Quarterly Financial Report of Fresenius Group

applying United States Generally Accepted Accounting Principles

(US GAAP)

1st Half and 2nd Quarter 2009

FRESENIUS

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This Quarterly Financial Report was published on August 7, 2009.

Fresenius Group Figures at a Glance

Fresenius is a health care group with international operations, providing products and services for dialysis, hospital and outpatient medical care. In 2008, group sales were approx. € 12.3 billion. On June 30, 2009 the Fresenius Group had 127,692 employees worldwide.

EARNINGS

in million €	**Q2/2009**	Q2/2008	Change in %	**H1/2009**	H1/2008	Change in %
Sales	**3,522**	2,912	21	**6,895**	5,710	21
EBIT	**508**	404	26	**985**	781	26
Net income[1], adjusted	**130**	112	16	**240**	212	13
Earnings per ordinary share in €, adjusted	**0.81**	0.72	12	**1.49**	1.36	9
Earnings per preference share in €, adjusted	**0.82**	0.73	12	**1.50**	1.37	9
Operating cash flow	**418**	203	106	**600**	481	25

BALANCE SHEET

in million €	**June 30, 2009**	December 31, 2008	Change in %
Total assets	**20,953**	20,544	2
Non-current assets	**15,553**	15,466	1
Total shareholders' equity[2]	**7,169**	6,943	3
Net debt	**8,498**	8,417	1
Investments[3]	**439**	624	-30

RATIOS

	Q2/2009	Q2/2008	**H1/2009**	H1/2008
EBITDA margin	**18.4 %**	17.7 %	**18.3 %**	17.5 %
EBIT margin	**14.4 %**	13.9 %	**14.3 %**	13.7 %
D & A in % of sales	**3.9**	3.8	**4.0**	3.8
Operating cash flow in % of sales	**11.9**	7.0	**8.7**	8.4
Equity ratio (June 30/December 31)			**34.2 %**	33.8 %
Net debt /EBITDA (June 30/December 31)[4]			**3.4**	3.6

[1] Net income attributable to Fresenius SE; adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) relating to the acquisition of APP Pharmaceuticals. These effects are not cash relevant.
[2] Total Shareholders' equity (including noncontrolling interest)
[3] Investments in property, plant and equipment, acquisitions (H1)
[4] Before special items from the APP acquisition, on a pro forma basis

INFORMATION ON THE BUSINESS SEGMENTS

FRESENIUS MEDICAL CARE – Dialysis products, Dialysis care, Extracorporeal therapies

in million US$	H1/2009	H1/2008	Change in %
Sales	**5,323**	5,177	3
EBIT	**813**	818	-1
Net income[1]	**419**	397	6
Operating cash flow	**437**	401	9
Capital expenditure/acquisitions	**337**	479	-30
R & D expenses	**42**	40	5
Employees (per capita on balance sheet date June 30/December 31)	**69,936**	68,050	3

FRESENIUS KABI – Infusion therapy, I.V. drugs, Clinical nutrition, Medical devices/Transfusion technology

in million €	H1/2009	H1/2008	Change in %
Sales	**1,500**	1,121	34
EBIT	**290**	181	60
Net income[2]	**85**	97	-12
Operating cash flow	**166**	90	84
Capital expenditure/acquisitions	**50**	200	-75
R & D expenses	**62**	44	41
Employees (per capita on balance sheet date June 30/December 31)	**21,475**	20,457	5

FRESENIUS HELIOS – Hospital operation

in million €	H1/2009	H1/2008	Change in %
Sales	**1,164**	1,040	12
EBIT	**100**	83	20
Net income[3]	**53**	37	43
Operating cash flow	**90**	122	-26
Capital expenditure/acquisitions	**123**	62	98
Employees (per capita on balance sheet date June 30/December 31)	**32,736**	30,088	9

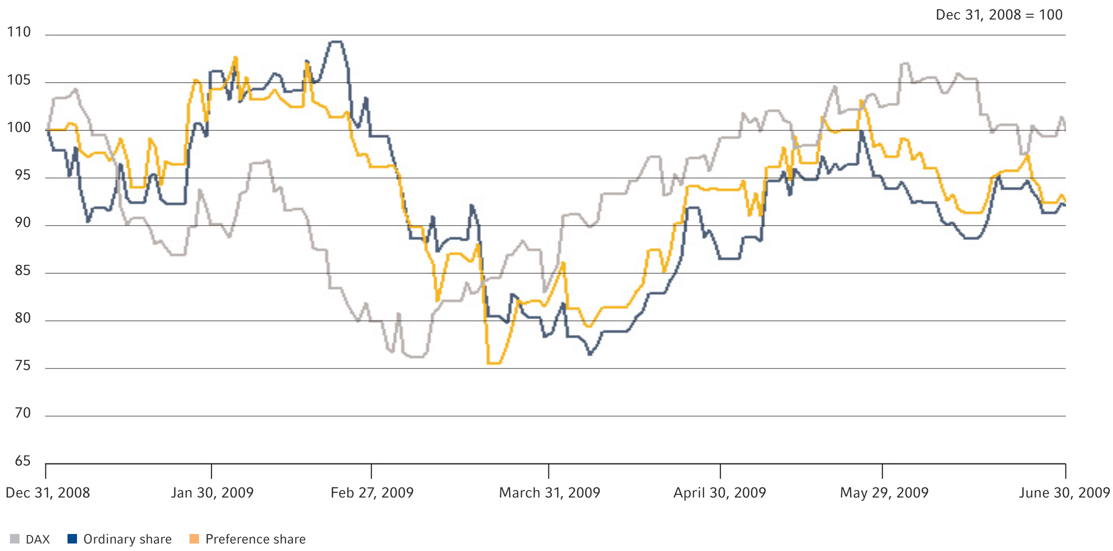
FRESENIUS VAMED – Project and management services for hospitals and other health care facilities

in million €	H1/2009	H1/2008	Change in %
Sales	**247**	177	40
EBIT	**9**	9	0
Net income[4]	**8**	9	-11
Operating cash flow	**44**	41	7
Capital expenditure/acquisitions	**2**	13	-85
Order intake	**156**	170	-8
Employees (per capita on balance sheet date June 30/December 31)	**2,776**	2,802	-1

[1] Net income attributable to Fresenius Medical Care AG & Co. KGaA
[2] Net income attributable to Fresenius Kabi AG
[3] Net income attributable to HELIOS Kliniken GmbH
[4] Net income attributable to VAMED AG

Fresenius Shares

RELATIVE SHARE PRICE PERFORMANCE



In the second quarter, the DAX recovered from his year-low and closed at 4,809 points on June 30, 2009. The Fresenius shares were not able to reach the level of the beginning of the year, but followed the overall positive trend. The Fresenius ordinary shares lost 8 % and the preference shares lost 7 % in the first half year of 2009.

FRESENIUS SHARE INFORMATION

	Ordinary share	Preference share
Securities Identification no.	578 560	578 563
Ticker symbol	FRE	FRE3
ISIN	DE0005785604	DE0005785638
Bloomberg symbol	FRE GR	FRE3 GR
Reuters symbol	FREG.de	FREG_p.de
Main trading location	Frankfurt/Xetra	Frankfurt/Xetra

	H1/2009	2008	Change in %
Ordinary share			
Number of shares (June 30/December 31)	**80,577,165**	80,571,867	
Quarter-end quotation in €	**33.37**	36.23	-8
High in €	**39.58**	60.87	-35
Low in €	**27.69**	31.93	-13
∅ Trading volume (number of shares per trading day)	**74,040**	79,081	-6
Preference Share			
Number of shares (June 30/December 31)	**80,577,165**	80,571,867	
Quarter-end quotation in €	**38.49**	41.59	-7
High in €	**44.83**	59.25	-24
Low in €	**31.40**	37.23	-16
∅ Trading volume (number of shares per trading day)	**478,163**	566,635	-16
Market capitalization (in million €, June 30/December 31)	**5,790**	6,270	-8

Management Report

FIRST HALF 2009: MAINTAINS GROWTH MOMENTUM; CONFIRMS OUTLOOK

- Strongly improved Operating and Free Cash Flow
- Fresenius Medical Care and Fresenius Kabi confirm guidance for 2009, Fresenius Helios and Fresenius Vamed raise their outlook

- **Sales:** **€ 6.9 billion**
  + 21 % at actual rates
  + 15 % in constant currency
- **EBIT:** **€ 985 million**
  + 26 % at actual rates
  + 20 % in constant currency
- **Adjusted net income[1]:** **€ 240 million**
  + 13 % at actual rates
  + 10 % in constant currency

HEALTH CARE INDUSTRY

The health care sector is one of the world's major industries and, compared with other sectors, has set itself apart through years of continuous growth and its relative insensitivity to economic fluctuations. Its main drivers in the industrialized countries are aging populations, the demand for innovative therapies and advances in medical technology. Growing health consciousness is also increasing the demand for health care services and facilities. In the emerging countries, the main growth driver is the increasing availability of primary health care. At the same time, the cost of health care is rising and is claiming an ever increasing share of national income. Reforms and cost-containment measures are the main reactions to the steadily rising expenditures. Increasingly, new incentives for cost-conscious as well as quality-conscious performance are created. The quality of treatment is a crucial factor in optimizing medical results and reducing overall treatment costs. Against this background, ever greater emphasis is being placed on disease prevention and innovative reimbursement models where the quality of treatment is the key parameter.

RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

SALES

Group sales increased by 15 % in constant currency and by 21 % at actual rates to € 6,895 million (H1 2008: € 5,710 million). Organic sales growth was 8 %. Acquisitions contributed a further 7 %. Currency translation had a positive impact of 6 %. This is mainly attributable to the average US dollar rate improving 13 % against the euro.

In Europe sales grew by 11 % in constant currency with organic sales growth contributing 7 %. In North America sales grew by 21 % in constant currency, mainly due to the consolidation of APP Pharmaceuticals from September 2008. Strong organic growth rates were achieved in the emerging markets, reaching 14 % in both Asia-Pacific and Latin America.

SALES BY REGION

in million €	H1/2009	H1/2008	Change at actual rates	Currency translation effects	Change at constant rates	Organic growth	Acquisitions/ Divestitures	% of total sales
Europe	**2,896**	2,667	9 %	-2 %	11 %	7 %	4 %	42 %
North America	**3,051**	2,242	36 %	15 %	21 %	8 %	13 %	44 %
Asia-Pacific	**533**	422	26 %	6 %	20 %	14 %	6 %	8 %
Latin America	**300**	269	12 %	-5 %	17 %	14 %	3 %	4 %
Africa	**115**	110	5 %	-1 %	6 %	5 %	1 %	2 %
Total	**6,895**	5,710	21 %	6 %	15 %	8 %	7 %	100 %

[1] Net income attributable to Fresenius SE; adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) relating to the acquisition of APP Pharmaceuticals. These effects are not cash relevant.

EARNINGS

Group EBITDA increased by 21 % in constant currency and by 26 % at actual rates to € 1,260 million (H1 2008: € 998 million). Group operating income (EBIT) grew by 20 % in constant currency and by 26 % at actual rates to € 985 million (H1 2008: € 781 million). The Group's EBIT margin increased to 14.3 % (H1 2008: 13.7 %).

Group net interest was € -294 million (H1 2008: € -167 million). Lower average interest rates on liabilities of Fresenius Medical Care were more than offset by incremental debt relating to the acquisitions of APP Pharmaceuticals and Dabur Pharma and currency translation effects.

The other financial result was € 43 million and includes valuation changes of the fair redemption value of the Mandatory Exchangeable Bonds (MEB) of € 33 million and the Contingent Value Rights (CVR) of € 10 million. These effects are not cash relevant.

The adjusted Group tax rate[1)] was 30.5 % (H1 2008: 34.2 %). This decrease was largely driven by the revaluation of a tax claim at Fresenius Medical Care.

Noncontrolling interest increased to € 240 million (H1 2008: € 192 million), of which 94 % was attributable to the noncontrolling interest in Fresenius Medical Care.

Adjusted net income[2)] grew by 10 % in constant currency and by 13 % at actual rates to € 240 million (H1 2008: € 212 million). Adjusted earnings per ordinary share increased to € 1.49 and adjusted earnings per preference share increased to € 1.50 (H1 2008: ordinary share € 1.36, preference share € 1.37). This represents an increase of 7 % for both share classes in constant currency.

RECONCILIATION TO NET INCOME ACCORDING TO US GAAP

The Group's US GAAP financial results as of June 30, 2009 include the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) relating to the acquisition of APP Pharmaceuticals. Those special items are recognized in the financial result of the "Corporate/Other" segment. Adjusted earnings represent the Group's business operations in the reporting period.

The table below reconciles adjusted net income to net income according to US GAAP in H1 and Q2 2009:

RECONCILIATION TO NET INCOME Q2/2009 AND H1/2009

in million €	Net income Q2/2009	Net income H1/2009	Cash relevant
Net income, adjusted[2)]	**130**	**240**	
Other financial result:			
Mandatory Exchangeable Bonds (mark-to-market)	-33	24	--
Contingent Value Rights (mark-to-market)	13	10	--
Net income (US GAAP)[3)]	**110**	**274**	

SALES BY BUSINESS SEGMENT

in million €	H1/2009	H1/2008	Change at actual rates	Currency translation effects	Change at constant rates	Organic growth	Acquisitions/ Divestitures	% of total sales
Fresenius Medical Care	**3,994**	3,382	18 %	9 %	9 %	8 %	1 %	58 %
Fresenius Kabi	**1,500**	1,121	34 %	-2 %	36 %	7 %	29 %	21 %
Fresenius Helios	**1,164**	1,040	12 %	0 %	12 %	5 %	7 %	17 %
Fresenius Vamed	**247**	177	40 %	0 %	40 %	34 %	6 %	4 %

1) Adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) relating to the acquisition of APP Pharmaceuticals.
2) Net income attributable to Fresenius SE; adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) relating to the acquisition of APP Pharmaceuticals. These effects are not cash relevant.
3) Net income attributable to Fresenius SE.

Both the Mandatory Exchangeable Bonds and the Contingent Value Rights are viewed as liabilities and therefore recognized with their fair redemption value. Valuation changes will lead to gains or expenses on a quarterly basis until maturity of the instruments.

Net income[1)] (including special items) was € 274 million or € 1.69 per ordinary share and € 1.70 per preference share.

INVESTMENTS

Fresenius Group spent € 283 million for property, plant and equipment (H1 2008: € 332 million). Acquisition spending was € 156 million (H1 2008: € 292 million).

CASH FLOW

Operating cash flow increased by 25 % to € 600 million (H1 2008: € 481 million), driven by strong earnings growth and tight working capital management. Net capital expenditure was € 292 million (H1 2008: € 332 million). Cash flow before acquisitions and dividends more than doubled to € 308 million.

ASSET AND LIABILITY STRUCTURE

Fresenius Group's total assets increased by 2 % to € 20,953 million (December 31, 2008: € 20,544 million), there was no significant currency translation effect. Current assets increased by 6 % to € 5,400 million (December 31, 2008: € 5,078 million). Non-current assets grew by 1 % to € 15,553 million (December 31, 2008: € 15,466 million).

Total shareholders' equity increased by 3 % to € 7,169 million (December 31, 2008: € 6,943 million). The equity ratio (including noncontrolling interest) improved to 34.2 % (December 31, 2008: 33.8 %).

EARNINGS

in million €	**Q2/2009**	Q2/2008	**H1/2009**	H1/2008
EBIT	**508**	404	**985**	781
Net income, adjusted[2)]	**130**	112	**240**	212
Net income[1)]	**110**	112	**274**	212
Basic earnings per ordinary share in €, adjusted	**0.81**	0.72	**1.49**	1.36
Basic earnings per ordinary share in €	**0.67**	0.72	**1.69**	1.36
Basic earnings per prefernce share in €, adjusted	**0.82**	0.73	**1.50**	1.37
Basic earnings per prefernce share in €	**0.68**	0.73	**1.70**	1.37

INVESTMENTS BY BUSINESS SEGMENT

in million €	**H1/2009**	H1/2008	thereof property, plant and equipment	thereof acquisitions	Change in %	% of total
Fresenius Medical Care	**253**	312	190	63	-19 %	58 %
Fresenius Kabi	**50**	200	43	7	-75 %	11 %
Fresenius Helios	**123**	62	46	77	98 %	28 %
Fresenius Vamed	**2**	13	2	0	-85 %	0 %
Corporate/Other	**11**	37	2	9	-70 %	3 %
Total	**439**	624	283	156	-30 %	100 %

1) Net income attributable to Fresenius SE.
2) Net income attributable to Fresenius SE; adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) relating to the acquisition of APP Pharmaceuticals. These effects are not cash relevant.

Group debt increased by 1 % to € 8,859 million (December 31, 2008: € 8,787 million).

As of June 30, 2009, the net debt/EBITDA ratio (pro forma the acquisition of APP Pharmaceuticals and excluding special items) improved to 3.4 (December 31, 2008: 3.6).

SECOND QUARTER OF 2009

Group sales increased in the second quarter of 2009 by 21 % at actual rates to € 3,522 million (Q2 2008: € 2,912 million). In constant currency, sales increased by 15 %. Organic sales growth was 8 %. Acquisitions contributed 7 % to overall sales growth. EBIT increased by 26 % at actual rates to € 508 million (Q2 2008: € 404 million). In constant currency, EBIT increased by 20 %. Adjusted Group net income[1] rose by 16 % to € 130 million (Q2 2008: € 112 million). In constant currency, growth of 14 % was achieved. Group net income[2] including special items was € 110 million. Adjusted earnings per ordinary share and adjusted earnings per preference share increased by 12 % to € 0.81 per ordinary share and € 0.82 per preference share (Q2 2008: earnings per ordinary share € 0.72; earnings per preference share € 0.73). In constant currency, both share classes improved by 10 %. Earnings per ordinary share including special items was € 0.67 and per preference share € 0.68.

Investments in property, plant and equipment were € 155 million (Q2 2008: € 178 million). Acquisition spending was € 44 million (Q2 2008: € 76 million). 75 % of the acquisition spending relates to the business segment Fresenius Medical Care.

CASH FLOW STATEMENT (SUMMARY)

in million €	**H1/2009**	H1/2008	Change in %
Net income	**514**	404	27
Depreciation and amortization	**275**	217	27
Change in accruals for pensions	**10**	7	43
Cash flow	**799**	628	27
Change in working capital	**-165**	-147	-12
Changes in mark-to-market evaluation of the MEB and CVR	**-34**	0	--
Operating cash flow	**600**	481	25
Capital expenditure, net	**-292**	-332	12
Cash flow before acquisitions and dividends	**308**	149	107
Cash used for acquisitions, net	**-132**	-224	41
Dividends paid	**-252**	-218	-16
Free cash flow after acquisitions and dividends	**-76**	-293	74
Cash provided by/used for financing activities	**67**	280	-76
Effect of exchange rates on change in cash and cash equivalents	**0**	-7	100
Net change in cash and cash equivalents	**-9**	-20	55

1) Net income attributable to Fresenius SE; adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) relating to the acquisition of APP Pharmaceuticals. These effects are not cash relevant.
2) Net income attributable to Fresenius SE.

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, 2009, Fresenius Medical Care was treating 190,081 patients in 2,471 dialysis clinics.

in million US$	**Q2/2009**	Q2/2008	Change in %	**H1/2009**	H1/2008	Change in %
Sales	**2,764**	2,665	4	**5,323**	5,177	3
EBITDA	**528**	532	-1	**1,029**	1,017	1
EBIT	**418**	429	-3	**813**	818	1
Net income[1]	**221**	211	5	**419**	397	6
Employees				**69,936 (June 30, 2009)**	68,050 (Dec 31, 2008)	3

First half of 2009

- Continued strong organic sales growth of 8 %
- Outlook 2009 fully confirmed

Fresenius Medical Care achieved sales growth of 3 % to US$ 5,323 million (H1 2008: US$ 5,177 million). Organic growth was 8 %. Currency translation effects had a negative impact of 6 %. Dialysis services revenue grew by 6 % to US$ 3,977 million (H1 2008: US$ 3,769 million), an increase of 9 % in constant currency. Sales of dialysis products were US$ 1,346 million (H1 2008: US$ 1,408 million). In constant currency, dialysis products sales increased by 8 %.

In North America sales increased by 8 % to US$ 3,650 million (H1 2008: US$ 3,382 million). Dialysis services revenue grew by 7 % to US$ 3,254 million. Average revenue per treatment for the U.S. clinics was at US$ 344 in Q2 2009 compared to US$ 327 for Q2 2008 and 338 US$ for Q1 2009. This development was based on an increase in commercial payor revenue and slightly increased EPO utilization. Sales outside North America ("International" segment) were US$ 1,673 million (H1 2008: US$ 1,795 million). In constant currency, sales growth was 10 %.

EBIT was US$ 813 million, 1 % below the previous year's period partially due to currency translations effects (H1 2008: US$ 818 million), resulting in an EBIT margin of 15.3 % (H1 2008: 15.8 %). This development was primarily due to higher personnel expenses, increased pharmaceutical costs and the impact of the launch of a generic version of PhosLo® in the U. S. market in October 2008. These effects were partially offset by a strong performance of the dialysis product business, increased commercial payor revenue as well as economies of scale from revenue growth. Net income[1] increased by 6 % to US$ 419 million (H1 2008: US$ 397 million).

Second quarter of 2009

Fresenius Medical Care increased sales by 4 % to US$ 2,764 million (Q2 2008: US$ 2,665 million). In constant currency, sales grew by 9 %. Organic sales growth was 8 %. EBIT was US$ 418 million (Q2 2008: US$ 429 million). Net income[1] for the second quarter 2009 was US$ 221 million, an increase of 5 % (Q2 2008: US$ 211 million).

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

[1] Net income attributable to 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 out-patient environments. The company is also a leading provider of medical devices and transfusion technology products.

in million €	**Q2/2009**	Q2/2008	Change in %	**H1/2009**	H1/2008	Change in %
Sales	**778**	576	35	**1,500**	1,121	34
EBITDA	**185**	115	61	**356**	223	60
EBIT	**152**	94	62	**290**	181	60
Net income[1]	**47**	51	-8	**85**	97	-12
Employees				**21,475 (June 30, 2009)**	20,457 (Dec 31, 2008)	5

First half of 2009

- Continued strong organic sales growth of 7 % (excl. APP and Dabur)
- EBIT margin increases to 19.3 %
- Outlook 2009 confirmed

Fresenius Kabi increased sales by 34 % to € 1,500 million (H1 2008: € 1,121 million). Organic sales growth was 7 % (excl. APP and Dabur as they were consolidated as of September 1, 2008). Net acquisitions contributed 29 % to sales. Currency translation had a net negative impact of 2 %. This was due to the depreciation of currencies e. g. in Great Britain and Brazil against the euro, whereas positive translation effects resulted from the strengthening of the Chinese yuan.

In Europe, sales reached € 772 million, driven by 5 % organic growth. In North America, sales increased to € 347 million (H1 2008: € 63 million) due to the acquisition of APP Pharmaceuticals. In the Asia-Pacific region Fresenius Kabi achieved sales of € 235 million. Organic sales growth was 11 %. Sales in Latin America and Africa increased to € 146 million, driven by 19 % organic growth.

EBIT grew by 60 % to € 290 million (H1 2008: € 181 million). EBIT includes a € 14 million non-cash charge related to the amortization of APP intangible assets. The EBIT margin increased to 19.3 % (H1 2008: 16.1 %). Net interest increased to € 157 million (H1 2008: € 34 million) due to the acquisition financing. Net income[1] was € 85 million (H1 2008: € 97 million).

Sales at APP Pharmaceuticals increased by 18 % to US$ 408 million in H1 2009. Adjusted EBITDA[2] increased by 31 % to US$ 171 million. EBIT grew by 51 % to US$ 129 million. EBIT includes a US$ 18 million non-cash charge related to the amortization of intangible assets. The EBIT margin improved to 31.7 %.

Operating cash flow of Fresenius Kabi increased by 84 % to € 166 million (H1 2008: € 90 million), driven by tight working capital management. Given only moderate growth in capital expenditures, cash flow before acquisitions and dividends more than doubled to € 110 million (H1 2008: € 44 million).

Second quarter of 2009

In the second quarter of 2009, Fresenius Kabi increased sales by 35 % to € 778 million (Q2 2008: € 576 million). Organic sales growth was 7 %. Acquisitions contributed 30 % to sales. Fresenius Kabi's EBIT grew by 62 % to € 152 million (Q2 2008: € 94 million). The EBIT margin was 19.5 % (Q2 2008: 16.3 %). Fresenius Kabi's net income[1] was € 47 million (Q2 2008: € 51 million).

Special items relating to the acquisition of APP Pharmaceuticals are included in the segment “Corporate/Other”.

[1] Net income attributable to Fresenius Kabi AG
[2] Non-GAAP financial measures – Adjusted EBITDA is a defined term in the indenture governing the Contingent Value Rights (CVRs), however it is not a recognized term under GAAP.

FRESENIUS HELIOS

Fresenius Helios is one of the largest private hospital operators in Germany. The HELIOS Kliniken Group owns 62 hospitals, including five maximum care hospitals in Berlin-Buch, Erfurt, Krefeld, Schwerin and Wuppertal. HELIOS treats about 600,000 in-patients per year at its clinics and operates a total of more than 18,000 beds.

in million €	**Q2/2009**	Q2/2008	Change in %	**H1/2009**	H1/2008	Change in %
Sales	**587**	531	11	**1,164**	1,040	12
EBITDA	**76**	65	17	**138**	120	15
EBIT	**56**	45	24	**100**	83	20
Net income[1]	**33**	22	50	**53**	37	43
Employees				**32,736 (June 30, 2009)**	30,088 (Dec 31, 2008)	9

First half of 2009

- Continued high organic sales growth of 5 %
- 130 bps EBIT margin increase at established clinics to 9.3 %
- Sales outlook 2009 fully confirmed, EBIT guidance raised

Fresenius Helios increased sales by 12 % to € 1,164 million (H1 2008: € 1,040 million). Strong organic growth of 5 % was again driven by a significant increase in patient numbers. Net acquisitions contributed 7 % to overall sales growth.

EBIT grew by 20 % to € 100 million (H1 2008: € 83 million) due to the excellent business operations of the established clinics. The EBIT margin increased to 8.6 % (H1 2008: 8.0 %). Net income[1] improved by 43 % to € 53 million (H1 2008: € 37 million).

At HELIOS' established clinics, sales rose by 5 % to € 1,081 million. EBIT improved by 22 % to € 100 million. The EBIT margin increased to 9.3 % (H1 2008: 8.0 %). The acquired clinics (consolidation <1 year) achieved sales of € 83 million and a near break-even EBIT.

Second quarter of 2009

Fresenius Helios reported sales growth of 11 % to € 587 million in the second quarter of 2009 (Q2 2008: € 531 million). Organic sales growth was 5 %. Acquisitions contributed 8 % to overall sales growth. EBIT increased by 24 % to € 56 million (Q2 2008: € 45 million). EBIT margin was 9.5 % (Q2 2008: 8.5 %). Net income[1] grew by 50 % to € 33 million (Q2 2008: € 22 million).

[1] Net income attributable to HELIOS Kliniken GmbH.

FRESENIUS VAMED

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

in million €	**Q2/2009**	Q2/2008	Change in %	**H1/2009**	H1/2008	Change in %
Sales	**131**	103	27	**247**	177	40
EBITDA	**7**	6	17	**12**	11	9
EBIT	**5**	5	0	**9**	9	0
Net income[1]	**4**	5	-20	**8**	9	-11
Employees				**2,776 (June 30, 2009)**	2,802 (Dec 31, 2008)	-1

First half of 2009

- Excellent sales growth of 40 %
- Major order acquired in German project business
- Outlook 2009 raised

Fresenius Vamed achieved excellent sales growth of 40 % to € 247 million (H1 2008: € 177 million). Organic sales growth was 34 %. The clinics in the Czech Republic acquired from Fresenius Helios contributed 6 %. Sales in the project business rose by 52 % to € 150 million (H1 2008: € 99 million). Sales in the service business increased by 24 % to € 97 million (H1 2008: € 78 million).

EBIT was € 9 million, unchanged from previous year. Significant sales growth driven by a strong project business in H1 2009 diluted the EBIT margin to 3.6 % (H1 2008: 5.1 %). Net income[1] of € 8 million was € 1 million below previous year's level.

The excellent development of order intake and order backlog continued: Fresenius Vamed reported an order intake of € 156 million (H1 2008: € 170 million, including the ~€ 80 million order for the Tauern Spa World, Kaprun, Austria). In Q2 2009, Fresenius Vamed increased its order intake by 51 % to € 68 million (Q2 2008: € 45 million). The order backlog of € 577 million remained close to its all-time-high of € 595 million (December 31, 2008: € 571 million).

Second quarter of 2009

Fresenius Vamed reported sales growth of 27 % to € 131 million in the second quarter of 2009 (Q2 2008: € 103 million). Organic sales growth was 22 %. EBIT € 5 million (Q2 2008: € 5 million). EBIT margin was 3.8 (Q2 2008: 4.9 %). Net income[1] was € 4 million (Q2 2008: € 5 million).

Fresenius Vamed was awarded a € 50 million order from the city of Cologne for the planning and turnkey construction of an extension to the maximum care hospital Cologne-Merheim. This is the largest project order the company has so far received in Germany. The project is scheduled to start in the third quarter 2009. The construction work will take approximately two years.

[1] Net income attributable to VAMED AG.

EMPLOYEES

As of June 30, 2009, Fresenius increased the number of its employees by 4 % to 127,692 (December 31, 2008: 122,217).

EMPLOYEES BY BUSINESS SEGMENT

	June 30, 2009	Dec 31, 2008	Change in %
Fresenius Medical Care	**69,936**	68,050	3
Fresenius Kabi	**21,475**	20,457	5
Fresenius Helios	**32,736**	30,088	9
Fresenius Vamed	**2,776**	2,802	-1
Corporate/Other	**769**	820	-6
Total (per capita on balance sheet date)	**127,692**	122,217	4

RESEARCH AND DEVELOPMENT

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

RESEARCH AND DEVELOPMENT EXPENSES BY BUSINESS SEGMENT

in million €	H1/2009	H1/2008	Change in %
Fresenius Medical Care	**31**	26	19
Fresenius Kabi	**62**	44	41
Fresenius Helios	**0**	0	
Fresenius Vamed	**0**	0	
Corporate/Other	**22**	23	-4
Total	**115**	93	24

Fresenius focuses its R&D efforts on its core activities. These are:

- Dialysis and other extracorporeal therapies
- Infusion and nutrition therapies as well as related medical devices
- Antibody therapies.

DIALYSIS

Research and development at Fresenius Medical Care is focused on products and therapies for dialysis and other extracorporeal blood therapies. The company benefits from its vertical integration, covering both dialysis products and dialysis care. Fresenius Medical Care continued to work hard to improve dialysis therapies. Our projects' main focus was on the further development of dialyzers and on market-specific adaptations for our hemodialysis machines.

INFUSION THERAPY AND CLINICAL NUTRITION

Fresenius Kabi's research and development activities are focused on infusion therapy and clinical nutrition. Our development competence spans all product-relevant components: the primary packaging, pharmaceutical solutions for infusion therapy and clinical nutrition, medical devices for application and the manufacturing technology for their production. We are also a leader in the development of generic drugs that are administered intravenously (IV drugs). The research and development strategy is built on the development of innovative products in product areas where we hold a leading position as well as on the continuous improvement of our pharmaceutical products and medical devices.

ANTIBODY THERAPIES

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

On April 22, 2009, the European Commission granted Fresenius Biotech the approval for Removab (catumaxomab) for the treatment of malignant ascites. Removab was launched in Germany in May 2009. Market launch is under way in other European countries.

Fresenius Biotech's EBIT was € -22 million in H1 2009 (H1 2008: € -20 million).

OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the 2008 annual report, there have been no material changes in Fresenius' overall opportunities and risk situation.

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

In addition, we report on legal proceedings, currency and interest risks on pages 36 to 42 in the Notes of this report.

SUBSEQUENT EVENTS

There were no significant changes in the Group position or environment sector since the end of the first half of 2009.

OUTLOOK 2009

FRESENIUS GROUP

Based on the Group's strong first half financial results Fresenius fully confirms its positive outlook for 2009. Group sales are expected to grow by more than 10 % in constant currency. Organic growth is projected to be in a 6 to 8 % range. Adjusted net income[1)] is expected to increase by approximately 10 % in constant currency.

[1)] Net income attributable to Fresenius SE; adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) relating to the acquisition of APP Pharmaceuticals. These effects are not cash relevant.
[2)] Net income attributable to Fresenius Medical Care AG & Co. KGaA.

FRESENIUS MEDICAL CARE

Fresenius Medical Care fully confirms its outlook for 2009: the company expects to achieve revenue of more than US$ 11.1 billion, which is more than 8 % growth in constant currency. Net income[2)] is expected to be between US$ 850 million and US$ 890 million in 2009.

FRESENIUS KABI

Fresenius Kabi confirms its outlook for 2009: the company targets sales growth in constant currency of 25 to 30 %. Further, Fresenius Kabi forecasts an EBIT margin in the range of 19.5 to 20.5 %. Currency translation effects may impact Fresenius Kabi's margin as APP Pharmaceuticals provides a significant earnings contribution from the US$ area. This guidance is based on the US$/€ exchange rate from the beginning of 2009.

FRESENIUS HELIOS

Fresenius Helios fully confirms its sales outlook and raises its EBIT outlook for 2009: the company expects to achieve sales of more than € 2.3 billion. EBIT is projected to reach € 190 to 200 million. The previous guidance was € 180 to 200 million.

FRESENIUS VAMED

Fresenius Vamed raises its outlook for 2009 and expects to grow both sales and EBIT by approximately 10 %. Previously, both sales and EBIT were expected to grow by 5 to 10 %.

FRESENIUS BIOTECH

For 2009, Fresenius Biotech expects its EBIT to reach € -40 million to € -45 million. The previous guidance foresaw an EBIT of € -40 million to € -50 million.

INVESTMENTS

Fresenius plans to invest € 700 to 750 million in property, plant and equipment.

EMPLOYEES

The number of employees in the Group will continue to rise in the future as a result of strong organic expansion. However, the growth in the number of employees will further be held below the expected rate of organic sales growth.

RESEARCH AND DEVELOPMENT

We will continue to concentrate our research and development on products for the treatment of patients with chronic kidney failure and on infusion and nutrition therapies as well as on intravenously administered drugs. We are also focusing on targeted development in the biotechnology sector, mainly in the field of antibody therapies for the treatment of cancer.

GROUP FINANCIAL OUTLOOK 2009

	Previous Outlook	Current Outlook
Sales, growth in constant currency	> 10 %	Confirmed
Net income[1], growth in constant currency	~10 %	Confirmed

OUTLOOK 2009 BY BUSINESS SEGMENT

		Previous Outlook	Current Outlook
Fresenius Medical Care	Sales	> 11.1 Mrd US$	Confirmed
	Net income[2]	850 – 890 Mio US$	Confirmed
Fresenius Kabi	Sales, growth in constant currency	25 – 30 %	Confirmed
	EBIT margin[3]	19.5 – 20.5 %	Confirmed
Fresenius Helios	Sales	> 2.3 Mrd €	Confirmed
	EBIT	180 – 200 Mio €	190 – 200 Mio €
Fresenius Vamed	Sales growth	5 – 10 %	~10 %
	EBIT growth	5 – 10 %	~10 %
Fresenius Biotech	EBIT	-40 – -50 Mio €	-40 – -45 Mio €

[1] Net income attributable to Fresenius SE; adjusted for the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) relating to the acquisition of APP Pharmaceuticals. These effects are not cash relevant.
[2] Net income attributable to Fresenius Medical Care AG & Co. KGaA.
[3] Currency translation effects may impact Fresenius Kabi's margin as APP provides a significant earnings contribution from the US$ area. This guidance is based on the US$/€ exchange rate from the beginning of 2009.

Consolidated statement of income (unaudited)

in million €	Q2/2009	Q2/2008	H1/2009	H1/2008
Sales	3,522	2,912	6,895	5,710
Cost of sales	-2,354	-1,973	-4,635	-3,879
Gross profit	1,168	939	2,260	1,831
Selling, general and administrative expenses	-603	-488	-1,160	-957
Research and development expenses	-57	-47	-115	-93
Operating income (EBIT)	508	404	985	781
Net interest	-149	-83	-294	-167
Other financial result	-34	0	43	0
Financial result	-183	-83	-251	-167
Income before income taxes	325	321	734	614
Income taxes	-90	-109	-220	-210
Net income	235	212	514	404
Less noncontrolling interest	125	100	240	192
Net income attributable to Fresenius SE	110	112	274	212
Earnings per ordinary share in €	0.67	0.72	1.69	1.36
Fully diluted earnings per ordinary share in €	0.67	0.70	1.68	1.34
Earnings per preference share in €	0.68	0.73	1.70	1.37
Fully diluted earnings per preference share in €	0.68	0.71	1.69	1.35

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

Consolidated statement of comprehensive income (unaudited)

in million €	Q2/2009	Q2/2008	H1/2009	H1/2008
Net income	**235**	212	**514**	404
Other comprehensive income (loss)				
Foreign currency translation	**-252**	31	**-73**	-220
Cash flow hedges	**37**	61	**-3**	10
Actuarial gains (losses) on defined benefit pension plans	**3**	-1	**2**	–
Income taxes related to components of other comprehensive income (loss)	**-14**	-26	**-4**	-5
Other comprehensive income (loss)	**-226**	65	**-78**	-215
Total comprehensive income	**9**	277	**436**	189
Comprehensive income (loss) attributable to the noncontrolling interest	**-8**	126	**196**	51
Comprehensive income attributable to Fresenius SE	**17**	151	**240**	138

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

Consolidated statement of financial position (unaudited)

in million €	June 30, 2009	December 31, 2008
Cash and cash equivalents	**361**	370
Trade accounts receivable, less allowance for doubtful accounts	**2,550**	2,477
Accounts receivable from and loans to related parties	**22**	22
Inventories	**1,285**	1,127
Prepaid expenses and other current assets	**872**	773
Deferred taxes	**310**	309
I. Total current assets	**5,400**	5,078
Property, plant and equipment	**3,471**	3,420
Goodwill	**10,407**	10,379
Other intangible assets	**1,063**	1,078
Other non-current assets	**485**	433
Deferred taxes	**127**	156
II. Total non-current assets	**15,553**	15,466
Total assets	**20,953**	20,544
Trade accounts payable	**579**	598
Short-term accounts payable to related parties	**4**	6
Short-term accrued expenses and other short-term liabilities	**2,290**	2,129
Short-term borrowings	**419**	729
Short-term loans from related parties	**2**	2
Current portion of long-term debt and liabilities from capital lease obligations	**369**	431
Current portion of Senior Notes	**0**	100
Short-term accruals for income taxes	**76**	104
Deferred taxes	**67**	70
A. Total short-term liabilities	**3,806**	4,169
Long-term debt and liabilities from capital lease obligations, less current portion	**5,537**	5,716
Senior Notes, less current portion	**2,074**	1,354
Mandatory Exchangeable Bonds	**554**	554
Long-term accrued expenses and other long-term liabilities	**443**	475
Trust preferred securities of Fresenius Medical Care Capital Trusts	**458**	455
Pension liabilities	**292**	282
Long-term accruals for income taxes	**153**	147
Deferred taxes	**467**	449
B. Total long-term liabilities	**9,978**	9,432
I. Total liabilities	**13,784**	13,601
A. Noncontrolling interest	**3,122**	3,033
Subscribed capital	**161**	161
Capital reserve	**2,059**	2,048
Other reserves	**1,963**	1,803
Accumulated other comprehensive loss	**-136**	-102
B. Total Fresenius SE shareholders' equity	**4,047**	3,910
II. Total shareholders' equity	**7,169**	6,943
Total liabilities and shareholders' equity	**20,953**	20,544

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

Consolidated statement of cash flows (unaudited)

in million €	H1/2009	H1/2008
Operating activities		
Net income	**514**	404
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities		
Depreciation and amortization	**275**	217
Change in deferred taxes	**40**	46
Gain on sale of fixed assets	**–**	-9
Changes in assets and liabilities, net of amounts from businesses acquired or disposed of		
Trade accounts receivable, net	**-46**	-118
Inventories	**-148**	-112
Prepaid expenses and other current and non-current assets	**-186**	-46
Accounts receivable from/payable to related parties	**-2**	-7
Trade accounts payable, accrued expenses and other short-term and long-term liabilities	**177**	114
Accruals for income taxes	**-24**	-8
Net cash provided by operating activities	**600**	481
Investing activities		
Purchase of property, plant and equipment	**-301**	-342
Proceeds from sales of property, plant and equipment	**9**	10
Acquisitions and investments, net of cash acquired and net purchases of intangible assets	**-134**	-252
Proceeds from divestitures	**2**	28
Net cash used in investing activities	**-424**	-556
Financing activities		
Proceeds from short-term borrowings	**32**	43
Repayments of short-term borrowings	**-211**	-144
Proceeds from long-term debt and capital lease obligations	**484**	565
Repayments of long-term debt and capital lease obligations	**-762**	-81
Proceeds from liabilities from Senior Notes	**753**	0
Repayments of liabilities from Senior Notes	**-100**	0
Redemption of trust preferred securities of Fresenius Medical Care Capital Trusts	**0**	-443
Changes of accounts receivable securitization program	**-142**	336
Proceeds from the exercise of stock options	**10**	10
Dividends paid	**-252**	-218
Change in noncontrolling interest	**–**	-6
Exchange rate effect due to corporate financing	**3**	–
Net cash provided by/used in financing activities	**-185**	62
Effect of exchange rate changes on cash and cash equivalents	**–**	-7
Net decrease in cash and cash equivalents	**-9**	-20
Cash and cash equivalents at the beginning of the reporting period	**370**	361
Cash and cash equivalents at the end of the reporting period	**361**	341

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

Statement of changes in equity (unaudited)

	Ordinary shares		Preference shares		Subscribed Capital	
	Number of shares in thousand	Amount in thousand €	Number of shares in thousand	Amount in thousand €	Amount in thousand €	Amount in million €
As of December 31, 2007	77,582	77,582	77,582	77,582	155,164	155
Proceeds from the exercise of stock options	97	97	97	97	194	–
Compensation expense related to stock options						
Dividends paid						
Purchase/sale of noncontrolling interest						
Comprehensive income (loss)						
Net income						
Other comprehensive loss						
Comprehensive income (loss)						
As of June 30, 2008	77,679	77,679	77,679	77,679	155,358	155
As of December 31, 2008	**80,572**	**80,572**	**80,572**	**80,572**	**161,144**	**161**
Proceeds from the exercise of stock options	5	5	5	5	10	–
Compensation expense related to stock options						
Dividends paid						
Purchase/sale of noncontrolling interest						
Comprehensive income (loss)						
Net income						
Other comprehensive loss						
Comprehensive income (loss)						
As of June 30, 2009	**80,577**	**80,577**	**80,577**	**80,577**	**161,154**	**161**

Statement of changes in equity (unaudited)

	Reserves					
	Capital reserve in million €	Other reserves in million €	Accumulated other comprehensive income (loss) in million €	Total Fresenius SE shareholders' equity in million €	Noncontrolling interest in million €	Total in million €
As of December 31, 2007	1,739	1,636	-115	3,415	2,644	6,059
Proceeds from the exercise of stock options	5			5	5	10
Compensation expense related to stock options	9			9	6	15
Dividends paid		-103		-103	-115	-218
Purchase/sale of noncontrolling interest				0	18	18
Comprehensive income (loss)						
Net income		212		212	192	404
Other comprehensive loss			-74	-74	-141	-215
Comprehensive income (loss)		212	-74	138	51	189
As of June 30, 2008	1,753	1,745	-189	3,464	2,609	6,073
As of December 31, 2008	**2,048**	**1,803**	**-102**	**3,910**	**3,033**	**6,943**
Proceeds from the exercise of stock options	–			–	10	10
Compensation expense related to stock options	11			11	7	18
Dividends paid		-114		-114	-138	-252
Purchase/sale of noncontrolling interest				0	14	14
Comprehensive income (loss)						
Net income		274		274	240	514
Other comprehensive loss			-34	-34	-44	-78
Comprehensive income (loss)		274	-34	240	196	436
As of June 30, 2009	**2,059**	**1,963**	**-136**	**4,047**	**3,122**	**7,169**

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

Segment reporting first half

by business segment, in million €	Fresenius Medical Care 2009	2008	Change	Fresenius Kabi 2009	2008	Change	Fresenius Helios 2009	2008	Change	Fresenius Vamed 2009	2008	Change	Corporate/Other 2009	2008	Change	Fresenius Group 2009	2008	Change
Sales	**3,994**	3,382	18 %	**1,500**	1,121	34 %	**1,164**	1,040	12 %	**247**	177	40 %	**-10**	-10	0 %	**6,895**	5,710	21 %
thereof contribution to consolidated sales	**3,993**	3,380	18 %	**1,480**	1,104	34 %	**1,164**	1,040	12 %	**247**	177	40 %	**11**	9	22 %	**6,895**	5,710	21 %
thereof intercompany sales	**1**	2	-50 %	**20**	17	18 %	**0**	0		**0**	0		**-21**	-19	-11 %	**0**	0	
contribution to consolidated sales	**58 %**	59 %		**21 %**	20 %		**17 %**	18 %		**4 %**	3 %		**0 %**	0 %		**100 %**	100 %	
EBITDA	**772**	664	16 %	**356**	223	60 %	**138**	120	15 %	**12**	11	9 %	**-18**	-20	10 %	**1,260**	998	26 %
Depreciation and amortization	**162**	130	25 %	**66**	42	57 %	**38**	37	3 %	**3**	2	50 %	**6**	6	0 %	**275**	217	27 %
EBIT	**610**	534	14 %	**290**	181	60 %	**100**	83	20 %	**9**	9	0 %	**-24**	-26	8 %	**985**	781	26 %
Net interest	**-112**	-108	-4 %	**-157**	-34	--	**-29**	-30	3 %	**2**	3	-33 %	**2**	2	0 %	**-294**	-167	-76 %
Net income attributable to Fresenius SE	**315**	259	22 %	**85**	97	-12 %	**53**	37	43 %	**8**	9	-11 %	**-187**	-190	2 %	**274**	212	29 %
Operating cash flow	**328**	262	25 %	**166**	90	84 %	**90**	122	-26 %	**44**	41	7 %	**-28**	-34	18 %	**600**	481	25 %
Cash flow before acquisitions and dividends	**141**	45	--	**110**	44	150 %	**45**	61	-26 %	**42**	39	8 %	**-30**	-40	25 %	**308**	149	107 %
Total assets [1]	**10,850**	10,720	1 %	**6,428**	6,240	3 %	**3,168**	3,092	2 %	**477**	469	2 %	**30**	23	30 %	**20,953**	20,544	2 %
Debt [1]	**4,223**	4,123	2 %	**4,359**	4,288	2 %	**1,061**	1,090	-3 %	**3**	2	50 %	**-787**	-716	-10 %	**8,859**	8,787	1 %
Capital expenditure	**190**	224	-15 %	**43**	37	16 %	**46**	62	-26 %	**2**	2	0 %	**2**	7	-71 %	**283**	332	-15 %
Acquisitions	**63**	88	-28 %	**7**	163	-96 %	**77**	0		**0**	11	-100 %	**9**	30	-70 %	**156**	292	-47 %
Research and development expenses	**31**	26	19 %	**62**	44	41 %	**0**	0		**0**	0		**22**	23	-4 %	**115**	93	24 %
Employees (per capita on balance sheet date) [1]	**69,936**	68,050	3 %	**21,475**	20,457	5 %	**32,736**	30,088	9 %	**2,776**	2,802	-1 %	**769**	820	-6 %	**127,692**	122,217	4 %
Key figures																		
EBITDA margin	**19.3 %**	19.6 %		**23.7 %**	19.9 %		**11.9 %**	11.5 %		**4.9 %**	6.2 %					**18.3 %**	17.5 %	
EBIT margin	**15.3 %**	15.8 %		**19.3 %**	16.1 %		**8.6 %**	8.0 %		**3.6 %**	5.1 %					**14.3 %**	13.7 %	
Depreciation and amortization in % of sales	**4.1 %**	3.8 %		**4.4 %**	3.7 %		**3.3 %**	3.6 %		**1.2 %**	1.1 %					**4.0 %**	3.8 %	
Operating cash flow in % of sales	**8.2 %**	7.7 %		**11.1 %**	8.0 %		**7.7 %**	11.7 %		**17.8 %**	23.2 %					**8.7 %**	8.4 %	
ROOA [1]	**11.8 %**	12.3 %		**9.7 %**	8.9 % [2]		**6.9 %**	6.3 %		**12.0 %**	22.2 %					**10.1 %**	9.8 % [2]	

[1] 2008: December, 31
[2] The underlying pro-forma EBIT does not include special items from the acquisition of APP Pharmaceuticals, Inc. (APP).

Segment reporting second quarter

by business segment, in million €	Fresenius Medical Care 2009	2008	Change	Fresenius Kabi 2009	2008	Change	Fresenius Helios 2009	2008	Change	Fresenius Vamed 2009	2008	Change	Corporate/Other 2009	2008	Change	Fresenius Group 2009	2008	Change
Sales	**2,029**	1,706	19 %	**778**	576	35 %	**587**	531	11 %	**131**	103	27 %	**-3**	-4	25 %	**3,522**	2,912	21 %
thereof contribution to consolidated sales	**2,029**	1,705	19 %	**768**	568	35 %	**587**	531	11 %	**131**	103	27 %	**7**	5	40 %	**3,522**	2,912	21 %
thereof intercompany sales	**0**	1	-100 %	**10**	8	25 %	**0**	0		**0**	0		**-10**	-9	-11 %	**0**	0	
contribution to consolidated sales	**58 %**	59 %		**21 %**	19 %		**17 %**	18 %		**4 %**	4 %		**0 %**	0 %		**100 %**	100 %	
EBITDA	**387**	340	14 %	**185**	115	61 %	**76**	65	17 %	**7**	6	17 %	**-8**	-11	27 %	**647**	515	26 %
Depreciation and amortization	**81**	65	25 %	**33**	21	57 %	**20**	20	0 %	**2**	1	100 %	**3**	4	-25 %	**139**	111	25 %
EBIT	**306**	275	11 %	**152**	94	62 %	**56**	45	24 %	**5**	5	0 %	**-11**	-15	27 %	**508**	404	26 %
Net interest	**-55**	-53	-4 %	**-78**	-17	--	**-14**	-15	7 %	**1**	2	-50 %	**-3**	0		**-149**	-83	-80 %
Net income attributable to Fresenius SE	**163**	135	21 %	**47**	51	-8%	**33**	22	50 %	**4**	5	-20 %	**-137**	-101	-36 %	**110**	112	-2 %
Operating cash flow	**209**	134	56 %	**126**	48	163 %	**84**	80	5 %	**4**	-39	110 %	**-5**	-20	75 %	**418**	203	106 %
Cash flow before acquisitions and dividends	**107**	19	--	**107**	30	--	**62**	46	35 %	**3**	-40	108 %	**-6**	-23	74 %	**273**	32	--
Capital expenditure	**104**	118	-12 %	**24**	21	14 %	**23**	33	-30 %	**1**	1	0 %	**3**	5	-40 %	**155**	178	-13 %
Acquisitions	**33**	38	-13 %	**4**	37	-89 %	**-2**	0		**0**	1	-100 %	**9**	0		**44**	76	-42 %
Research and development expenses	**13**	13	0 %	**32**	22	45 %	**0**	0		**0**	0		**12**	12	0 %	**57**	47	21 %
Key figures																		
EBITDA margin	**19.1 %**	19.9 %		**23.8 %**	20.0 %		**12.9 %**	12.2 %		**5.3 %**	5.8 %					**18.4 %**	17.7 %	
EBIT margin	**15.1 %**	16.1 %		**19.5 %**	16.3 %		**9.5 %**	8.5 %		**3.8 %**	4.9 %					**14.4 %**	13.9 %	
Depreciation and amortization in % of sales	**4.0 %**	3.8 %		**4.2 %**	3.6 %		**3.4 %**	3.8 %		**1.5 %**	1.0 %					**3.9 %**	3.8 %	
Operating cash flow in % of sales	**10.3 %**	7.9 %		**16.2 %**	8.3 %		**14.3 %**	15.1 %		**3.1 %**	-37.9 %					**11.9 %**	7.0 %	

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

FRESENIUS

CONTENT NOTES

General Notes

1. PRINCIPLES

I. GROUP STRUCTURE

Fresenius is a worldwide operating health care group with products and services for dialysis, the hospital and the medical care of patients at home. Further areas of activity are hospital operations as well as engineering and services for hospitals and other health care facilities. In addition to the activities of Fresenius SE, the operating activities were split into the following legally-independent business segments (subgroups) as of June 30, 2009:

- 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 which are lower than € 1 million after they have been rounded are marked with "–".

II. BASIS OF PRESENTATION

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

Since January 1, 2005, Fresenius SE 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 US GAAP. The accounting policies underlying these interim financial statements are the same as those applied in the consolidated financial statements as of December 31, 2008.

The Fresenius Group adopted Financial Accounting Standard (FAS) 160, Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51, as of January 1, 2009, which establishes a framework for reporting of noncontrolling or minority interests. The main changes are the extended disclosures about noncontrolling interests in the statement of income and the statement of financial position.

Furthermore, the Fresenius Group adopted Statement No. 161, Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133 (FAS 161) as of January 1, 2009. This Statement changes the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under FAS 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows.

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, 2009 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, 2008, published in the 2008 Annual Report. In addition to the reported acquisitions (see Note 2, Acquisitions), 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, 2009 include all adjustments that, in the opinion of the Management Board, are of a normal and recurring nature, 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, 2009 are not necessarily indicative of the results of operations for the fiscal year 2009.

Classifications

Certain items in the consolidated financial statements for the first half of 2008 and for the year 2008 have been reclassified to conform with the current year's presentation.

Use of estimates

The preparation of consolidated financial statements in conformity with US GAAP requires the 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

IV. NEW ACCOUNTING STANDARDS

On December 30, 2008, the Financial Accounting Standards Board (FASB) issued final staff position **FSP FAS 132R-1**, Employers' Disclosures about Postretirement Benefit Plan Assets (FSP 132R-1). FSP 132R-1 requires more disclosure about pension plan assets mainly regarding the following areas:

- how investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies,
- the major categories of plan assets,
- the inputs and valuation techniques used to measure the fair value of plan assets,
- the effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period, and
- significant concentrations of risk within plan assets.

The disclosures about plan assets required by this FSP shall be provided for fiscal years ending after December 15, 2009. Upon initial application, the provisions of this FSP are not required for earlier periods that are presented for comparative purposes. Earlier application of the provisions of this FSP is permitted. The Fresenius Group will comply with the disclosure requirements of this standard in its report on its consolidated financial statements beginning for fiscal year ended December 31, 2009.

On July 1, 2009 the FASB issued **Statement No. 168**, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles (FAS 168). The Codification will become the exclusive authoritative reference for nongovernmental US GAAP for use in financial statements issued for interim and annual periods ending after September 15, 2009, except for SEC rules and interpretive releases, which are also authoritative GAAP for SEC registrants. FAS 168 divides nongovernmental US GAAP into the authoritative Codification and guidance that is nonauthoritative. The contents of the Codification will carry the same level of authority, eliminating the four-level GAAP hierarchy previously set forth in FAS 162, which has been superseded by FAS 168. The Codification will supersede all existing non-SEC accounting and reporting standards. All other non-grandfathered, non-SEC accounting literature not included in the Codification will become nonauthoritative.

In June 2009, the FASB issued **Statement No. 167**, Amendments to FASB Interpretation No. 46(R) (FAS 167). FAS 167 amends the guidance in FASB Interpretation 46R related to the consolidation of variable interest entities (VIE). It requires reporting entities to evaluate former Qualifying Special Purpose Entities (QSPE) for consolidation and changes the approach to determining a VIE's primary beneficiary from a quantitative assessment to a qualitative assessment designed to identify a controlling financial interest. In addition, the standard increases the frequency of required reassessments to determine whether a company is the primary beneficiary of a VIE. It also clarifies, but does not significantly change, the characteristics that identify a VIE. This Statement requires additional year-end and interim disclosures for public companies that are similar to the disclosures required by FSP FAS 140-4 and FIN 46(R)-8, Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities.

The Statement is effective as of the beginning of a company's first fiscal year that begins after November 15, 2009 and for subsequent interim and annual reporting periods. All QSPEs and entities currently subject to FIN 46R will need to be reevaluated under the amended consolidation requirements as of the beginning of the first annual reporting period that begins after November 15, 2009. Early adoption is prohibited. The Fresenius Group will implement this standard as of January 1, 2010.

In June 2009, the FASB issued **Statement No. 166**, Accounting for Transfer of Financial Assets (FAS 166). This statement amends FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. It eliminates the QSPE concept, creates more stringent conditions for reporting a transfer of a portion of a financial asset as a sale, clarifies the derecognition criteria, revises how retained interests are initially measured, and removes the guaranteed mortgage securitization recharacterization provisions. This Statement requires additional year-end and interim disclosures for public and nonpublic companies that are similar to the disclosures required by FSP FAS 140-4 and FIN 46(R)-8, Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities. The Statement is effective as of the beginning of a company's first fiscal year that begins after November 15, 2009, and for subsequent interim and annual reporting periods. Statement 166's disclosure requirements must be applied to transfers that occurred before and after its effective date. Early adoption is prohibited. The Fresenius Group will adopt this standard as of January 1, 2010.

In May 2009, the FASB issued **Statement No. 165**, Subsequent Events (FAS 165). FAS 165 clarifies the recognition and disclosure of subsequent events. It requires an entity to recognize in its financial statements subsequent events that provide additional evidence about conditions that existed at the date of the entity's balance sheet. Subsequent events that provide evidence about conditions that arose after the balance sheet date, but before the financial statements were issued or were available to be issued, are not recognized in the financial statements. An entity shall disclose any nonrecognized subsequent events that are of such a nature that they must be disclosed to keep financial statements from being misleading. Such disclosure must contain the nature of the subsequent event and an estimate of the financial effect or statement that such estimate cannot be made.

The requirements of this statement are effective for financial statements issued for fiscal years and interim periods ending after June 15, 2009. The Fresenius Group adopted this standard as of April 1, 2009.

2. ACQUISITIONS

ACQUISITIONS

The Fresenius Group made acquisitions of € 156 million and € 292 million in the first half of 2009 and the first half of 2008, respectively. Of this amount, € 134 million were paid in cash and € 22 million were assumed obligations in the first half of 2009.

In the first half of 2009, acquisition spending of Fresenius Medical Care in an amount of € 63 million related mainly to the purchase of dialysis clinics and license agreements.

In the first half of 2009, Fresenius Helios spent € 77 million which mainly referred to the acquisitions of five acute care hospitals. Fresenius Helios entered into agreements to acquire these hospitals in December 2008 and closed the transactions in February 2009.

IMPACTS ON THE FRESENIUS GROUP'S CONSOLIDATED FINANCIAL STATEMENTS RESULTING FROM ACQUISITIONS

In July 2008, Fresenius Kabi has signed definitive agreements to acquire 100 % of the share capital of APP Pharmaceuticals, Inc. (APP). APP is a leading manufacturer of intravenously administered generic drugs (I.V. generics) in North America.

After receipt of all necessary regulatory approvals and fulfillment of further closing conditions, Fresenius Kabi has completed the acquisition of APP on September 10, 2008. The acquisition of APP has been accounted for applying the purchase method. APP has been first-time consolidated starting September 1, 2008.

APP shareholders received a cash purchase price of US$ 23.00 per share. Based on the cash purchase price, the transaction values the fully diluted equity capital of APP at approximately US$ 3.7 billion. Furthermore, the shareholders received a registered and tradable Contingent Value Right (CVR). In addition, US$ 0.9 billion of net debt was assumed. The net debt was refinanced. The acquisition was financed with a mix of debt and equity by launching Mandatory Exchangeable Bonds (MEB), capital increase and entering into a syndicated credit agreement and into a bridge credit agreement. The latter was redeemed using proceeds of the issuance of new Senior Notes in January 2009 (see Note 12, Senior Notes).

If the acquisition of APP had already been consummated at the beginning of 2008, the consolidated sales of the Fresenius Group in the first half of 2008 would have amounted to € 5,947 million (as reported € 5,710 million) and the adjusted net income attributable to Fresenius SE to € 176 million (as reported € 212 million) (pro forma). The adjusted net income includes pro forma adjustments mainly for interest expense on acquisition debt and income taxes. The pro forma financial information is not necessarily indicative of the results of operations.

Notes on the consolidated statement of income

The net income attributable to Fresenius SE for the first half of 2009 in an amount of € 274 million includes several special items relating to the acquisition of APP. These special items in a total amount of € 34 million (before tax: € 43 million) are described in Note 4, Other financial result. The net income attributable to Fresenius SE before special items is € 240 million.

3. SALES

Sales by activity were as follows:

in million €	H1/2009	H1/2008
Sales of services	**4,263**	3,602
Sales of products and related goods	**2,479**	2,007
Sales from long-term production contracts	**152**	101
Other sales	**1**	–
Sales	**6,895**	5,710

4. OTHER FINANCIAL RESULT

The item other financial result includes the following special charges and revenues with regard to the acquisition of APP and its financing:

The registered and tradable CVR awarded to the APP shareholders are traded at the NASDAQ Stock Exchange in the United States. The corresponding liability is therefore valued with the current stock exchange price at the reporting date. This valuation resulted in an income of € 10 million as of June 30, 2009.

Due to its contractual definition, the issued MEB include derivative financial instruments that have to be measured at fair value. This measurement resulted in an income (before tax) of € 33 million as of June 30, 2009.

5. TAXES

For the tax year 1997, Fresenius Medical Care recognized an impairment of one of its subsidiaries which the German tax authorities have disallowed in 2003 at the conclusion of its audit for the years 1996 and 1997. Fresenius Medical Care has filed a complaint with the appropriate German court to challenge the tax authority's decision. As a result of a change in judgment based on new information which became available in the second quarter of 2009 Fresenius Medical Care has increased its recognition of the tax benefit related to this claim by US$ 16.3 million. An adverse determination in this litigation could have a material adverse effect on Fresenius Medical Care's results of operations in the relevant reporting period.

The Federal tax audit in the United States for the years 2005 through 2006 has just been completed. The Internal Revenue Service has disallowed all deductions taken during the audit period related to intercompany mandatorily redeemable preferred securities. Fresenius Medical Care has filed a protest for 2002–2004, and will timely protest for 2005–2006, over the disallowed deductions and will avail itself of all remedies. An adverse determination with respect to any of the disputed disallowances could have a material adverse effect on Fresenius Group's cash flows, tax expenses, net income and earnings per share.

Furthermore, during the first half of 2009, there were no material changes according to tax audits, 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 2008 Annual Report.

6. EARNINGS PER SHARE

The following table shows the earnings per ordinary and preference share including and excluding the dilutive effect from stock options issued and the MEB.

	H1/2009	H1/2008
Numerators in million €		
Net income attributable to Fresenius SE	**274**	212
less preference on preference shares	**1**	1
less effect from dilution due to Fresenius Medical Care shares and MEB	**–**	–
Income available to all classes of shares	**273**	211
Denominators in number of shares		
Weighted-average number of ordinary shares outstanding	**80,573,402**	77,622,751
Weighted-average number of preference shares outstanding	**80,573,402**	77,622,751
Weighted-average number of shares outstanding of all classes	**161,146,804**	155,245,502
Potentially dilutive ordinary shares	**285,021**	719,325
Potentially dilutive preference shares	**285,021**	719,325
Weighted-average number of ordinary shares outstanding assuming dilution	**80,858,423**	78,342,076
Weighted-average number of preference shares outstanding assuming dilution	**80,858,423**	78,342,076
Weighted-average number of shares outstanding of all classes assuming dilution	**161,716,846**	156,684,152
Basic earnings per ordinary share in €	**1.69**	1.36
Preference per preference share in €	**0.01**	0.01
Basic earnings per preference share in €	**1.70**	1.37
Fully diluted earnings per ordinary share in €	**1.68**	1.34
Preference per preference share in €	**0.01**	0.01
Fully diluted earnings per preference share in €	**1.69**	1.35

Notes on the consolidated statement of financial position

7. CASH AND CASH EQUIVALENTS

As of June 30, 2009 and December 31, 2008, cash and cash equivalents were as follows:

in million €	June 30, 2009	December 31, 2008
Cash	**351**	361
Securities (with a maturity of up to 90 days)	**10**	9
Total cash and cash equivalents	**361**	370

As of June 30, 2009 and December 31, 2008, committed funds of € 78 million were included in cash and cash equivalents.

8. TRADE ACCOUNTS RECEIVABLE

As of June 30, 2009 and December 31, 2008, trade accounts receivable were as follows:

in million €	June 30, 2009	December 31, 2008
Trade accounts receivable	**2,814**	2,734
less allowance for doubtful accounts	**264**	257
Trade accounts receivable, net	**2,550**	2,477

9. INVENTORIES

As of June 30, 2009 and December 31, 2008, inventories consisted of the following:

in million €	June 30, 2009	December 31, 2008
Raw materials and purchased components	**296**	278
Work in process	**195**	177
Finished goods	**794**	672
Inventories	**1,285**	1,127

10. GOODWILL AND OTHER INTANGIBLE ASSETS

As of June 30, 2009 and December 31, 2008, intangible assets, split into amortizable and non-amortizable intangible assets, consisted of the following:

Amortizable intangible assets

	June 30, 2009			December 31, 2008		
in million €	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Patents, product and distribution rights	**541**	**72**	**469**	540	54	486
Technology	**71**	**11**	**60**	71	8	63
Non-compete agreements	**155**	**106**	**49**	158	102	56
Other	**431**	**266**	**165**	361	212	149
Total	**1,198**	**455**	**743**	1,130	376	754

Non-amortizable intangible assets

	June 30, 2009			December 31, 2008		
in million €	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Tradenames	**164**	**0**	**164**	166	0	166
Management contracts	**156**	**0**	**156**	158	0	158
Goodwill	**10,407**	**0**	**10,407**	10,383	4	10,379
Total	**10,727**	**0**	**10,727**	10,707	4	10,703

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

in million €	Q3–4/2009	2010	2011	2012	2013	Q1–2/2014
Estimated amortization expenses	36	76	72	67	64	29

The carrying amount of goodwill has developed as follows:

in million €	
Carrying amount as of January 1, 2009	**10,379**
Additions	144
Foreign currency translation	-116
Carrying amount as of June 30, 2009	**10,407**

11. DEBT AND LIABILITIES FROM CAPITAL LEASE OBLIGATIONS

SHORT-TERM DEBT

Short-term borrowings of € 419 million and € 729 million at June 30, 2009 and December 31, 2008, respectively, consisted of € 157 million borrowed by certain subsidiaries of the Fresenius Group under lines of credit with commercial banks and US$ 349 million (€ 247 million) outstanding short-term borrowings under the accounts receivable facility of Fresenius Medical Care. In addition, Fresenius SE has a commercial paper program under which € 15 million in short-term notes were issued as of June 30, 2009.

LONG-TERM DEBT AND LIABILITIES FROM CAPITAL LEASE OBLIGATIONS

As of June 30, 2009 and December 31, 2008, long-term debt and liabilities from capital lease obligations consisted of the following:

in million €	**June 30, 2009**	December 31, 2008
Fresenius Medical Care 2006 Senior Credit Agreement	**2,515**	2,419
2008 Senior Credit Agreement	**1,926**	1,896
Euro Notes	**931**	800
European Investment Bank Agreements	**305**	309
Capital lease obligations	**39**	42
Bridge Credit Agreement	**0**	467
Other	**190**	214
Subtotal	**5,906**	6,147
less current portion	**369**	431
Long-term debt and liabilities from capital lease obligations, less current portion	**5,537**	5,716

Fresenius Medical Care 2006 Senior Credit Agreement

Fresenius Medical Care entered into a US$ 4.6 billion syndicated credit agreement (Fresenius Medical Care 2006 Senior Credit Agreement) with Bank of America, N.A. (BofA); Deutsche Bank AG New York Branch; The Bank of Nova Scotia; Credit Suisse, Cayman Islands Branch; JP Morgan Chase Bank, National Association; and certain other lenders (collectively the Lenders) on March 31, 2006 which replaced a prior credit agreement.

The following table shows the available and outstanding amounts under the Fresenius Medical Care 2006 Senior Credit Agreement at June 30, 2009:

in million US$	Maximum amount available	**Balance outstanding**
Revolving Credit	1,000	**561**
Term Loan A	1,432	**1,432**
Term Loan B	1,562	**1,562**
Total	3,994	**3,555**

In addition, at June 30, 2009 and at December 31, 2008, Fresenius Medical Care had letters of credit outstanding in the amount of US$ 112 million which are not included as part of the mentioned balances outstanding at those dates but which reduce available borrowings under the revolving credit facility.

As of June 30, 2009, Fresenius Medical Care was in compliance with all covenants under the Fresenius Medical Care 2006 Senior Credit Agreement.

2008 Senior Credit Agreement

In connection with the acquisition of APP, the Fresenius Group entered into a US$ 2.45 billion syndicated credit agreement (2008 Senior Credit Agreement) on August 20, 2008.

In October 2008, the 2008 Senior Credit Agreement was amended to increase Term Loan B available to Fresenius US Finance I, Inc. by US$ 210.5 million and € 200 million (US$ 273 million). In November 2008, Fresenius SE agreed with the lenders upon an increase of the revolving credit facility available to Fresenius Finance I S.A. by US$ 100 million.

The following table shows the available and outstanding amounts under the 2008 Senior Credit Agreement at June 30, 2009:

	Maximum amount available		**Balance outstanding**	
		in million €		**in million €**
Revolving Credit Facilities	US$ 550 million	389	US$ 267 million	**189**
Term Loan A	US$ 973 million	688	US$ 973 million	**688**
Term Loan B (in US$)	US$ 1,201 million	850	US$ 1,201 million	**850**
Term Loan B (in €)	€ 199 million	199	€ 199 million	**199**
Total		2,126		**1,926**

As of June 30, 2009, Fresenius SE was in compliance with all covenants under the 2008 Senior Credit Agreement.

Euro Notes

As of June 30, 2009, Euro Notes (Schuldscheindarlehen) of the Fresenius Group consisted of the following:

	Maturity	Interest rate	**Book value/ Nominal value in million €**
Fresenius Finance B.V. 2008/2012	April 2, 2012	5.59 %	**62**
Fresenius Finance B.V. 2008/2012	April 2, 2012	variable	**138**
Fresenius Finance B.V. 2007/2012	July 2, 2012	5.51 %	**26**
Fresenius Finance B.V. 2007/2012	July 2, 2012	variable	**74**
Fresenius Finance B.V. 2008/2014	April 2, 2014	5.98 %	**112**
Fresenius Finance B.V. 2008/2014	April 2, 2014	variable	**88**
Fresenius Finance B.V. 2007/2014	July 2, 2014	5.75 %	**38**
Fresenius Finance B.V. 2007/2014	July 2, 2014	variable	**62**
FMC Finance S.à.r.l. Luxembourg IV 2005/2009	July 27, 2009	4.57 %	**92**
FMC Finance S.à.r.l. Luxembourg IV 2005/2009	July 27, 2009	variable	**39**
Fresenius Medical Care AG & Co. KGaA 2009/2012	October 27, 2012	7.41 %	**36**
Fresenius Medical Care AG & Co. KGaA 2009/2012	October 27, 2012	variable	**119**
Fresenius Medical Care AG & Co. KGaA 2009/2014	October 27, 2014	8.38 %	**15**
Fresenius Medical Care AG & Co. KGaA 2009/2014	October 27, 2014	variable	**30**
Euro Notes			**931**

The Euro Notes issued by FMC Finance S.à.r.l. Luxembourg IV are shown as current portion of long-term debt and liabilities from capital lease obligations in the statement of financial position.

On April 27, 2009, Fresenius Medical Care had issued Euro Notes in a total amount of € 200 million in anticipation of retiring the existing € 200 million Euro Notes which were due on July 27, 2009. The newly issued Euro Notes, which are senior, unsecured and guaranteed by Fresenius Medical Care Holdings, Inc. and Fresenius Medical Care Deutschland GmbH, consist of four tranches having terms of 3.5 and 5.5 years with floating and fixed interest rate tranches. The initial average interest rate is 6.95 %. Proceeds of € 69.5 million of the newly issued Euro Notes were used to voluntarily retire a portion of the existing Euro Notes. The remaining proceeds were used to liquidate the balance of the existing Euro Notes on their scheduled maturity date in July 2009.

European Investment Bank Agreements

The following table shows the outstanding amounts under the European Investment Bank (EIB) facilities as of June 30, 2009:

	Maximum amount available in million €	Maturity	**Book value in million €**
Fresenius SE	96	2013	**96**
Fresenius Medical Care AG & Co. KGaA	221	2013/2014	**125**
HELIOS Kliniken GmbH	84	2019	**84**
Loans from EIB	401		**305**

Some advances under these agreements can be denominated in certain foreign currencies including US dollars.

Bridge Credit Agreement

The Bridge Credit Agreement entered into in connection with the acquisition of APP was repaid in January 2009 using the proceeds of new Senior Notes (see Note 12, Senior Notes).

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 reporting date. As of June 30, 2009, the additional financial cushion resulting from unutilized credit facilities was approximately € 1.1 billion.

12. SENIOR NOTES

As of June 30, 2009 and December 31, 2008, Senior Notes of the Fresenius Group consisted of the following:

				Book value in million €	
	Notional amount	Maturity	Interest rate	**June 30, 2009**	December 31, 2008
Fresenius Finance B.V. 2003/2009	€ 100 million	April 30, 2009	7.50 %	**0**	100
Fresenius Finance B.V. 2006/2013	€ 500 million	Jan 31, 2013	5.00 %	**500**	500
Fresenius Finance B.V. 2006/2016	€ 650 million	Jan 31, 2016	5.50 %	**637**	500
Fresenius US Finance II, Inc. 2009/2015	€ 275 million	July 15, 2015	8.75 %	**257**	0
Fresenius US Finance II, Inc. 2009/2015	US$ 500 million	July 15, 2015	9.00 %	**331**	0
FMC Finance III S.A. 2007/2017	US$ 500 million	July 15, 2017	$6\frac{7}{8}$ %	**349**	354
Senior Notes				**2,074**	1,454

In June 2009, Fresenius Finance B.V. has placed a tap in an amount of € 150 million to the Senior Notes which are due in 2016. The proceeds were used to repay short-term debt.

Fresenius US Finance II, Inc., a wholly-owned subsidiary of Fresenius SE, has issued unsecured Senior Notes in January 2009. The Notes comprise a US dollar tranche with a notional amount of US$ 500 million and a euro tranche with a notional amount of € 275 million. Both tranches will mature in 2015. Proceeds of the Senior Notes offering in an amount of approximately US$ 800 million were used to repay the bridge credit agreement entered into in connection with the acquisition of APP, to repay other debt and for general corporate purposes.

The Senior Notes of Fresenius US Finance II, Inc. and of Fresenius Finance B.V. are guaranteed by Fresenius SE, Fresenius Kabi AG and Fresenius ProServe GmbH.

As of June 30, 2009, the Fresenius Group was in compliance with all of its covenants. The Senior Notes issued by Fresenius Finance B.V. which matured on April 30, 2009 were repaid on schedule.

13. PENSIONS AND SIMILAR OBLIGATIONS

DEFINED BENEFIT PENSION PLANS

At June 30, 2009, the pension liability of the Fresenius Group was € 302 million. The current portion of the pension liability in an amount of € 10 million is recognized in the statement of financial position as short-term accrued expenses and other short-term liabilities. The non-current portion of € 292 million is recorded as pension liability.

Contributions to the Fresenius Group's pension fund were € 2 million in the first half of 2009. The Fresenius Group expects approximately € 5 million contributions to the pension fund during 2009.

Defined benefit pension plans' net periodic benefit costs of € 17 million were comprised of the following components:

in million €	**H1/2009**	H1/2008
Service cost	**7**	8
Interest cost	**16**	14
Expected return on plan assets	**-8**	-8
Amortization of unrealized actuarial losses, net	**2**	1
Amortization of prior service costs	**–**	–
Amortization of transition obligations	**–**	–
Net periodic benefit cost	**17**	15

14. NONCONTROLLING INTEREST

Noncontrolling interest in the Group was as follows:

in million €	**June 30, 2009**	December 31, 2008
Noncontrolling interest in Fresenius Medical Care AG & Co. KGaA	**2,825**	2,751
Noncontrolling interest in HELIOS Kliniken GmbH	**4**	4
Noncontrolling interest in VAMED AG	**29**	30
Noncontrolling interest in the business segments		
Fresenius Medical Care	**123**	115
Fresenius Kabi	**34**	32
Fresenius Helios	**104**	99
Fresenius Vamed	**3**	2
Corporate/Other	**0**	–
Total noncontrolling interest	**3,122**	3,033

In the first half of 2009, noncontrolling interest increased by € 89 million to € 3,122 million. The change resulted from the noncontrolling interest in profit of € 240 million, less dividend payments of € 138 million and other effects in a total amount of € 13 million.

15. FRESENIUS SE SHAREHOLDERS' EQUITY

SUBSCRIBED CAPITAL

During the first half of 2009, 35,508 stock options were exercised. 12,456 ordinary and preference shares each were issued only on July 2, 2009. Accordingly, at June 30, 2009, the subscribed capital of Fresenius SE was divided into 80,577,165 bearer ordinary shares and 80,577,165 non-voting bearer preference shares. The shares are issued as non-par value shares. The proportionate amount of the subscribed capital is € 1.00 per share.

CONDITIONAL CAPITAL

Corresponding to the stock option plans, the Conditional Capital of Fresenius SE is divided into Conditional Capital I, Conditional Capital III and Conditional Capital III which exist to secure the subscription rights in connection with already issued stock options on bearer ordinary shares and bearer preference shares of the stock option plans of 1998, 2003 and 2008 (see Note 20, Stock options).

The following table shows the development of the Conditional Capital:

in €	Ordinary shares	Preference shares	Total
Conditional Capital I Fresenius AG Stock Option Plan 1998	682,467.00	682,467.00	1,364,934.00
Conditional Capital II Fresenius AG Stock Option Plan 2003	2,209,125.00	2,209,125.00	4,418,250.00
Conditional Capital III Fresenius SE Stock Option Plan 2008	3,100,000.00	3,100,000.00	6,200,000.00
Total Conditional Capital as of January 1, 2009	**5,991,592.00**	**5,991,592.00**	**11,983,184.00**
Fresenius AG Stock Option Plan 1998 – options exercised	-13,494.00	-13,494.00	-26,988.00
Fresenius AG Stock Option Plan 2003 – options exercised	-4,260.00	-4,260.00	-8,520.00
Total Conditional Capital as of June 30, 2009	**5,973,838.00**	**5,973,838.00**	**11,947,676.00**

APPROVED CAPITAL

By resolution of the Annual General Meeting on May 8, 2009, the previous Approved Capital I and II was revoked. The Management Board of Fresenius SE was authorized, with the approval of the Supervisory Board, until May 7, 2014,

- to increase Fresenius SE's subscribed capital by a total amount of up to € 12,800,000 through a single or multiple issue of new bearer ordinary shares and/or non-voting bearer preference shares against cash contributions (Approved Capital I). A subscription right must be granted to shareholders.
- to increase Fresenius SE's subscribed capital by a total amount of up to € 6,400,000 through a single or multiple issue of new bearer ordinary shares and/or non-voting bearer preference shares against cash contributions and/or contributions in kind (Approved Capital II). The Management Board is authorized, in each case with the consent of the Supervisory Board, to decide on the exclusion of the shareholders' subscription right.

The resolved changes to the Approved Capital became effective after their registration in the commercial register in July 2009.

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 as reported in its statement of financial position determined in accordance with the German Commercial Code (HGB).

In May 2009, a dividend of € 0.70 per bearer ordinary share and € 0.71 per bearer preference share was approved by Fresenius SE's shareholders at the Annual General Meeting and paid. The total dividend payment was € 114 million.

Other notes

16. LEGAL PROCEEDINGS

The Fresenius Group is routinely involved in numerous claims, lawsuits, regulatory and tax audits, investigations and other legal matters arising, for the most part, in the ordinary course of its business of providing healthcare services and products. The outcome of litigation and other legal matters is always difficult to accurately predict and outcomes that are not consistent with the 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 resolution of one or more of the legal matters currently pending or threatened could have a material adverse effect on its business, results of operations and financial condition.

Commercial litigation

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

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

In 2003, Fresenius Medical Care reached agreement with the asbestos creditors' committees on behalf of the W.R. Grace & Co. bankruptcy estate and W.R. Grace & Co.in the matters pending in the Grace Chapter 11 Proceedings for the settlement of all fraudulent conveyance and tax claims against it and other claims related to Fresenius Medical Care that arise out of the bankruptcy of W.R. Grace & Co. Under the terms of the settlement agreement as amended (Settlement Agreement), fraudulent conveyance and other claims raised on behalf of asbestos claimants will be dismissed with prejudice and Fresenius Medical Care will receive protection against existing and potential future W.R. Grace & Co. related claims, including fraudulent conveyance and asbestos claims, and indemnification against income tax claims related to the non-NMC members of the W.R. Grace & Co. consolidated tax group upon confirmation of a W.R. Grace & Co. bankruptcy reorganization plan that contains such provisions. Under the Settlement Agreement, Fresenius Medical Care will pay a total of US$ 115 million without interest to the W.R. Grace & Co. bankruptcy estate, or as otherwise directed by the Court, upon plan confirmation.

No admission of liability has been or will be made. The Settlement Agreement has been approved by the U.S. District Court. Subsequent to the Merger, W.R. Grace & Co. was involved in a multi-step transaction involving Sealed Air Corporation (Sealed Air, formerly: Grace Holding, Inc.). Fresenius Medical Care is engaged in litigation with Sealed Air to confirm its entitlement to indemnification from Sealed Air for all losses and expenses incurred by Fresenius Medical Care relating to pre-Merger tax liabilities and Merger-related claims. Under the Settlement Agreement, upon confirmation of a plan that satisfies the conditions of Fresenius Medical Care's payment obligation, this litigation will be dismissed with prejudice.

On April 4, 2003, FMCH filed a suit in the U.S. District Court for the Northern District of California, styled Fresenius USA, Inc., et al., v. Baxter International, Inc., et al., Case

No. C 03-1431, seeking a declaratory judgment that FMCH does not infringe patents held by Baxter International, Inc. and its subsidiaries and affiliates (Baxter), that the patents are invalid, and that Baxter is without right or authority to threaten or maintain suit against FMCH for alleged infringement of Baxter's patents. In general, the alleged patents concern the use of touch screen interfaces for hemodialysis machines. Baxter filed counterclaims against FMCH seeking more than US$ 140 million in monetary damages and injunctive relief, and alleging that FMCH willfully infringed on Baxter's patents. On July 17, 2006, the court entered judgment on a jury verdict in favor of FMCH finding that all the asserted claims of the Baxter patents are invalid as obvious and/or anticipated in light of prior art. On February 13, 2007, the court granted Baxter's motion to set aside the jury's verdict in favor of FMCH and reinstated the patents and entered judgment of infringement. Following a trial on damages, the court entered judgment on November 6, 2007 in favor of Baxter on a jury award of US$ 14.3 million. On April 4, 2008, the court denied Baxter's motion for a new trial, established a royalty payable to Baxter of 10 % of the sales price for continuing sales of FMCH's 2008K hemodialysis machines and 7 % of the sales price of related disposables, parts and service beginning November 7, 2007, and enjoined sales of the 2008K machine effective January 1, 2009. Fresenius Medical Care has appealed the court's rulings to the Court of Appeals for the Federal Circuit. Fresenius Medical Care is confident that it will prevail on appeal or as a result of the pending U.S. Patent and Trademark Office re-examinations of the underlying Baxter patents and has made no provision in its financial statements for any potential liability in this matter. If Fresenius Medical Care is unsuccessful on all appeals, including any appeal of the royalty, the royalties payable to Baxter on the machines and disposable supplies that are subject to the court's order will be approximately US$ 56 million for sales through December 31, 2008 and are estimated to be in the range of US$ 2 million to US$ 3 million per month thereafter. In the interim period until its appeal is decided, Fresenius Medical Care is funding a court-approved escrow account at the royalty rates noted above. If Fresenius Medical Care wins the appeal, the escrowed funds will be returned to it with interest. In October 2008, Fresenius Medical Care completed design modifications to the 2008K machine that are expected to eliminate any incremental hemodialysis machine royalty payment exposure under the court order and permit the continued sale of the modified machine in compliance with the injunction, irrespective of the outcome of Fresenius Medical Care's appeals.

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

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

Two patent infringement actions have been pending in Germany between Gambro Industries (Gambro) on the one side and Fresenius Medical Care Deutschland GmbH (FMC D-GmbH) and Fresenius Medical Care AG & Co. KGaA on the other side (hereinafter collectively: Fresenius Medical Care). Gambro herein alleged patent infringements by Fresenius Medical Care concerning a patent on a device for the preparation of medical solutions. The first case was dismissed as being unfounded. Such decision has already become final. In the second case, the District Court of Mannheim rendered a judgment on June 27, 2008 deciding in favor of Gambro and declaring that Fresenius Medical Care has infringed a patent. Accordingly, the court ordered Fresenius Medical Care to pay compensation (to be determined in a separate court proceeding) for alleged infringement and to stop offering the alleged patent infringing technology in its original form in Germany. FMC D-GmbH brought an invalidity action in the Federal German Patent Court (BPatG) against Gambro's patent. This case is currently pending with the Federal Court of Justice as the court of appeal. Fresenius Medical Care has also filed an appeal against the District Court's verdict. On January 5, 2009, Gambro enforced such verdict provisionally by way of security. However, preceding such enforcement Fresenius Medical Care had already developed design modifications, being an alternative technical solution, and replaced the alleged patent infringing technology in all of the affected devices. In view of the pending appeal against BPatG's verdict and Fresenius Medical Care's appeal against the District Court's verdict, Fresenius Medical Care continues to believe that the alleged patent infringing technology does not infringe any valid patent claims of Gambro. Therefore, Fresenius Medical Care has made no provision in the financial statements for any potential liability in this matter.

Other litigation and potential exposures

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

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

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

On November 27, 2007, the United States District Court for the Western District of Texas (El Paso) unsealed and permitted service of two complaints previously filed under seal by a qui tam relator, a former FMCH local clinic employee (qui tam is a legal provision under the United States False Claims Act, which allows for private individuals to bring suit on behalf of the U.S. federal government, as far as such individuals believe to have knowledge of presumable fraud committed by third parties). The first complaint alleges that a nephrologist unlawfully employed in his practice an assistant to perform patient care tasks that the assistant was not licensed to perform and that Medicare billings by the nephrologist and FMCH therefore violated the False Claims Act. The second complaint alleges that FMCH unlawfully retaliated against the relator by discharging her from employment constructively. The United States Attorney for the Western District of Texas declined to intervene and to prosecute on behalf of the United States. Litigation on the relator's complaint is continuing.

On June 25, 2009, FMCH received a subpoena from the U.S. Department of Justice, U.S. Attorney for the District of Massachusetts. The subpoena seeks information relating to the results of certain laboratory tests ordered for patients treated in FMCH's dialysis facilities during the years 2004 through 2009. Fresenius Medical Care intends to cooperate fully in the government's investigation.

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.

Accrued special charge of Fresenius Medical Care for legal matters

At December 31, 2001, Fresenius Medical Care recorded a pre-tax special charge of US$ 258 million to reflect anticipated expenses associated with the defense and resolution of pre-Merger tax claims, Merger-related claims, and commercial insurer claims. The costs associated with the Settlement Agreement and settlements with insurers have been charged against this accrual. With the exception of the proposed US$ 115 million (€ 81 million) payment under the Settlement Agreement, all other matters included in the special charge have been resolved. While Fresenius Medical Care believes that its remaining accrual reasonably estimates its currently anticipated costs related to the continued defense and resolution of this matter, no assurances can be given that its actual costs incurred will not exceed the amount of this accrual.

17. FINANCIAL INSTRUMENTS

VALUATION OF FINANCIAL INSTRUMENTS

Estimation of fair values of financial instruments

The significant methods and assumptions used to estimate the fair values of financial instruments are as follows:

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

The nominal values of short-term financial instruments like accounts receivable and payable and short-term borrowings represent their carrying amounts, which are reasonable estimates of the fair value due to the relatively short period to maturity of these instruments.

The fair values of senior notes and trust preferred securities are based on market prices and quotes as of the date of the statement of financial position. The fair values of other fixed-rate financial liabilities, for which market quotes are not available, are calculated as present value of the respective future cash flows. To determine these present values, the prevailing interest rates and credit spreads for the Fresenius Group as of the date of the statement of financial position are used.

The fair values of financial liabilities with floating interest rates approximate their nominal values as the interest rates for these liabilities are predominantly updated every three months with interest rates reflecting actual market conditions at the time of update.

The carrying amounts of derivatives embedded in the MEB and the CVR correspond with their fair values. The embedded derivatives have to be measured at fair value, which is estimated based on a Black-Scholes model. The CVR are traded at the stock exchange in the United States and are therefore valued with the current stock exchange price at the reporting date.

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.

Under FAS 157, the Fresenius Group is required to take into account credit risks when measuring the fair value of derivative financial instruments. In accordance with these requirements, the Fresenius Group's own credit risk is incorporated in the fair value estimation of interest rate derivatives that are liabilities. However, for foreign exchange forward derivatives that are liabilities, due to the relatively short term of the contracts, the Fresenius Group did not take into account its own credit risk in the fair value estimation. Counterparty credit-risk adjustments are negligible due to the high credit ratings of the counterparties and are therefore not factored into the valuation of derivatives that are assets.

Fair value of financial instruments

The following table presents the carrying amounts and fair values of the Group's financial instruments as of June 30, 2009 and December 31, 2008:

	June 30, 2009		December 31, 2008	
in million €	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Cash and cash equivalents	**361**	**361**	370	370
Assets recognized at carrying amount	**2,572**	**2,572**	2,499	2,499
Assets recognized at fair value	**45**	**45**	8	8
Liabilities recognized at carrying amount	**9,957**	**9,953**	9,903	9,793
Liabilities recognized at fair value	**31**	**31**	41	41
Derivatives for hedging purposes	**-118**	**-118**	-160	-160

The assets recognized at fair value solely consist of the derivatives embedded in the MEB. The liabilities recognized at fair value correspond to the CVR. Derivatives for hedging purposes as well as derivatives embedded in the MEB were recognized at gross values as other assets in an amount of € 104 million and other liabilities in an amount of € 177 million.

For the fair value measurement of derivatives for hedging purposes and derivatives embedded in the MEB, significant other observable inputs are used. Therefore, they are classified as Level 2 in accordance with the fair value hierarchy levels established in FAS 157. The valuation of the CVR is based on the current stock exchange price, they are therefore classified as Level 1.

Fair values of derivative financial instruments

	June 30, 2009	
in million €	**Assets**	**Liabilities**
Derivatives designated as hedging instruments		
Interest rate contracts (current)	–	6
Interest rate contracts (non-current)	0	143
Foreign exchange contracts (current)	16	18
Foreign exchange contracts (non-current)	20	–
Derivatives designated as hedging instruments [1]	**36**	**167**
Derivatives not designated as hedging instruments		
Foreign exchange contracts (current) [1]	23	10
Foreign exchange contracts (non-current) [1]	0	–
Derivatives embedded in the MEB (non-current)	45	0
Derivatives not designated as hedging instruments	**68**	**10**

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

The carrying amounts of derivative financial instruments are equal to the respective fair values at reporting date.

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

The current portions of interest rate contracts and foreign exchange contracts indicated as assets in the table above are recognized as prepaid expenses and other current assets in the statement of financial position while the current portions of those indicated as liabilities are included in short-term accrued expenses and other short-term liabilities. The non-current portions indicated as assets or liabilities are recognized as other non-current assets or as long-term accrued expenses and other long-term liabilities, respectively. The derivatives embedded in the MEB are recognized as other non-current assets.

Effect of derivative instruments designated as hedging instruments on the Statement of Financial Performance

	H1/2009		
in million €	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 income
Derivatives in cash flow hedging relationships			
Interest rate contracts	4	-2	0
Foreign exchange contracts	-10	–	–
Derivatives in cash flow hedging relationships[1]	**-6**	**-2**	**–**
Derivatives in fair value hedging relationships			
Foreign exchange contracts			17
Derivatives in fair value hedging relationships			**17**
Derivatives designated as hedging instruments	**-6**	**-2**	**17**

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

Gains from derivatives in fair value hedging relationships recognized in income are faced by losses from the underlying transactions in the same amount.

Effect of derivative instruments not designated as hedging instruments on the Statement of Financial Performance

	H1/2009
in million €	Gain or loss recognized in income
Foreign exchange contracts	-5
Derivatives embedded in the MEB	33
Derivatives not designated as hedging instruments	**28**

The Fresenius Group expects to recognize a net amount of € -4 million of the existing gains and losses deferred in accumulated other comprehensive income (loss) in earnings within the next 12 months.

Gains and losses resulting from interest rate contracts (recognized in income) are recognized as net interest in the consolidated statement of income. Gains and losses from foreign exchange contracts and the corresponding underlying transactions are accounted as cost of sales, selling, general and administrative expenses and net interest. The position other financial result in the consolidated statement of income includes gains and losses from the valuation of the derivatives embedded in the MEB (see Note 4, Other financial result).

MARKET RISK

General

The Fresenius Group is exposed to effects related to foreign exchange fluctuations in connection with its international business activities that are denominated in various currencies. In order to finance its business operations, the Fresenius Group issues senior notes, trust preferred securities 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 items in the statement of financial position bearing fixed interest rates.

In order to manage the risks 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 used 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 reasonable market rates. Depending on the individual benchmarks, hedging strategies are determined and implemented.

Derivative financial instruments

Foreign exchange risk management

Solely for the purpose of hedging foreign exchange transaction exposures, the Fresenius Group enters into foreign exchange forward contracts and, on a small scale, foreign exchange options. As of June 30, 2009, the notional amounts of foreign exchange contracts were € 1,549 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 is recognized as cash flow hedge while foreign exchange contracts regarding loans in foreign currency are partly recognized as fair value hedges. The fair values of the cash flow hedges and of the fair value hedges were € 1 million and € 17 million, respectively.

As of June 30, 2009, the Fresenius Group was party to foreign exchange contracts with a maximum maturity of 40 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 hedge against interest rate exposures arising from long-term borrowings at variable rates by swapping them into fixed rates.

The Fresenius Group enters into interest rate swaps that are designated as cash flow hedges with a notional volume of US$ 3,550 million (€ 2,512 million) and € 403 million and a fair value of € -149 million, which expire at various dates from 2009 till 2014.

18. SUPPLEMENTARY INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of June 30, 2009, the equity ratio was 34.21 % and the debt ratio 42.28 %. As of June 30, 2009, the net debt/EBITDA ratio (pro forma the acquisition of APP and excluding special items), which is measured on the basis of US GAAP figures, was 3.4.

The aims of the capital management and further information can be found in the consolidated financial statements in the 2008 Annual Report.

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

The following table shows the company rating of Fresenius SE:

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

19. NOTES ON SEGMENT REPORTING

GENERAL

The segment reporting shown on pages 23 and 24 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, 2009.

The business segments were identified in accordance with FAS 131 (Disclosures about Segments of an Enterprise and Related Information), which defines the segment reporting requirements in the annual financial statements and interim reports with regard to the operating business, product and service businesses and regions. The business segments of the Fresenius Group are as follows:

Fresenius Medical Care is the world's leading provider of dialysis products and dialysis care for the life-saving treatment of patients with chronic kidney failure. Fresenius Medical Care treats 190,081 patients in its 2,471 own dialysis clinics.

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

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

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

The segment Corporate/Other mainly comprises the holding functions of Fresenius SE as well as Fresenius Netcare GmbH, which provides services in the field of information technology as well as Fresenius Biotech, which does not fulfill the characteristics of a reportable segment. In addition, the segment Corporate/Other includes intersegment consolidation adjustments as well as special items regarding the fair value valuation of the MEB and the CVR.

NOTES ON THE BUSINESS SEGMENTS

Explanations regarding the notes on the business segments can be found in the consolidated financial statements in the 2008 Annual Report.

Reconciliation of key figures to consolidated income

in million €	H1/2009	H1/2008
Total EBIT of reporting segments	**1,009**	807
General corporate expenses Corporate/Other (EBIT)	**-24**	-26
Group EBIT	**985**	781
Net interest	**-294**	-167
Other financial result	**43**	0
Income before income taxes	**734**	614

Reconciliation of net debt with the consolidated statement of financial position

in million €	June 30, 2009	December 31, 2008
Short-term borrowings	**419**	729
Short-term liabilities and loans from related parties	**2**	2
Current portion of long-term debt and liabilities from capital lease obligations	**369**	431
Current portion of Senior Notes	**0**	100
Long-term debt and liabilities from capital lease obligations, less current portion	**5,537**	5,716
Senior Notes, less current portion	**2,074**	1,354
Trust preferred securities of Fresenius Medical Care Capital Trusts	**458**	455
Debt	**8,859**	8,787
less cash and cash equivalents	**361**	370
Net debt	**8,498**	8,417

According to the definitions in the underlying agreements, the MEB and the CVR are not categorized as debt.

20. STOCK OPTIONS

FRESENIUS SE STOCK OPTION PLANS

On June 30, 2009, Fresenius SE had three stock option plans in place; the Fresenius AG stock option based plan of 1998 (1998 Plan), the Fresenius AG Stock Option Plan 2003 (2003 Plan) which is based on convertible bonds and the stock option based Fresenius SE Stock Option Plan 2008 (2008 Plan). The latter is currently the only plan under which stock options can be granted.

Transactions during the first half of 2009

During the first half of 2009, Fresenius SE received cash of € 0.2 million from the exercise of 35,508 stock options.

At June 30, 2009, out of 571,928 outstanding and exercisable options issued under the 1998 Plan, 25,800 were held by the members of the Fresenius SE Management Board. The number of outstanding stock options issued under the 2003 Plan was 2,976,412, of which 1,247,070 were exercisable. The members of the Fresenius SE Management Board held 514,500 options. Out of 1,097,602 outstanding stock options issued under the 2008 Plan, 180,600 were held by the members of the Fresenius SE Management Board.

At June 30, 2009, 909,499 options for ordinary shares and 909,499 options for preference shares were outstanding and exercisable.

At June 30, 2009, total unrecognized compensation costs related to non-vested options granted under the 2003 Plan and the 2008 Plan were € 15 million. These costs are expected to be recognized over a weighted-average period of 1.9 years.

21. RELATED PARTY TRANSACTIONS

Dr. Gerhard Rupprecht, a member of the Supervisory Board of Fresenius SE, is a member of the management board of Allianz SE and the chairman of the management board of Allianz Deutschland AG. Dr. Franceso De Meo, member of the Management Board of Fresenius SE, is a member of the supervisory board of Allianz Private Krankenversicherungs-AG. In the first half of 2009, the Fresenius Group paid € 3 million for insurance premiums to Allianz.

Dr. Dieter Schenk, deputy chairman of the Supervisory Board of Fresenius SE, is a partner in the law firm Nörr Stiefenhofer Lutz that provides legal services to the Fresenius Group. In the first half of 2009, the Fresenius Group paid this law firm € 0.4 million for services rendered.

Klaus-Peter Müller, a member of the Supervisory Board of Fresenius SE, is the chairman of the supervisory board of Commerzbank AG. The Fresenius Group keeps business accounts with Commerzbank under customary conditions.

22. SUBSEQUENT EVENTS

There were no significant changes in the Group position or environment sector between the end of the first half of 2009 and the date when the financial statements were issued on August 7, 2009. At present, the Fresenius Group is not planning to carry out any significant changes in its structure, administration or legal form or in the area of personnel.

23. 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.

24. 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 management report of the Group 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 7, 2009

The Management Board

Dr. U. M. Schneider R. Baule Dr. F. De Meo

Dr. J. Götz Dr. B. Lipps S. Sturm Dr. E. Wastler

FINANCIAL CALENDAR

Report on 1st – 3rd quarters 2009 Conference call Live webcast	November 3, 2009

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Management Board: Dr. Ulf M. Schneider (President and CEO), Rainer Baule, Dr. Francesco De Meo, Dr. Jürgen Götz, Dr. Ben Lipps, Stephan Sturm, Dr. Ernst Wastler
Chairman of the Supervisory Board: Dr. Gerd Krick