borrowings under the Revolving Credit Facility.

As of June 30, 2014, FMC-AG & Co. KGaA and its subsidiaries were in compliance with all covenants under the Fresenius Medical Care 2012 Credit Agreement.

2013 Senior Credit Agreement

On December 20, 2012, Fresenius SE & Co. KGaA and various subsidiaries entered into a delayed draw syndicated credit agreement (2013 Senior Credit Agreement) in the initial amount of US\$1,300 million and €1,250 million. The 2013 Senior Credit Agreement was funded on June 28, 2013 and

replaced the 2008 Senior Credit Agreement. On August 7, 2013, the 2013 Senior Credit Agreement was extended by a term loan B facility in the amount of US\$500 million.

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

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

	June 30, 2014			
	Maximum amount available		Balance outstanding	
	€ in millions		€ in millions	
Revolving Credit Facilities (in €)	€900 million	900	€0 million	0
Revolving Credit Facilities (in US\$)	US\$300 million	220	US\$0 million	0
Term Loan A (in €)	€1,187 million	1,187	€1,187 million	1,187
Term Loan A (in US\$)	US\$940 million	688	US\$940 million	688
Term Loan B (in €)	€299 million	299	€299 million	299
Term Loan B (in US\$)	US\$496 million	363	US\$496 million	363
Total		3,657		2,537

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

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

Bridge Financing Facility

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

The Bridge Financing Facility initially had a one year tenor and had to be mandatorily reduced by the net proceeds of any capital markets transaction. In line with these provisions, the facility has been reduced by the net proceeds of the €1,200 million Senior Notes issuances as well as the US\$300 million Senior Notes issuance that were made in January and February 2014. For more information, see note 13, Senior Notes. Due to the refinancing, this portion of the Bridge Financing Facility in the amount of €1,410 million is shown under long-term debt in the consolidated statement of financial position at December 31, 2013. On February 27, 2014, the Bridge Financing Facility was voluntarily cancelled before maturity and the remaining outstanding amount of €90 million was prepaid.

Euro Notes

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

	Maturity	Interest rate	Book value/nominal value € in millions	
			June 30, 2014	Dec. 31, 2013
Fresenius Finance B.V. 2008/2014	April 2, 2014	5.98%	0	112
Fresenius Finance B.V. 2008/2014	April 2, 2014	variable	0	88
Fresenius Finance B.V. 2007/2014	July 2, 2014	5.75%	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	51
Fresenius SE & Co. KGaA 2013/2017	Aug. 22, 2017	variable	74	74
Fresenius SE & Co. KGaA 2014/2018	April 2, 2018	2.09%	97	0
Fresenius SE & Co. KGaA 2014/2018	April 2, 2018	variable	76	0
Fresenius SE & Co. KGaA 2012/2018	April 4, 2018	4.09%	72	72
Fresenius SE & Co. KGaA 2012/2018	April 4, 2018	variable	43	43
Fresenius SE & Co. KGaA 2014/2020	April 2, 2020	2.67%	106	0
Fresenius SE & Co. KGaA 2014/2020	April 2, 2020	variable	55	0
Fresenius Medical Care AG & Co. KGaA 2009/2014	Oct. 27, 2014	8.38%	9	11
Fresenius Medical Care AG & Co. KGaA 2009/2014	Oct. 27, 2014	variable	19	23
Euro Notes			987	859

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

The Euro Notes issued by Fresenius Finance B.V. in the amount of €200 million, which were due on April 2, 2014, were repaid as scheduled. Fresenius SE & Co. KGaA issued Euro Notes in the amount of €334 million for the refinancing of the €200 million Euro Notes as well as for general corporate purposes on April 2, 2014. In addition, an agreement for

the issuance of further Euro Notes in an amount of €166 million was reached. These additional Euro Notes were issued on July 2, 2014. The new Euro Notes are guaranteed by Fresenius Kabi AG and Fresenius ProServe GmbH.

As of June 30, 2014, the Fresenius Group was in compliance with all of its covenants under the Euro Notes.

European Investment Bank Agreements

The following table shows the amounts outstanding under the European Investment Bank (EIB) facilities as of June 30, 2014 and December 31, 2013:

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

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

As of June 30, 2014, the Fresenius Group was in compliance with the respective covenants.

CREDIT LINES

In addition to the financial liabilities described before, the Fresenius Group maintains additional credit facilities which have not been utilized, or have only been utilized in part, as of the reporting date. At June 30, 2014, the additional financial cushion resulting from unutilized credit facilities was approximately €2.2 billion.

13. SENIOR NOTES

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

	Notional amount	Maturity	Interest rate	Book value € in millions	
				June 30, 2014	Dec. 31, 2013
Fresenius Finance B.V. 2014/2019	€300 million	Feb. 1, 2019	2.375%	299	0
Fresenius Finance B.V. 2012/2019	€500 million	Apr. 15, 2019	4.25%	500	500
Fresenius Finance B.V. 2013/2020	€500 million	July 15, 2020	2.875%	500	500
Fresenius Finance B.V. 2014/2021	€450 million	Feb. 1, 2021	3.00%	445	0
Fresenius Finance B.V. 2014/2024	€450 million	Feb. 1, 2024	4.00%	453	0
Fresenius US Finance II, Inc. 2009/2015	€275 million	July 15, 2015	8.75%	272	270
Fresenius US Finance II, Inc. 2009/2015	US\$500 million	July 15, 2015	9.00%	362	357
Fresenius US Finance II, Inc. 2014/2021	US\$300 million	Feb. 1, 2021	4.25%	218	0
FMC Finance VI S.A. 2010/2016	€250 million	July 15, 2016	5.50%	249	249
FMC Finance VII S.A. 2011/2021	€300 million	Feb. 15, 2021	5.25%	295	295
FMC Finance VIII S.A. 2011/2016	€100 million	Oct. 15, 2016	variable	100	100
FMC Finance VIII S.A. 2011/2018	€400 million	Sept. 15, 2018	6.50%	397	396
FMC Finance VIII S.A. 2012/2019	€250 million	July 31, 2019	5.25%	243	243
Fresenius Medical Care US Finance, Inc. 2007/2017	US\$500 million	July 15, 2017	6.875%	364	360
Fresenius Medical Care US Finance, Inc. 2011/2021	US\$650 million	Feb. 15, 2021	5.75%	473	468
Fresenius Medical Care US Finance II, Inc. 2011/2018	US\$400 million	Sept. 15, 2018	6.50%	290	287
Fresenius Medical Care US Finance II, Inc. 2012/2019	US\$800 million	July 31, 2019	5.625%	586	580
Fresenius Medical Care US Finance II, Inc. 2012/2022	US\$700 million	Jan. 31, 2022	5.875%	513	508
Senior Notes				6,559	5,113

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

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

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

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

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

14. CONVERTIBLE BONDS

On March 18, 2014, the Fresenius Group placed €500 million equity-neutral convertible bonds due 2019. The bonds were issued at par. The coupon was fixed at 0%, the initial conversion price has been determined at €149.3786. This represents a 35% premium over the reference share price of €110.65081. The reference share price has been determined as the arithmetic average of Fresenius' daily volume-weighted average XETRA share prices over a period of 10 consecutive XETRA trading days, starting on March 19, 2014. Net proceeds were used to partially fund the acquisition of hospitals and outpatient facilities of Rhön-Klinikum AG. Due to the dividend payment in May 2014, the conversion price was adjusted to €149.1748.

The fair value of the derivative embedded in the convertible bonds was €60 million at June 30, 2014. Fresenius SE & Co. KGaA has purchased stock options (call options) to secure against future fair value fluctuations of this derivative. The stock options also had an aggregate fair value of €60 million at June 30, 2014.

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

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

15. PENSIONS AND SIMILAR OBLIGATIONS

DEFINED BENEFIT PENSION PLANS

At June 30, 2014, the pension liability of the Fresenius Group was €749 million. The current portion of the pension liability of €15 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 €734 million is recorded as pension liability.

Contributions to Fresenius Group's pension fund were €30 million in the first half of 2014. The Fresenius Group expects approximately €39 million contributions to the pension fund during 2014.

Defined benefit pension plans' net periodic benefit costs of €38 million (H1/2013: €38 million) were comprised of the following components:

€ in millions	H1/2014	H1/2013
Service cost	17	14
Interest cost	21	20
Expected return on plan assets	-8	-8
Amortization of unrealized actuarial losses, net	7	11
Amortization of prior service costs	1	1
Amortization of transition obligations	-	-
Settlement loss	-	-
Net periodic benefit cost	38	38

16. NONCONTROLLING INTEREST

NONCONTROLLING INTEREST SUBJECT TO PUT PROVISIONS

Noncontrolling interest subject to put provisions changed as follows:

€ in millions	H1/2014
Noncontrolling interest subject to put provisions as of January 1, 2014	472
Noncontrolling interest subject to put provisions in profit	43
Purchase of noncontrolling interest subject to put provisions	7
Dividend payments	-44
Currency effects, first-time consolidations and other changes	16
Noncontrolling interest subject to put provisions as of June 30, 2014	494

As of June 30, 2014 and December 31, 2013, put options with an aggregate purchase obligation of €199 million and €200 million, respectively, were exercisable. No put options were exercised in the first half of 2014 and 2013, respectively.

NONCONTROLLING INTEREST NOT SUBJECT TO PUT PROVISIONS

As of June 30, 2014 and December 31, 2013, noncontrolling interest not subject to put provisions in the Fresenius Group was as follows:

€ in millions	June 30, 2014	Dec. 31, 2013
Noncontrolling interest not subject to put provisions in Fresenius Medical Care AG & Co. KGaA	4,724	4,599
Noncontrolling interest not subject to put provisions in VAMED AG	38	38
Noncontrolling interest not subject to put provisions in the business segments		
Fresenius Medical Care	197	182
Fresenius Kabi	112	126
Fresenius Helios	121	117
Fresenius Vamed	3	3
Total noncontrolling interest not subject to put provisions	5,195	5,065

Noncontrolling interest not subject to put provisions changed as follows:

€ in millions	H1/2014
Noncontrolling interest not subject to put provisions as of January 1, 2014	5,065
Noncontrolling interest not subject to put provisions in profit	258
Stock options	20
Purchase of noncontrolling interest not subject to put provisions	10
Dividend payments	-188
Currency effects, first-time consolidations and other changes	30
Noncontrolling interest not subject to put provisions as of June 30, 2014	5,195

17. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

SUBSCRIBED CAPITAL

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

On May 16, 2014, the Annual General Meeting of Fresenius SE & Co. KGaA has resolved a capital increase from company's funds with issuance of new shares. For each existing non-par

value share, Fresenius SE & Co. KGaA issued two new non-par value shares without additional payment to the shareholders. Accordingly, upon execution of the capital increase, both the subscribed capital of Fresenius SE & Co. KGaA and the number of shares issued tripled (stock split 1 : 3).

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

During the first half of 2014, 297,652 stock options were exercised. Consequently, as of June 30, 2014, the subscribed capital of Fresenius SE & Co. KGaA consisted of 179,992,481 bearer ordinary shares. The shares are issued as non-par value shares.

AUTHORIZED CAPITAL

In connection with the stock split 1 : 3 described before, by resolution of the Annual General Meeting on May 16, 2014, the previous Authorized Capital I was revoked and a new Authorized Capital I with a proportionally adjusted amount and a five-year term was created.

In accordance with the new provision in the articles of association of Fresenius SE & Co. KGaA, the general partner, Fresenius Management SE, is authorized, with the approval of the Supervisory Board, until May 15, 2019, to increase Fresenius SE & Co. KGaA's subscribed capital by a total amount of up to €120,960,000 through a single or multiple issues of new bearer ordinary shares against cash contributions and/or contributions in kind (Authorized Capital I).

The number of shares must increase in the same proportion as the subscribed capital. A subscription right must be granted to the shareholders in principle. In defined cases, the general partner is authorized, with the consent of the Supervisory Board, to decide on the exclusion of the shareholders' subscription right (e. g. to eliminate fractional amounts). For cash contributions, the authorization can only be exercised if the issue price is not significantly below the stock exchange price of the already listed shares at the time the issue price is fixed with final effect by the general partner. Furthermore, in case of a capital increase against cash contributions, the proportionate amount of the shares issued with exclusion of subscription rights may not exceed 10% of the subscribed capital. An exclusion of subscription rights in the context of the

use of other authorizations concerning the issuance or the sale of the shares of Fresenius SE & Co. KGaA or the issuance of rights which authorize or bind to the subscription of shares of Fresenius SE & Co. KGaA has to be taken into consideration during the duration of the Authorized Capital until its utilization. In the case of a subscription in kind, the subscription right can be excluded only in order to acquire a company, parts of a company or a participation in a company.

The authorizations granted concerning the exclusion of subscription rights can be used by Fresenius Management SE only to such extent that the proportional amount of the total number of shares issued with exclusion of the subscription rights does not exceed 20% of the subscribed capital. An exclusion of subscription rights in the context of the use of other authorizations concerning the issuance or the sale of the shares of Fresenius SE & Co. KGaA or the issuance of rights which authorize or bind to the subscription of shares of Fresenius SE & Co. KGaA has to be taken into consideration during the duration of the Authorized Capital until its utilization.

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

CONDITIONAL CAPITAL

Stock option plans

The following Conditional Capitals exist in order to fulfill the subscription rights under the stock option plans of Fresenius SE & Co. KGaA: Conditional Capital I (Stock Option Plan 2003), Conditional Capital II (Stock Option Plan 2008) and Conditional Capital IV (Stock Option Plan 2013) (see note 24, Stock options).

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

Option bearer bonds and convertible bonds

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

Accordingly, the general partner is authorized, with the approval of the Supervisory Board, until May 15, 2019, to issue option bearer bonds and/or convertible bearer bonds,

once or several times, for a total nominal amount of up to €2.5 billion. To fulfill the granted subscription rights, the subscribed capital of Fresenius SE & Co. KGaA is increased conditionally by up to €48,971,202 through issuing of up to 48,971,202 new bearer ordinary shares. The conditional capital increase shall only be implemented to the extent that the holders of cash issued convertible bonds or of cash issued warrants from option bonds exercise their conversion or option rights and as long as no other forms of settlement are used. The new bearer ordinary shares shall participate in the profits from the start of the fiscal year in which they are issued.

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

The following table shows the development of the Conditional Capital:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003	2,111,517
Conditional Capital II Fresenius SE Stock Option Plan 2008	4,262,602
Conditional Capital III, approved on May 11, 2012	16,323,734
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	8,400,000
Total Conditional Capital as of January 1, 2014	31,097,853
Fresenius AG Stock Option Plan 2003 – options exercised	-95,939
Fresenius SE Stock Option Plan 2008 – options exercised	-201,713
Total Conditional Capital as of June 30, 2014	30,800,201

CAPITAL RESERVES

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

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

DIVIDENDS

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

In May 2014, a dividend of €1.25 per bearer ordinary share was approved by Fresenius SE & Co. KGaA's shareholders at the Annual General Meeting and paid. The total dividend payment was €224.6 million.

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, after non-controlling interest
Balance as of December 31, 2012	-122	-17	168	-157	-128	13	-115
Other comprehensive income (loss) before reclassifications	13	17	-43	-2	-15	-	-15
Amounts reclassified from accumulated other comprehensive income (loss)	5	0	-	4	9	9	18
Other comprehensive income (loss), net	18	17	-43	2	-6	9	3
Balance as of June 30, 2013	-104	-	125	-155	-134	22	-112
Balance as of December 31, 2013	-107	17	-99	-162	-351	-255	-606
Other comprehensive income (loss) before reclassifications	-2	-	-8	-2	-12	33	21
Amounts reclassified from accumulated other comprehensive income (loss)	9	-16	-	3	-4	9	5
Other comprehensive income (loss), net	7	-16	-8	1	-16	42	26
Balance as of June 30, 2014	-100	1	-107	-161	-367	-213	-580

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

€ in millions	Amount of gain or loss reclassified from accumulated other comprehensive (income) loss		Affected line item in the consolidated statement of income
	H1/2014	H1/2013	
Details about accumulated other comprehensive (income) loss components			
Cash flow hedges			
Interest rate contracts	17	14	Interest income/expense
Foreign exchange contracts	2	-	Cost of sales
Foreign exchange contracts	2	-1	Selling, general and administrative expenses
Foreign exchange contracts	-	1	Interest income/expense
Other comprehensive income (loss)	21	14	
Tax expense or benefit	-6	-4	
Other comprehensive income (loss), net	15	10	
Change of fair value of available for sale financial assets	-23	0	Selling, general and administrative expenses
Tax expense or benefit	7	0	
Other comprehensive income (loss), net	-16	0	
Amortization of defined benefit pension items			
Prior service costs	1	1	1
Transition obligations	-	-	1
Actuarial gains/losses on defined benefit pension plans	8	11	1
Other comprehensive income (loss)	9	12	
Tax expense or benefit	-3	-4	
Other comprehensive income (loss), net	6	8	
Total reclassifications for the period	5	18	

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 AND REGULATORY MATTERS

The Fresenius Group is routinely involved in numerous claims, lawsuits, regulatory and tax audits, investigations and other legal matters arising, for the most part, in the ordinary course of its business of providing health care services and products. Legal matters that the Fresenius Group currently deems to be material 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 2013 Annual Report. In the following, only the changes during the first half ended June 30, 2014 compared to the information provided in the consolidated financial statements are described. These changes should be read in conjunction with the overall information in the consolidated financial statements in the 2013 Annual Report; defined terms or abbreviations having the same meaning as in the 2013 Annual Report.

W.R. GRACE & CO. LAWSUIT

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

BAXTER PATENT DISPUTE "TOUCHSCREEN INTER-FACES" (1)

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

PRODUCT LIABILITY LITIGATION

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

INTERNAL REVIEW

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

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

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

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

CHINA ANTI-DUMPING INVESTIGATION

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

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

The Fresenius Group, like other health care providers, conducts its operations under intense government regulation and scrutiny. It must comply with regulations which relate to or govern the safety and efficacy of medical products and supplies, the marketing and distribution of such products, the operation of manufacturing facilities, laboratories and dialysis clinics, and environmental and occupational health and safety. With respect to its development, manufacture, marketing and distribution of medical products, if such compliance is not maintained, the Fresenius Group could be subject to significant adverse regulatory actions by the U.S. Food and Drug Administration (FDA) and comparable regulatory authorities outside the U.S. These regulatory actions could include warning letters or other enforcement notices from the FDA and/or comparable foreign regulatory authority, which may require the Fresenius Group to expend significant time and resources in order to implement appropriate corrective actions. If the Fresenius Group does not address matters raised in warning letters or other enforcement notices to the satisfaction of the FDA and/or comparable regulatory authorities outside the U.S., these regulatory authorities could take additional actions, including product recalls, injunctions against the distribution of products or operation of manufacturing plants, civil penalties, seizures of Fresenius Group's products, and/or criminal prosecution. FMCH is currently engaged in remediation efforts with respect to three pending FDA warning letters, Fresenius Kabi with respect to two pending FDA warning letters. The Fresenius Group must also comply with the laws of the United States, including the federal Anti-Kickback Statute, the federal False Claims Act, the federal Stark Law and the federal Foreign Corrupt Practices Act as well as other federal and state fraud and abuse laws. Applicable laws or regulations may be amended, or enforcement agencies or courts may make interpretations that differ from Fresenius Group's interpretations or the manner in which it conducts its business. Enforcement has become a high priority for the federal government and some states. In

addition, the provisions of the False Claims Act authorizing payment of a portion of any recovery to the party bringing the suit encourage private plaintiffs to commence “qui tam” or “whistle blower” actions. By virtue of this regulatory environment, Fresenius Group’s business activities and practices are subject to extensive review by regulatory authorities and

private parties, and continuing audits, subpoenas, other inquiries, claims and litigation relating to Fresenius Group’s compliance with applicable laws and regulations. The Fresenius Group may not always be aware that an inquiry or action has begun, particularly in the case of “whistle blower” actions, which are initially filed under court seal.

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 June 30, 2014 and December 31, 2013, classified into classes:

€ in millions	Fair value hierarchy level	June 30, 2014		Dec. 31, 2013	
		Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	1	1,070	1,070	864	864
Assets recognized at carrying amount	3	4,090	4,101	3,622	3,629
Assets recognized at fair value	1	124	124	197	197
Liabilities recognized at carrying amount	2	15,384	16,099	13,691	14,225
Liabilities recognized at fair value	2	76	76	16	16
Noncontrolling interest subject to put provisions recognized at fair value	3	494	494	472	472
Derivatives for hedging purposes	2	46	46	10	10

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

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

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

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

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

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

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

The derivative embedded in the convertible bonds is included in the class liabilities recognized at fair value. The fair value of this derivative is derived from market quotes. The class was classified as Level 2.

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

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

Fresenius Group's own credit risk is incorporated in the fair value estimation of derivatives that are liabilities. Counterparty credit risk adjustments are factored into the valuation of derivatives that are assets. The Fresenius Group monitors and analyses the credit risk from derivative financial instruments on a regular basis. For the valuation of derivative

financial instruments, the credit risk is considered in the fair value of every individual instrument. The basis for the default probability are Credit Default Swap Spreads of each counterparty appropriate for the duration. The calculation of the credit risk considered in the valuation is done by multiplying the default probability appropriate for the duration with the expected discounted cash flows of the derivative financial instrument.

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

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

FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

€ in millions	June 30, 2014		Dec. 31, 2013	
	Assets	Liabilities	Assets	Liabilities
Interest rate contracts (current)	0	1	0	4
Interest rate contracts (non-current)	0	4	0	4
Foreign exchange contracts (current)	4	9	15	5
Foreign exchange contracts (non-current)	0	–	1	–
Derivatives designated as hedging instruments¹	4	14	16	13
Interest rate contracts (current)	0	0	0	–
Interest rate contracts (non-current)	0	1	0	1
Foreign exchange contracts (current) ¹	4	8	15	8
Foreign exchange contracts (non-current) ¹	–	–	1	1
Derivative embedded in the convertible bonds	0	60	0	0
Stock options to secure the convertible bonds ¹	60	0	0	0
Derivatives not designated as hedging instruments	64	69	16	10

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

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

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

Derivatives for hedging purposes as well as the derivative embedded in the convertible bonds were recognized at gross value within other assets in an amount of €68 million and other liabilities in an amount of €82 million.

The current portion of interest rate contracts and foreign exchange contracts indicated as assets in the preceding table is recognized within other current assets in the consolidated

statement of financial position, while the current portion of those indicated as liabilities is included in short-term accrued expenses and other short-term liabilities. The non-current portions indicated as assets or liabilities are recognized in other non-current assets or in long-term accrued expenses and

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

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

€ in millions	H1/2014		
	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	2	17	1
Foreign exchange contracts	-5	4	0
Derivatives in cash flow hedging relationships¹	-3	21	1
Foreign exchange contracts			-1
Derivatives in fair value hedging relationships			-1
Derivatives designated as hedging instruments	-3	21	-

€ in millions	H1/2013		
	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	12	14	1
Foreign exchange contracts	7	-	-
Derivatives in cash flow hedging relationships¹	19	14	1
Foreign exchange contracts			-6
Derivatives in fair value hedging relationships			-6
Derivatives designated as hedging instruments	19	14	-5

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	
	H1/2014	H1/2013
Interest rate contracts	-	2
Foreign exchange contracts	6	50
Derivatives not designated as hedging instruments	6	52

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

The Fresenius Group expects to recognize a net amount of €1 million of the existing losses for foreign exchange contracts deferred in accumulated other comprehensive income (loss) in the consolidated statement of income within the next 12 months. For interest rate contracts, the Fresenius Group expects to recognize €32 million of losses in the course of normal business during the next 12 months in interest expense.

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

MARKET RISK

General

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

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

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

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

Derivative financial instruments

Classification

To reduce the credit risk arising from derivatives, the Fresenius Group concluded master netting agreements with banks. Through such agreements, positive and negative fair values of the derivative contracts could be offset against one another

if a partner becomes insolvent. This offsetting is valid for transactions where the aggregate amount of obligations owed to and receivable from are not equal. If insolvency occurs, the party which owes the larger amount is obliged to pay the other party the difference between the amounts owed in the form of one net payment.

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

At June 30, 2014 and December 31, 2013, the Fresenius Group had €8 million and €29 million of derivative financial assets subject to netting arrangements and €21 million and €22 million of derivative financial liabilities subject to netting arrangements. Offsetting these derivative financial instruments would have resulted in net assets of €4 million and €22 million as well as net liabilities of €17 million and €15 million at June 30, 2014 and December 31, 2013, respectively.

Foreign exchange risk management

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

As of June 30, 2014, the notional amounts of foreign exchange contracts totaled €1,472 million. These foreign exchange contracts have been entered into to hedge risks from operational business and in connection with loans in foreign currency. The predominant part of the foreign exchange forward contracts to hedge risks from operational business was recognized as cash flow hedge, while foreign exchange contracts in connection with loans in foreign currencies are partly recognized as fair value hedges. The fair value of cash flow hedges was -€5 million. As of June 30, 2014, no fair value hedges were recognized in the Fresenius Group.

As of June 30, 2014, the Fresenius Group was party to foreign exchange contracts with a maximum maturity of 18 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 June 30, 2014, the interest rate swaps had a notional volume of US\$600 million (€439 million) and €378 million as well as fair values of -US\$1 million and -€5 million, respectively, which expire between 2014 and 2022.

In addition, the Fresenius Group also enters into interest rate hedges (pre-hedges) in anticipation of future debt issuance to effectively convert the variable interest rate related to the future debt to a fixed interest rate. These pre-hedges are settled at the issuance date of the corresponding debt with the settlement amount recorded in accumulated other comprehensive income (loss) amortized to interest expense over the life of the pre-hedges. At June 30, 2014 and December 31, 2013, the Fresenius Group had €101 million and €113 million, respectively, related to such settlements of pre-hedges deferred in accumulated other comprehensive income (loss), net of tax.

21. SUPPLEMENTARY INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of June 30, 2014, the equity ratio was 38.6% and the debt ratio (debt/total assets) was 40.9%. As of June 30, 2014, the net debt/EBITDA ratio (pro forma, before special items) was 3.4.

The aims of the capital management and further information can be found in the consolidated financial statements in the 2013 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	negative	positive

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

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	H1/2014	H1/2013
Interest paid	265	303
Income taxes paid	351	286

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

€ in millions	H1/2014	H1/2013
Assets acquired	1,797	189
Liabilities assumed	-567	-36
Noncontrolling interest	-9	-16
Notes assumed in connection with acquisitions	-174	-14
Cash paid	1,047	123
Cash acquired	-190	-5
Cash paid for acquisitions, net	857	118
Cash paid for investments, net of cash acquired	182	18
Cash paid for intangible assets, net	4	2
Total cash paid for acquisitions and investments, net of cash acquired, and net purchases of intangible assets	1,043	138

23. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

GENERAL

The consolidated segment reporting shown on pages 25 and 26 of this interim report is an integral part of the notes.

The Fresenius Group has identified the business segments Fresenius Medical Care, Fresenius Kabi, Fresenius Helios and Fresenius Vamed, which corresponds to the internal organizational and reporting structures (Management Approach) at June 30, 2014.

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 services and products for patients with chronic kidney failure. As of June 30, 2014, Fresenius Medical Care was treating 280,942 patients in 3,335 dialysis clinics.

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

Fresenius Helios is Germany's largest hospital operator. At June 30, 2014, Fresenius Helios owned 110 hospitals, thereof 86 acute care clinics including 7 maximum care hospitals in Berlin-Buch, Duisburg, Erfurt, Krefeld, Schwerin, Wiesbaden and Wuppertal and 24 post-acute care clinics. Fresenius Helios treats more than 4.2 million patients per year, thereof more than 1.2 million inpatients, and operates more than 34,000 beds.

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

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

NOTES ON THE BUSINESS SEGMENTS

Explanations regarding the notes on the business segments can be found in the consolidated financial statements in the 2013 Annual Report.

RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS

€ in millions	H1/2014	H1/2013
Total EBIT of reporting segments	1,407	1,453
General corporate expenses Corporate/Other (EBIT)	42	-32
Group EBIT	1,449	1,421
Net interest	-283	-313
Income before income taxes	1,166	1,108

RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	June 30, 2014	Dec. 31, 2013
Short-term debt	785	959
Short-term loans from related parties	3	6
Current portion of long-term debt and capital lease obligations	593	855
Long-term debt and capital lease obligations, less current portion	6,131	5,871
Senior Notes	6,559	5,113
Convertible bonds	456	0
Debt	14,527	12,804
less cash and cash equivalents	1,070	864
Net debt	13,457	11,940

24. STOCK OPTIONS

FRESENIUS SE & CO. KGAA STOCK OPTION PLANS

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

Transactions during the first half of 2014

During the first half of 2014, Fresenius SE & Co. KGaA received cash of €12 million from the exercise of 297,652 stock options.

465,549 convertible bonds were outstanding and exercisable under the 2003 Plan at June 30, 2014. The members of the Fresenius Management SE Management Board held 89,768 convertible bonds. At June 30, 2014, out of 2,994,235 outstanding stock options issued under the 2008 Plan, 808,925 were exercisable and 526,060 were held by the members of the Fresenius Management SE Management Board. 700,231 stock options issued under the 2013 LTIP were outstanding at June 30, 2014. The members of the Fresenius Management SE Management Board held 105,000 stock options. 109,192 phantom stocks issued under the 2013 LTIP were outstanding at June 30, 2014. The members of the Fresenius Management SE Management Board held 27,272 phantom stocks.

As of June 30, 2014, 1,274,474 options for ordinary shares were outstanding and exercisable. On June 30, 2014, total unrecognized compensation cost related to non-vested options granted under the 2008 Plan and the 2013 LTIP was €21 million. This cost is expected to be recognized over a weighted-average period of 2.4 years.

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

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

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

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

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

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

Stock Option Plan 2008

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

Stock Option Plan 2003

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

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

FRESENIUS MEDICAL CARE AG & CO. KGAA STOCK OPTION PLANS

During the first half of 2014, 857,026 stock options were exercised. Fresenius Medical Care AG & Co. KGaA received cash of €27.4 million upon exercise of these stock options and €2.3 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 University Hospital Carl Gustav Carus Dresden and a member of the supervisory board of the University Hospital Aachen. Furthermore, he was a member of the supervisory board of the University Hospital Magdeburg until October 3, 2013 and a member of the supervisory board of the University Hospital Rostock until February 28, 2013. The Fresenius Group maintains business relations with these hospitals in the ordinary course and under customary conditions.

Prof. Dr. h. c. Roland Berger, a member of the Supervisory Board of Fresenius Management SE and of Fresenius SE & Co. KGaA, is a partner of Roland Berger Strategy Consultants Holding GmbH. In the first half of 2014, after discussion and approval by the Supervisory Board of Fresenius Management SE and Fresenius SE & Co. KGaA, the Fresenius Group paid €2.3 million to affiliated companies of the Roland Berger group for consulting services rendered.

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

Dr. Gerhard Rupprecht, a member of the Supervisory Board of Fresenius Management SE and of Fresenius SE & Co. KGaA, is a member of the supervisory board of Allianz France SA. In the first half of 2014, the Fresenius Group paid €5.8 million for insurance premiums to the Allianz group under customary conditions.

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

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

26. SUBSEQUENT EVENTS

There have been no significant changes in the Fresenius Group's operating environment following the end of the first half of 2014. No other events of material importance on the assets and liabilities, financial position, and results of operations of the Group have occurred following the end of the first half of 2014.

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.

28. RESPONSIBILITY STATEMENT

“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and

profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.”

Bad Homburg v. d. H., August 5, 2014

Fresenius SE Co. KGaA,
represented by:
Fresenius Management SE, its General Partner

The Management Board



Dr. U. M. Schneider



Dr. F. De Meo



Dr. J. Götz



M. Henriksson



R. Powell



S. Sturm



Dr. E. Wastler

FINANCIAL CALENDAR

Report on 1st–3rd quarter 2014

Conference call, Live webcast

November 4, 2014

Annual General Meeting, Frankfurt am Main

Live webcast of the speech of the Chairman
of the Management Board

May 20, 2015

Subject to change

FRESENIUS SHARE / ADR

	Ordinary share		ADR
Securities identification no.	578 560	CUSIP	35804M105
Ticker symbol	FRE	Ticker symbol	FSNUY
ISIN	DE0005785604	ISIN	US35804M1053
Bloomberg symbol	FRE GR	Structure	Sponsored Level 1 ADR
Reuters symbol	FREG.de	Ratio	4 ADR = 1 Share ¹
Main trading location	Frankfurt/Xetra	Trading platform	OTCQX

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

Corporate Headquarters

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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

Forward-looking statements:

This Quarterly Financial Report contains forward-looking statements. These statements represent assessments which we have made on the basis of the information available to us at the time. Should the assumptions on which the statements are based on not occur, or if risks should arise – as mentioned in the risk report in the 2013 Annual Report and the SEC filings of Fresenius Medical Care AG & Co. KGaA – the actual results could differ materially from the results currently expected.