FRESENIUS

Quarterly Financial Report of Fresenius Group

applying United States Generally Accepted Accounting Principles

(U.S. GAAP)

1st–3rd Quarter and 3rd Quarter 2010

CONTENT

This Quarterly Financial Report was published on November 5, 2010.

FRESENIUS GROUP FIGURES AT A GLANCE

Fresenius is a health care group providing products and services for dialysis, hospitals and the medical care of patients at home. In addition, Fresenius focuses on hospital operation, as well as on engineering and services for hospitals and other health care facilities. In 2009, group sales were approximately €14.2 billion. On September 30, 2010, more than 136,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

EARNINGS

€ in millions	Q3/2010	Q3/2009	Change	Q1–3/2010	Q1–3/2009	Change
Sales	4,135	3,534	17%	11,821	10,429	13%
EBIT	655	511	28%	1,776	1,496	19%
Net income [1]	193	128	51%	495	368	35%
Earnings per ordinary share in € [1]	1.20	0.79	51%	3.06	2.28	34%
Earnings per preference share in € [1]	1.20	0.79	51%	3.07	2.29	34%
Operating cash flow	541	520	4%	1,346	1,120	20%

BALANCE SHEET

€ in millions	Sept. 30, 2010	Dec. 31, 2009	Change
Total assets	22,734	20,882	9%
Non-current assets	16,342	15,519	5%
Equity	8,521	7,652	11%
Net debt	7,955	7,879	1%
Investments [2]	717	628	14%

RATIOS

€ in millions	Q3/2010	Q3/2009	Q1–3/2010	Q1–3/2009
EBITDA margin	19.7%	18.4%	19.0%	18.3%
EBIT margin	15.8%	14.5%	15.0%	14.3%
Depreciation and amortization in % of sales	3.9	4.0	4.0	4.0
Operating cash flow in % of sales	13.1	14.7	11.4	10.7
Equity ratio (September 30/December 31)			37.5%	36.6%
Net debt/EBITDA (September 30/December 31)			2.70	3.01

[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] Investments in property, plant and equipment and intangible assets, acquisitions (Q1–3). Does not include a €100 million cash out for a short-term bank deposit by Fresenius Medical Care in 2010.

INFORMATION ON THE BUSINESS SEGMENTS

FRESENIUS MEDICAL CARE – Dialysis products, Dialysis care

US$ in millions	Q1–3/2010	Q1–3/2009	Change
Sales	**8,886**	8,212	8%
EBIT	**1,385**	1,265	10%
Net income [1]	**707**	645	10%
Operating cash flow	**1,027**	880	17%
Investments/Acquisitions [2]	**612**	510	20%
R & D expenses	**67**	65	4%
Employees, per capita on balance sheet date (Sept. 30/Dec. 31)	**76,640**	71,617	7%

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

€ in millions	Q1–3/2010	Q1–3/2009	Change
Sales	**2,723**	2,274	20%
EBIT	**557**	441	26%
Net income [3]	**228**	136	68%
Operating cash flow	**378**	311	22%
Investments/Acquisitions	**123**	92	34%
R & D expenses	**102**	90	13%
Employees, per capita on balance sheet date (Sept. 30/Dec. 31)	**22,573**	21,872	3%

FRESENIUS HELIOS – Hospital operation

€ in millions	Q1–3/2010	Q1–3/2009	Change
Sales	**1,840**	1,768	4%
EBIT	**172**	152	13%
Net income [4]	**98**	82	20%
Operating cash flow	**225**	186	21%
Investments/Acquisitions	**113**	149	-24%
Employees, per capita on balance sheet date (Sept. 30/Dec. 31)	**33,355**	33,364	0%

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

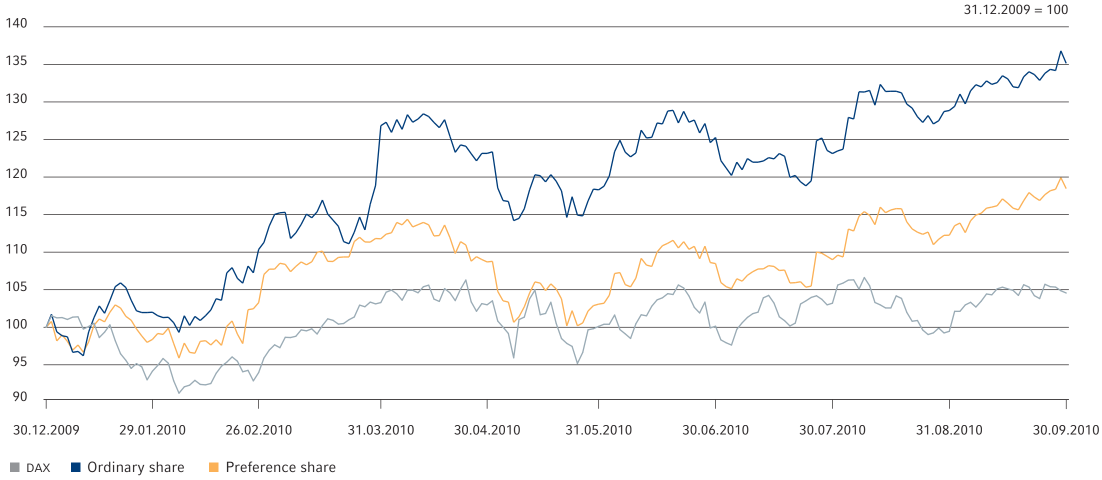
€ in millions	Q1–3/2010	Q1–3/2009	Change
Sales	**517**	393	32%
EBIT	**24**	15	60%
Net income [5]	**18**	13	38%
Operating cash flow	**7**	33	-79%
Investments/Acquisitions	**7**	3	133%
Order intake	**418**	313	34%
Employees, per capita on balance sheet date (Sept. 30/Dec. 31)	**3,060**	2,849	7%

[1] Net income attributable to Fresenius Medical Care AG & Co. KGaA.
[2] Does not include a US$131 million cash out for a short-term bank deposit in 2010.
[3] Net income attributable to Fresenius Kabi AG.
[4] Net income attributable to HELIOS Kliniken GmbH.
[5] Net income attributable to VAMED AG.

FRESENIUS SHARES

In the first three quarters of the year, the Fresenius shares significantly outperformed the DAX. The ordinary shares increased by 35% and the preference shares by 18% as of September 30, 2010. The DAX grew by 5%.

RELATIVE SHARE PRICE PERFORMANCE VS. DAX



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

	Q1–3/2010	2009	Change
Ordinary share			
Number of shares (September 30/December 31)	**80,988,642**	80,657,688	
Quarter-end quotation in €	**58.72**	43.45	35%
High in €	**59.44**	43.76	36%
Low in €	**41.80**	27.69	51%
Ø Trading volume (number of shares per trading day)	**60,572**	70,012	-13%
Preference share			
Number of shares (September 30/December 31)	**80,988,642**	80,657,688	
Quarter-end quotation in €	**59.24**	50.01	18%
High in €	**59.97**	50.01	20%
Low in €	**47.96**	31.40	53%
Ø Trading volume (number of shares per trading day)	**383,764**	500,509	-23%
Market capitalization, € in millions (September 30/December 31)	**8,789**	7,538	27%

MANAGEMENT REPORT

All business segments continued their strong first-half sales and earnings growth and achieved excellent results in the third quarter. We are particularly pleased with the development of our 2008 acquisition APP Pharmaceuticals and expect the company to be accretive to Group EPS in 2010. The Group's EBIT margin for the first three quarters increased to 15%. We are on track to reach our mid-term 15% stretch EBIT margin target for the full year 2010.

FRESENIUS REPORTS EXCELLENT SALES AND EARNINGS GROWTH – RAISES OUTLOOK

- Strong sales and earnings growth in all business segments
- Group EBIT margin reaches 15%
- Net debt/EBITDA ratio improved to 2.7
- All business segments raise or fully confirm 2010 guidance
- 2010 Group outlook[1] raised

	Q1–3/2010	at actual rates	in constant currency
Sales	**€11.8 bn**	13%	10%
EBIT	**€1.8 bn**	19%	15%
Net income[1]	**€495 m**	35%	30%

HEALTH CARE INDUSTRY

The health care sector continues to be one of the most stable industries and is characterized by its relative insensitivity to economic fluctuations compared to other sectors. The main growth factors for this market are the rising medical needs, stronger demand for innovative products and therapies, advances in medical technology and growing health consciousness, which increases the demand for health care services and facilities.

In the emerging countries additional drivers are the expanding availability and correspondingly greater demand for primary health care, increasing national incomes and hence higher spending on 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 steadily rising health care expenditures. Outdated health care structures are increasingly being overhauled and market-based elements introduced into the health care system. The aim is to create new incentives for cost and quality-conscious behavior. Quality of treatment plays a crucial role in optimizing medical results and reducing overall treatment costs. In addition, ever greater importance is being placed on disease prevention and innovative reimbursement models where quality of treatment is the key parameter.

[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) related to the acquisition of APP Pharmaceuticals. Both are non-cash items.

RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

SALES

Group sales increased by 13% at actual rates and by 10% in constant currency to €11,821 million (Q1–3 2009: €10,429 million). Organic sales growth was 9%. Acquisitions contributed a further 1%. Currency translation had a positive effect of 3%.

In Europe, sales grew by 8% in constant currency, with organic sales growth contributing 7%. In North America, sales grew by 11% in constant currency. Organic sales growth was 10%. Organic growth rates in the emerging markets reached 11% in Latin America and 7% in Asia-Pacific. Organic sales growth in Asia-Pacific was impacted by the volatility of Fresenius Vamed's project business.

EARNINGS

Group EBITDA increased by 17% at actual rates and by 13% in constant currency to €2,244 million (Q1–3 2009: €1,911 million). Group EBIT increased by 19% at actual rates and by 15% in constant currency to €1,776 million (Q1–3 2009: €1,496 million). The EBIT margin increased by 70 basis points to 15.0% (Q1–3 2009: 14.3%). All business segments contributed to the excellent earnings growth.

Group net interest improved to -€424 million (Q1–3 2009: -€439 million).

The other financial result was -€98 million and includes valuation changes of the fair redemption value of the Mandatory Exchangeable Bonds (MEB) of -€131 million and the Contingent Value Rights (CVR) of €33 million. Both are non-cash items.

The Group tax rate[1] was 32.2% (Q1–3 2009: 30.8%). The tax rate in the first three quarters of 2009 was influenced by a revaluation of a tax claim at Fresenius Medical Care.

Noncontrolling interest increased to €421 million (Q1–3 2009: €363 million), of which 94% was attributable to the noncontrolling interest in Fresenius Medical Care.

Group net income[2] increased by 35% at actual rates and by 30% in constant currency to €495 million (Q1–3 2009: €368 million). Earnings per ordinary share increased to €3.06 and earnings per preference share to €3.07 (Q1–3 2009:

SALES BY REGION

€ in millions	**Q1–3/2010**	Q1–3/2009	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/ Divestitures	% of total sales
Europe	**4,786**	4,409	9%	1%	8%	7%	1%	41%
North America	**5,275**	4,571	15%	4%	11%	10%	1%	44%
Asia-Pacific	**947**	799	19%	10%	9%	7%	2%	8%
Latin America	**592**	467	27%	14%	13%	11%	2%	5%
Africa	**221**	183	21%	8%	13%	12%	1%	2%
Total	**11,821**	10,429	13%	3%	10%	9%	1%	100%

SALES BY BUSINESS SEGMENT

€ in millions	**Q1–3/2010**	Q1–3/2009	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/ Divestitures	% of total sales
Fresenius Medical Care	**6,758**	6,010	12%	4%	8%	6%	2%	57%
Fresenius Kabi	**2,723**	2,274	20%	6%	14%	13%	1%	23%
Fresenius Helios	**1,840**	1,768	4%	0%	4%	5%	-1%	16%
Fresenius Vamed	**517**	393	32%	0%	32%	31%	1%	4%

[1] Adjusted for the effect of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) related 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. Both are non-cash items.

ordinary share €2.28; preference share €2.29). This represents an increase of 34% for both share classes.

RECONCILIATION TO ADJUSTED EARNINGS

The Group's U.S. GAAP financial results as of September 30, 2010 and as of September 30, 2009 include the effects of mark-to-market accounting of the Mandatory Exchangeable Bonds (MEB) and the Contingent Value Rights (CVR) related 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.

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 net income or expenses on a quarterly basis until maturity of the instruments.

Net income[2] (including special items) grew to €435 million, or €2.69 per ordinary share and €2.70 per preference share.

INVESTMENTS

The Fresenius Group spent €494 million on property, plant and equipment (Q1–3 2009: €442 million). Acquisition spending was €223 million (Q1–3 2009: €186 million).

CASH FLOW

Operating cash flow increased by 20% to €1,346 million (Q1–3 2009: €1,120 million), mainly driven by strong earnings growth and tight working capital management. The cash flow margin improved to 11.4% (Q1–3 2009: 10.7%). Net capital expenditure was €491 million (Q1–3 2009: €446 million). Free cash flow before acquisitions and dividends improved by 27% to €855 million (Q1–3 2009: €674 million). Free cash flow after acquisitions and dividends was €348 million (Q1–3 2009: €251 million).

RECONCILIATION

	Net income			
€ in millions	**Q3/2010**	Q3/2009	**Q1–3/2010**	Q1–3/2009
Net income[1]	**193**	128	**495**	368
Other financial result:				
Mandatory Exchangeable Bonds (mark-to-market)	**-10**	-26	**-93**	-2
Contingent Value Rights (mark-to-market)	**12**	-37	**33**	-27
Earnings according to U.S. GAAP[2]	**195**	65	**435**	339

EARNINGS

€ in millions	**Q3/2010**	Q3/2009	**Q1–3/2010**	Q1–3/2009
EBIT	**655**	511	**1,776**	1,496
Net income[1]	**193**	128	**495**	368
Net income[2]	**195**	65	**435**	339
Basic earnings per ordinary share in €[1]	**1.20**	0.79	**3.06**	2.28
Basic earnings per ordinary share in €[2]	**1.21**	0.41	**2.69**	2.10
Basic earnings per preference share in €[1]	**1.20**	0.79	**3.07**	2.29
Basic earnings per preference share in €[2]	**1.21**	0.41	**2.70**	2.11

[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. Both are non-cash items.
[2] Net income attributable to Fresenius SE.
[3] Does not include a €100 million cash out for a short-term bank deposit by Fresenius Medical Care in 2010.

ASSET AND LIABILITY STRUCTURE

The Fresenius Group's total assets grew by 9% to €22,734 million (Dec. 31, 2009: €20,882 million). In constant currency, the increase was 5%. Current assets increased by 19% at actual rates and by 15% in constant currency to €6,392 million (Dec. 31, 2009: €5,363 million). Non-current assets grew by 5% at actual rates and by 1% in constant currency to €16,342 million (Dec. 31, 2009: €15,519 million).

Total shareholders' equity increased by 11% at actual rates to €8,521 million (Dec. 31, 2009: €7,652 million). In constant currency, total shareholders' equity grew by 6%. The equity ratio improved by 90 basis points to 37.5% (Dec. 31, 2009: 36.6%).

Group debt grew by 4% at actual rates to €8,615 million (Dec. 31, 2009: €8,299 million). In constant currency, Group debt remained close to the previous year's level. Net debt increased by 1% to €7,955 million (Dec. 31, 2009: €7,879 million). At constant currency, net debt was reduced by 3%.

Due to the strong earnings growth and cash flow development, the net debt/EBITDA ratio improved to 2.70 as of September 30, 2010 (Dec. 31, 2009: 3.01). For the net debt/EBITDA leverage calculation, net debt is translated at the currency spot rates as of September 30, whereas EBITDA is translated at the average exchange rates of the last twelve months. At identical exchange rates for net debt and EBITDA, the ratio was at 2.71. Within only two years, Fresenius has strongly improved its leverage ratio. In Q3 2008, immediately following the acquisition of APP Pharmaceuticals, the ratio was 3.7.

THIRD QUARTER OF 2010

Group sales increased by 17% at actual rates to €4,135 million (Q3 2009: €3,534 million). In constant currency, sales increased by 9%. Organic sales growth was 8%.

EBIT increased by 28% at actual rates to €655 million (Q3 2009: €511 million). In constant currency, EBIT increased by 19%. Group net income[1] rose by 51% to €193 million (Q3 2009[1]: €128 million). In constant currency, growth of 41% was achieved. Earnings per share[1] increased by 51% to €1.20 both per ordinary share and per preference share (Q3 2009[1]: earnings per ordinary share €0.79; earnings per preference share €0.79). In constant currency, both share classes improved by 41%. Group net income[2] including special items was €195 million or €1.21 both per ordinary share and per preference share.

Investments in property, plant and equipment were €174 million (Q3 2009: €159 million). Acquisition spending was €72 million (Q3 2009: €30 million). More than 98% of the acquisition spending relates to Fresenius Medical Care.

INVESTMENTS BY BUSINESS SEGMENT

€ in millions	**Q1–3/2010**	Q1–3/2009	thereof property, plant and equipment	thereof acquisitions	Change	% of total
Fresenius Medical Care[3]	**465**	373	266	199	25%	65%
Fresenius Kabi	**123**	92	100	23	34%	17%
Fresenius Helios	**113**	149	112	1	-24%	16%
Fresenius Vamed	**7**	3	7	0	133%	1%
Corporate/Other	**9**	11	9	0	-18%	1%
Total	**717**	628	494	223	14%	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. Both are non-cash items.
[2] Net income attributable to Fresenius SE.
[3] Does not include a €100 million cash out for a short-term bank deposit by Fresenius Medical Care in 2010.

CASH FLOW STATEMENT (SUMMARY)

€ in millions	Q1–3/2010	Q1–3/2009	Change
Net income	**856**	702	22%
Depreciation and amortization	**468**	415	13%
Change in accruals for pensions	**16**	16	0%
Cash flow	**1,340**	1,133	18%
Change in working capital	**-54**	-42	-29%
Changes in mark-to-market evaluation of the MEB and the CVR	**60**	29	107%
Operating cash flow	**1,346**	1,120	20%
Property, plant and equipment	**-503**	-459	-10%
Proceeds from the sale of property, plant and equipment	**12**	13	-8%
Free cash flow before acquisitions and dividends	**855**	674	27%
Cash used for acquisitions/proceeds from disposals	**-199**	-160	-24%
Dividends	**-308**	-263	-17%
Free cash flow after acquisitions and dividends	**348**	251	39%
Financial investments	**-100**	0	
Cash provided by/used for financing activities	**-27**	-171	84%
Effect of exchange rates on change in cash and cash equivalents	**19**	-6	--
Net change in cash and cash equivalents	**240**	74	--

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 September 30, 2010, Fresenius Medical Care was treating 210,191 patients in 2,716 dialysis clinics.

US$ in millions	**Q3/2010**	Q3/2009	Change	**Q1–3/2010**	Q1–3/2009	Change
Sales	**3,058**	2,889	6%	**8,886**	8,212	8%
EBITDA	**617**	570	8%	**1,754**	1,599	10%
EBIT	**493**	451	9%	**1,385**	1,265	10%
Net income [1]	**248**	225	10%	**707**	645	10%
Employees				**76,640 (Sep. 30, 2010)**	71,617 (Dec. 31, 2009)	7%

FIRST THREE QUARTERS OF 2010

- Continued excellent sales and earnings growth – EBIT margin increased to 15.6%
- 2010 sales outlook fully confirmed – Earnings outlook improved

Fresenius Medical Care achieved sales growth of 8% to US$8,886 million (Q1–3 2009: US$8,212 million). Organic growth was 6% and acquisitions contributed 2%.

Sales in dialysis care increased by 10% at actual rates and by 9% in constant currency to US$6,716 million (Q1–3 2009: US$6,124 million). Dialysis product sales grew by 4% at actual rates and 3% in constant currency to US$2,170 million (Q1–3 2009: US$2,088 million).

In North America, sales increased by 8% to US$6,058 million (Q1–3 2009: US$5,600 million). Dialysis services revenue increased by 9% to US$5,441 million. Average revenue per treatment for U.S. clinics increased to US$359 in Q3 2010 compared to US$348 for the same quarter in 2009 and US$356 in Q2 2010. This development was principally attributable to reimbursement increases. Sales in dialysis products improved by 2% to US$617 million.

Sales outside North America ("International" segment) grew by 8% at actual rates and by 7% in constant currency to US$2,828 million (Q1–3 2009: US$2,612 million). Sales in dialysis care increased by 13% (12% in constant currency) to US$1,275 million. Dialysis product sales improved by 5% (4% in constant currency) to US$1,553 million.

EBIT increased by 10% to US$1,385 million (Q1–3 2009: US$1,265 million) resulting in an EBIT margin of 15.6% (Q1–3 2009: 15.4%).

In North America, EBIT margin increased to 16.7% (Q1–3 2009: 16.0%). Margin development was favorably influenced by an increase in revenue per treatment as well as the effect of economies of scale.

In the International segment, EBIT margin was 17.0% (Q1–3 2009: 17.5%). EBIT margin was impacted by the devaluation of the Venezuelan bolivar and related charges and by lower gross profit margins of acquired clinics in Europe and Asia-Pacific. It was positively influenced by the effect of economies of scale and favorable currency effects.

Net income [1] increased by 10% to US$707 million (Q1–3 2009: US$645 million).

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

THIRD QUARTER OF 2010

Fresenius Medical Care increased sales by 6% to US$3,058 million (Q3 2009: US$2,889 million). Organic sales growth was 6%. EBIT improved by 9% to US$493 million (Q3 2009: US$451 million). Net income [1] for the third quarter of 2010 was US$248 million, an increase of 10% (Q3 2009: US$225 million).

On August 26, 2010, Fresenius Medical Care announced that it has signed an agreement to acquire Gambro's worldwide peritoneal dialysis business. Fresenius Medical Care is taking advantage of this opportunity to expand its activities in the homecare market, especially in Europe and Asia-Pacific. Completion of the acquisition is still subject to regulatory approvals by the relevant antitrust authorities as well as works council consultations in some jurisdictions.

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 outpatient environments. The company also is a leading provider of medical devices and transfusion technology products.

€ in millions	**Q3/2010**	Q3/2009	Change	**Q1–3/2010**	Q1–3/2009	Change
Sales	**978**	774	26%	**2,723**	2,274	20%
EBITDA	**250**	185	35%	**669**	541	24%
EBIT	**210**	151	39%	**557**	441	26%
Net income [1]	**92**	51	80%	**228**	136	68%
Employees				**22,573 (Sep. 30, 2010)**	21,872 (Dec. 31, 2009)	3%

FIRST THREE QUARTERS OF 2010

- Strong organic sales growth of 13% – EBIT margin increased to 20.5%
- Excellent development in all regions – Continued strong growth in North America in Q3
- 2010 outlook raised

Sales increased by 20% to €2,723 million (Q1–3 2009: €2,274 million). Organic sales growth was strong at 13%. Acquisitions contributed 1%. Currency translation had a positive effect of 6%. This was mainly attributable to the strengthening of the currencies in North America, Brazil and Australia against the euro.

In Europe, sales reached €1,264 million (Q1–3 2009: €1,159 million), driven by 6% organic growth. In North America, sales increased to €730 million (Q1-3 2009: €527 million). Organic sales growth was 31%. In the Asia-Pacific region, Fresenius Kabi achieved organic sales growth of 12% to €436 million (Q1–3 2009: €361 million). Sales in Latin America and Africa increased to €293 million (Q1–3 2009: €227 million), organic sales growth was 10%.

EBIT grew by 26% to €557 million (Q1–3 2009: €441 million). The EBIT margin improved to 20.5% (Q1–3 2009: 19.4%). The EBIT increase was mainly driven by the excellent development in North America, where new product launches and strong demand due to drug shortages continued to have a positive effect. The EBIT includes €8 million for investments in efficiency improvements outside of North America.

Net interest improved to -€212 million (Q1–3 2009: -€231 million). Net income [1] increased by 68% to €228 million (Q1–3 2009: €136 million).

APP Pharmaceuticals (APP) achieved excellent sales growth of 35% to US$853 million (Q1–3 2009: US$632 million). Adjusted EBITDA [2] grew by 30% to US$339 million (Q1–3 2009: US$260 million). EBIT increased by 43% to US$284 million (Q1–3 2009: US$198 million). The EBIT margin improved to 33.3% (Q1–3 2009: 31.3%). In addition to the reported APP earnings, Fresenius Kabi generated EBIT contributions from imported IV drugs distributed by APP in North America.

The number of APP's 2010 product approvals from the FDA (U.S. Food and Drug Administration) has increased to six, following four approvals in the first half of 2010. In addition, Fresenius Kabi Oncology received three approvals from the FDA in 2010.

[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.

Due to the strong results of APP Pharmaceuticals, Fresenius expects the acquisition to be accretive to Group earnings per share in 2010.

Operating cash flow of Fresenius Kabi increased by 22% to €378 million (Q1–3 2009: €311 million). The cash flow margin was 13.9% (Q1–3 2009: 13.7%). Cash flow before acquisitions and dividends grew by 21% to €272 million (Q1–3 2009: €224 million).

THIRD QUARTER OF 2010

In the third quarter of 2010, Fresenius Kabi increased sales by 26% at actual rates and by 18% in constant currency to €978 million (Q3 2009: €774 million). Organic sales growth was 17%. Acquisitions contributed 1% to sales. EBIT grew by 39% to €210 million (Q3 2009: €151 million). EBIT margin was 21,5% (Q3 2009: 19.5%). Fresenius Kabi's net income[1] improved to €92 million (Q3 2009: €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.

FRESENIUS HELIOS

Fresenius Helios is one of the largest private hospital operators in Germany. The HELIOS Kliniken Group owns 61 hospitals, including five maximum care hospitals in Berlin-Buch, Erfurt, Krefeld, Schwerin and Wuppertal. HELIOS treats more than 2 million patients per year, thereof approximately 600,000 inpatients, and operates a total of more than 18,500 beds.

€ in millions	**Q3/2010**	Q3/2009	Change	**Q1–3/2010**	Q1–3/2009	Change
Sales	**617**	604	2%	**1,840**	1,768	4%
EBITDA	**83**	72	15%	**233**	210	11%
EBIT	**62**	52	19%	**172**	152	13%
Net income [1]	**36**	29	24%	**98**	82	20%
Employees				**33,355 (Sep. 30, 2010)**	33,364 (Dec. 31, 2009)	0%

FIRST THREE QUARTERS OF 2010

- EBIT margin increases by 70 basis points to 9.3%
- 2010 sales outlook fully confirmed – EBIT outlook increased

Sales increased by 4% to €1,840 million (Q1–3 2009: €1,768 million). Organic growth was 5%. This was mainly driven by an increase in hospital admissions. The divestiture of one acute care hospital as of January 1, 2010 impacted sales growth by 1%.

EBIT grew by 13% to €172 million (Q1–3 2009: €152 million). The EBIT margin improved to 9.3% (Q1–3 2009: 8.6%). Net income [1] increased by 20% to €98 million (Q1–3 2009: €82 million).

THIRD QUARTER OF 2010

Fresenius Helios reported sales growth of 2% to €617 million in the third quarter of 2010 (Q3 2009: €604 million). Organic sales growth was 3%. EBIT increased by 19% to €62 million (Q3 2009: €52 million). EBIT margin was 10.0% (Q3 2009: 8.6%). Net income [1] improved to €36 million (Q3 2009: €29 million).

[1] Net income attributable to HELIOS Kliniken GmbH.

FRESENIUS VAMED

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

€ in millions	Q3/2010	Q3/2009	Change	Q1–3/2010	Q1–3/2009	Change
Sales	**179**	146	23%	**517**	393	32%
EBITDA	**11**	7	57%	**30**	19	58%
EBIT	**9**	6	50%	**24**	15	60%
Net income [1]	**6**	5	20%	**18**	13	38%
Employees				**3,060 (Sep. 30, 2010)**	2,849 (Dec. 31, 2009)	7%

FIRST THREE QUARTERS OF 2010

- Excellent organic sales growth of 31% – Strong EBIT growth
- 2010 outlook increased

Sales increased by 32% to €517 million (Q1–3 2009: €393 million). Organic sales growth reached 31%. Sales in the project business rose by 44% to €351 million (Q1–3 2009: €244 million). Sales in the service business increased by 11% to €166 million (Q1–3 2009: €149 million).

EBIT increased to €24 million (Q1–3 2009: €15 million). The EBIT margin improved to 4.6% (Q1–3 2009: 3.8%). Net income [1] rose to €18 million (Q1–3 2009: €13 million).

The excellent development of order intake and order backlog continued. Order intake in the project business increased by 34% to €418 million (Q1–3 2009: €313 million). Fresenius Vamed received a turnkey contract for the construction of the general hospital in Bijeljina, Bosnia Herzegovina, with a total order volume of €36 million. Furthermore, the company will deliver medical technical equipment to China and Turkmenistan with a total order volume of €22 million. Order backlog increased by 8% to €736 million (Dec. 31, 2009: €679 million).

THIRD QUARTER OF 2010

Sales increased by 23% to €179 million in the third quarter of 2010 (Q3 2009: €146 million). Organic sales growth was 22%. EBIT was €9 million (Q3 2009: €6 million). EBIT margin was 5.0% (Q3 2009: 4.1%). Net income [1] was €6 million (Q3 2009: €5 million).

[1] Net income attributable to VAMED AG.

EMPLOYEES

As of September 30, 2010, Fresenius employed 136,458 people (Dec. 31, 2009: 130,510). This is an increase of 5%.

EMPLOYEES BY BUSINESS SEGMENT

Number of employees	Sep. 30, 2010	Dec. 31, 2009	Change
Fresenius Medical Care	**76,640**	71,617	7%
Fresenius Kabi	**22,573**	21,872	3%
Fresenius Helios	**33,355**	33,364	0%
Fresenius Vamed	**3,060**	2,849	7%
Corporate/Other	**830**	808	3%
Total	**136,458**	130,510	5%

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 millions	Q1–3/2010	Q1–3/2009	Change
Fresenius Medical Care	**51**	47	9%
Fresenius Kabi	**102**	90	13%
Fresenius Helios	**0**	0	
Fresenius Vamed	**0**	0	
Corporate/Other	**21**	30	-30%
Total	**174**	167	4%

Fresenius focuses its R&D efforts on its core competencies:

- Dialysis
- Infusion and nutrition therapies, generic IV drugs, and medical devices
- Antibody therapies

DIALYSIS

Fresenius Medical Care focuses its research and development strategy on three essential objectives:

- to continuously enhance the quality of life of patients with chronic kidney disease using innovative products and treatment concepts,
- to offer our customers high-quality services while keeping our prices as low as possible, and,
- on this basis, to continue to expand our global leadership in the dialysis market.

In the first three quarters of 2010, Fresenius Medical Care expanded its activities in its key areas of strategic development.

INFUSION THERAPIES, GENERIC IV DRUGS, AND MEDICAL DEVICES

Fresenius Kabi is focused on developing products that significantly support medical advancements in the acute and post-acute treatment of critically and chronically ill patients and on helping to improve their quality of life. At the same time, we want to make high-quality treatments available to patients worldwide.

Our R&D strategy is aligned with this focus:

- develop innovative products in areas where we hold a leading position, such as blood volume replacement and clinical nutrition
- develop new formulations for drugs no longer protected by patent
- continue to develop and refine our existing portfolio of pharmaceuticals and medical devices

A key focus of our R&D work is to expand global distribution of our product portfolio. We continuously apply for authorization to market our products in major sales regions throughout the world.

ANTIBODY THERAPIES

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

The European Commission issued its approval for the intraperitoneal treatment of patients with malignant ascites in April 2009. This approval is valid for all 27 member states of the European Union as well as Iceland, Liechtenstein, and Norway. Removab is the first trifunctional antibody in the world to be approved and is also the first drug for malignant ascites. We began marketing Removab in Germany and Austria in May 2009.

Fresenius Biotech reported sales of approximately €2.1 million with the trifunctional antibody Removab (catumaxomab) in the first three quarters of 2010. As of October 8, 2010, the French Ministry of Health has included Removab in the list of drugs authorized for hospital use. The listing ensures reimbursement of this innovative antibody indicated for the treatment of malignant ascites in hospitals.

In October, Removab was awarded with this year's Galenus von Pergamon Prize in the "Specialist Care" category. The prize honors research and innovative drug development in Germany.

In the first three quarters of 2010, Fresenius Biotech's EBIT was -€21 million (Q1–3 2009: -€32 million).

OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the 2009 annual report, there have been no material changes in Fresenius' overall opportunities and risk situation. In the ordinary course of Fresenius Group's operations, the Fresenius Group is subject to litigation, arbitration and investigations relating to various aspects of its business. The Fresenius Group regularly analyzes current information about such claims for probable losses and provides accruals for such matters, including estimated expenses for legal services, as appropriate.

In addition, we report on legal proceedings, currency and interest risks on pages 40 to 45 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 three quarters of 2010.

OUTLOOK 2010

FRESENIUS GROUP

Based on the Group's excellent financial results in the first three quarters, Fresenius now expects net income[1] to increase by ~20% in constant currency in 2010. Previously, the Company expected net income[1] to increase by 10% to 15% in constant currency. Sales in constant currency are now projected to increase by 8% to 9%. The previous guidance was 7% to 9% in constant currency.

The earnings outlook already includes expected one-time expenses of €18 million to €20 million pre-tax which Fresenius Kabi plans to invest in further efficiency improvements outside of North America in 2010, of which €8 million are included in the third-quarter results.

The net debt/EBITDA ratio is expected to reach a level below 3.0.

FRESENIUS MEDICAL CARE

Based on the strong operational performance in the first three quarters of 2010, Fresenius Medical Care improves its outlook for the full year 2010 and now expects net income[2] to be between US$960 million and US$980 million. Previously, net income was expected in the range of US$950 million to US$980 million. Revenue is still expected to grow to more than US$12 billion.

FRESENIUS KABI

Based on the excellent development in North America, Fresenius Kabi raises its outlook for 2010 and forecasts organic sales growth of ~12%. Previously, organic sales growth was expected at the upper end of the announced 7% to 9% range. The EBIT margin is now projected to reach ~20%. Previously, an EBIT margin between 18.5% and 19% was projected. The guidance already includes expected one-time expenses of €18 million to €20 million pre-tax which Fresenius Kabi plans to invest in further efficiency improvements outside North America in 2010.

[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) related to the acquisition of APP Pharmaceuticals. Both are non-cash items.
[2] Net income attributable to Fresenius Medical Care AG & Co. KGaA.

FRESENIUS HELIOS

Fresenius Helios fully confirms its sales outlook and raises its EBIT outlook for 2010. The company expects to achieve organic sales growth at the upper end of the targeted 3% to 5% range. EBIT is now projected to reach €230 million to €235 million. Previously, the company expected to reach the upper end of the announced €220 million to €230 million range.

FRESENIUS VAMED

Fresenius Vamed increases its outlook for 2010 and expects to grow both sales and EBIT by more than 10%. Previously, the company expected to grow both sales and EBIT at the upper end of the targeted range of 5% to 10%.

FRESENIUS BIOTECH

For 2010, Fresenius Biotech confirms its guidance of an EBIT between -€35 million and -€40 million.

INVESTMENTS

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

EMPLOYEES

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

RESEARCH AND DEVELOPMENT

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

We plan to increase the Group's R&D spending in 2010. We are concentrating our R&D on further improving our products and therapies for the treatment of patients with chronic kidney failure or on broadening their functions. Another focus is infusion and nutrition therapies and the development of generic IV drugs.

In Biotechnology research, we will be focusing on the further clinical development of the antibody Removab.

GROUP FINANCIAL OUTLOOK 2010

	Previous guidance	New guidance
Sales, growth (in constant currency)	7% – 9%	8% – 9%
Net income [1], growth (in constant currency)	10% – 15%	~20%

[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) related to the acquisition of APP Pharmaceuticals. Both are non-cash items.

OUTLOOK 2010 BY BUSINESS SEGMENT

		Previous guidance	New guidance
Fresenius Medical Care	Sales	> US$12 billion	confirmed
	Net income [1]	US$950 m – US$980 m	US$ 960 m – US$980 m
Fresenius Kabi	Sales, growth (organic)	7% – 9%	~12%
	EBIT-margin	18.5% – 19.0%	~20%
Fresenius Helios	Sales, growth (organic)	3% – 5%	confirmed
	EBIT	€220 m – €230 m	€230 m – €235 m
Fresenius Vamed	Sales, growth	5% – 10%	> 10%
	EBIT, growth	5% – 10%	> 10%
Fresenius Biotech	EBIT	- €35 m – - €40 m	confirmed

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

"__" verbal guidance: expected at upper end; Fresenius Biotech expected at lower end

CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

€ in millions	Q3/2010	Q3/2009	Q1–3/2010	Q1–3/2009
Sales	**4,135**	3,534	**11,821**	10,429
Cost of sales	**-2,714**	-2,378	**-7,866**	-7,013
Gross profit	**1,421**	1,156	**3,955**	3,416
Selling, general and administrative expenses	**-706**	-593	**-2,005**	-1,753
Research and development expenses	**-60**	-52	**-174**	-167
Operating income (EBIT)	**655**	511	**1,776**	1,496
Net interest	**-143**	-145	**-424**	-439
Other financial result	**-2**	-73	**-98**	-30
Financial result	**-145**	-218	**-522**	-469
Income before income taxes	**510**	293	**1,254**	1,027
Income taxes	**-164**	-105	**-398**	-325
Net income	**346**	188	**856**	702
Less noncontrolling interest	**151**	123	**421**	363
Net income attributable to Fresenius SE	**195**	65	**435**	339
Earnings per ordinary share in €	**1.21**	0.41	**2.69**	2.10
Fully diluted earnings per ordinary share in €	**1.19**	0.41	**2.65**	2.09
Earnings per preference share in €	**1.21**	0.41	**2.70**	2.11
Fully diluted earnings per preference share in €	**1.19**	0.41	**2.66**	2.10

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

€ in millions	Q3/2010	Q3/2009	Q1–3/2010	Q1–3/2009
Net income	**346**	188	**856**	702
Other comprehensive income (loss)				
Foreign currency translation	**-559**	-137	**241**	-210
Cash flow hedges	**23**	10	**-90**	7
Actuarial gain/losses on defined benefit pension plans	**7**	3	**–**	5
Income taxes related to components of other comprehensive income (loss)	**1**	-5	**20**	-9
Other comprehensive income (loss)	**-528**	-129	**171**	-207
Total comprehensive income (loss)	**-182**	59	**1,027**	495
Comprehensive income (loss) attributable to noncontrolling interest	**-153**	48	**486**	244
Comprehensive income (loss) attributable to Fresenius SE	**-29**	11	**541**	251

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

€ in millions	Sept. 30, 2010	Dec. 31, 2009
Cash and cash equivalents	**660**	420
Trade accounts receivable, less allowance for doubtful accounts	**2,894**	2,509
Accounts receivable from and loans to related parties	**20**	26
Inventories	**1,398**	1,235
Other current assets	**1,052**	893
Deferred taxes	**368**	280
I. Total current assets	**6,392**	5,363
Property, plant and equipment	**3,778**	3,559
Goodwill	**11,104**	10,356
Other intangible assets	**927**	1,053
Other non-current assets	**420**	436
Deferred taxes	**113**	115
II. Total non-current assets	**16,342**	15,519
Total assets	**22,734**	20,882
Trade accounts payable	**593**	601
Short-term accounts payable to related parties	**2**	7
Short-term accrued expenses and other short-term liabilities	**2,774**	2,197
Short-term debt	**556**	287
Short-term loans from related parties	**4**	2
Current portion of long-term debt and capital lease obligations	**295**	261
Mandatory Exchangeable Bonds	**554**	0
Trust preferred securities of Fresenius Medical Care Capital Trusts	**464**	0
Short-term accruals for income taxes	**145**	122
Deferred taxes	**48**	51
A. Total short-term liabilities	**5,435**	3,528
Long-term debt and capital lease obligations, less current portion	**4,944**	5,228
Senior Notes	**2,352**	2,066
Mandatory Exchangeable Bonds	**0**	554
Long-term accrued expenses and other long-term liabilities	**472**	481
Trust preferred securities of Fresenius Medical Care Capital Trusts	**0**	455
Pension liabilities	**325**	309
Long-term accruals for income taxes	**219**	194
Deferred taxes	**466**	415
B. Total long-term liabilities	**8,778**	9,702
I. Total liabilities	**14,213**	13,230
A. Noncontrolling interest	**3,796**	3,382
Subscribed capital	**162**	161
Capital reserve	**2,108**	2,073
Other reserves	**2,496**	2,183
Accumulated other comprehensive loss	**-41**	-147
B. Total Fresenius SE shareholders' equity	**4,725**	4,270
II. Total shareholders' equity	**8,521**	7,652
Total liabilities and shareholders' equity	**22,734**	20,882

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

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

€ in millions	Q1–3/2010	Q1–3/2009
Operating activities		
Net income	856	702
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities		
Depreciation and amortization	468	415
Change in deferred taxes	-22	52
Loss/gain on sale of fixed assets	2	-4
Changes in assets and liabilities, net of amounts from businesses acquired or disposed of		
Trade accounts receivable, net	-276	-27
Inventories	-96	-128
Other current and non-current assets	3	-125
Accounts receivable from/payable to related parties	4	2
Trade accounts payable, accrued expenses and other short-term and long-term liabilities	373	237
Accruals for income taxes	34	-4
Net cash provided by operating activities	1,346	1,120
Investing activities		
Purchase of property, plant and equipment	-503	-459
Proceeds from sales of property, plant and equipment	12	13
Acquisitions and investments, net of cash acquired and net purchases of intangible assets	-306	-163
Proceeds from divestitures	7	3
Net cash used in investing activities	-790	-606
Financing activities		
Proceeds from short-term borrowings	139	109
Repayments of short-term borrowings	-111	-252
Proceeds from short-term borrowings from related parties	–	–
Repayments of short-term borrowings from related parties	–	–
Proceeds from long-term debt and capital lease obligations	437	649
Repayments of long-term debt and capital lease obligations	-1,036	-1,111
Proceeds from the issuance of Senior Notes	242	753
Repayments of liabilities from Senior Notes	0	-100
Changes of accounts receivable securitization program	214	-245
Proceeds from the exercise of stock options	93	20
Dividends paid	-308	-263
Change in noncontrolling interest	-4	–
Exchange rate effect due to corporate financing	-1	6
Net cash used in financing activities	-335	-434
Effect of exchange rate changes on cash and cash equivalents	19	-6
Net increase in cash and cash equivalents	240	74
Cash and cash equivalents at the beginning of the reporting period	420	370
Cash and cash equivalents at the end of the reporting period	660	444

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 thousands	Number of shares in thousand	Amount € in thousands	Amount € in thousands	Amount € in millions
As of December 31, 2008	80,572	80,572	80,572	80,572	161,144	161
Proceeds from the exercise of stock options	32	32	32	32	64	–
Compensation expense related to stock options						
Dividends paid						
Purchase/sale of noncontrolling interest						
Comprehensive income (loss)						
Net income						
Other comprehensive income (loss)						
Cash flow hedges						
Foreign currency translation						
Adjustments relating to pension obligations						
Comprehensive income (loss)						
As of September 30, 2009	80,604	80,604	80,604	80,604	161,208	161
As of December 31, 2009	80,658	80,658	80,658	80,658	161,316	161
Proceeds from the exercise of stock options	331	331	331	331	662	1
Compensation expense related to stock options						
Dividends paid						
Purchase/sale of noncontrolling interest						
Comprehensive income (loss)						
Net income						
Other comprehensive income (loss)						
Cash flow hedges						
Foreign currency translation						
Adjustments relating to pension obligations						
Comprehensive income						
As of September 30, 2010	**80,989**	**80,989**	**80,989**	**80,989**	**161,978**	**162**

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Reserves					
	Capital reserve € in millions	Other reserves € in millions	Accumulated other comprehensive income (loss) € in millions	Total Fresenius SE shareholders' equity € in millions	Non-controlling interest € in millions	Total shareholders' equity € in millions
As of December 31, 2008	2,048	1,803	-102	3,910	3,033	6,943
Proceeds from the exercise of stock options	1			1	19	20
Compensation expense related to stock options	15			15	11	26
Dividends paid		-114		-114	-149	-263
Purchase/sale of noncontrolling interest				0	16	16
Comprehensive income (loss)						
Net income		339		339	363	702
Other comprehensive income (loss)						
Cash flow hedges			–	–	0	–
Foreign currency translation			-91	-91	-119	-210
Adjustments relating to pension obligations			3	3	0	3
Comprehensive income (loss)		339	-88	251	244	495
As of September 30, 2009	2,064	2,028	-190	4,063	3,174	7,237
As of December 31, 2009	2,073	2,183	-147	4,270	3,382	7,652
Proceeds from the exercise of stock options	21			22	71	93
Compensation expense related to stock options	14			14	10	24
Dividends paid		-122		-122	-181	-303
Purchase/sale of noncontrolling interest				0	28	28
Comprehensive income (loss)						
Net income		435		435	421	856
Other comprehensive income (loss)						
Cash flow hedges			-64	-64	0	-64
Foreign currency translation			170	170	65	235
Adjustments relating to pension obligations			–	–	0	–
Comprehensive income		435	106	541	486	1,027
As of September 30, 2010	**2,108**	**2,496**	**-41**	**4,725**	**3,796**	**8,521**

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

SEGMENT REPORTING FIRST THREE QUARTERS (UNAUDITED)

	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other[2]			Fresenius Group		
by business segment, € in millions	2010	2009	Change	2010	2009	Change	2010	2009	Change	2010	2009	Change	2010	2009	Change	2010	2009	Change
Sales	**6,758**	6,010	12%	**2,723**	2,274	20%	**1,840**	1,768	4%	**517**	393	32%	**-17**	-16	-6%	**11,821**	10,429	13%
thereof contribution to consolidated sales	**6,756**	6,008	12%	**2,691**	2,244	20%	**1,840**	1,768	4%	**517**	393	32%	**17**	16	6%	**11,821**	10,429	13%
thereof intercompany sales	**2**	2	0%	**32**	30	7%	**0**	0		**–**	0		**-34**	-32	-6%	**0**	0	
contribution to consolidated sales	**57%**	58%		**23%**	21%		**16%**	17%		**4%**	4%		**0%**	0%		**100%**	100%	
EBITDA	**1,334**	1,170	14%	**669**	541	24%	**233**	210	11%	**30**	19	58%	**-22**	-29	24%	**2,244**	1,911	17%
Depreciation and amortization	**281**	244	15%	**112**	100	12%	**61**	58	5%	**6**	4	50%	**8**	9	-11%	**468**	415	13%
EBIT	**1,053**	926	14%	**557**	441	26%	**172**	152	13%	**24**	15	60%	**-30**	-38	21%	**1,776**	1,496	19%
Net interest	**-157**	-164	4%	**-212**	-231	8%	**-40**	-42	5%	**1**	2	-50%	**-16**	-4	--	**-424**	-439	3%
Income taxes	**-311**	-253	-23%	**-102**	-62	-65%	**-27**	-20	-35%	**-7**	-4	-75%	**49**	14	--	**-398**	-325	-22%
Net income attributable to Fresenius SE	**538**	472	14%	**228**	136	68%	**98**	82	20%	**18**	13	38%	**-447**	-364	-23%	**435**	339	28%
Operating cash flow	**781**	644	21%	**378**	311	22%	**225**	186	21%	**7**	33	-79%	**-45**	-54	17%	**1,346**	1,120	20%
Cash flow before acquisitions and dividends	**523**	360	45%	**272**	224	21%	**114**	115	-1%	**0**	30	-100%	**-54**	-55	2%	**855**	674	27%
Total assets[1]	**12,233**	10,982	11%	**6,768**	6,335	7%	**3,242**	3,199	1%	**528**	456	16%	**-37**	-90	59%	**22,734**	20,882	9%
Debt[1]	**4,203**	3,865	9%	**4,324**	4,184	3%	**1,073**	1,099	-2%	**11**	2	--	**-996**	-851	-17%	**8,615**	8,299	4%
Capital expenditure, gross	**266**	291	-9%	**100**	75	33%	**112**	71	58%	**7**	3	133%	**9**	2	--	**494**	442	12%
Acquisitions, gross/financial investments[3]	**299**	82	--	**23**	17	35%	**1**	78	-99%	**0**	0		**0**	9	-100%	**323**	186	74%
Research and development expenses	**51**	47	9%	**102**	90	13%	**–**	0		**0**	0		**21**	30	-30%	**174**	167	4%
Employees (per capita on balance sheet date)[1]	**76,640**	71,617	7%	**22,573**	21,872	3%	**33,355**	33,364	0%	**3,060**	2,849	7%	**830**	808	3%	**136,458**	130,510	5%
Key figures																		
EBITDA margin	**19.7%**	19.5%		**24.6%**	23.8%		**12.7%**	11.9%		**5.8%**	4.8%					**19.0%**	18.3%	
EBIT margin	**15.6%**	15.4%		**20.5%**	19.4%		**9.3%**	8.6%		**4.6%**	3.8%					**15.0%**	14.3%	
Depreciation and amortization in % of sales	**4.2%**	4.1%		**4.1%**	4.4%		**3.3%**	3.3%		**1.2%**	1.0%					**4.0%**	4.0%	
Operating cash flow in % of sales	**11.6%**	10.7%		**13.9%**	13.7%		**12.2%**	10.5%		**1.4%**	8.4%					**11.4%**	10.7%	
ROOA[1]	**12.4%**	12.2%		**11.7%**	10.2%		**7.5%**	7.1%		**21.6%**	22.8%					**11.4%**	10.5%	

[1] 2009: December 31
[2] Including special items from the acquisition of APP Pharmaceuticals, Inc.
[3] 2010: Includes a €100 million cash out for a short-term bank deposit by Fresenius Medical Care

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

SEGMENT REPORTING THIRD QUARTER (UNAUDITED)

	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other[1]			Fresenius Group		
by business segment, € in millions	**2010**	2009	Change	**2010**	2009	Change	**2010**	2009	Change	**2010**	2009	Change	**2010**	2009	Change	**2010**	2009	Change
Sales	**2,366**	2,016	17%	**978**	774	26%	**617**	604	2%	**179**	146	23%	**-5**	-6	17%	**4,135**	3,534	17%
thereof contribution to consolidated sales	**2,365**	2,015	17%	**968**	764	27%	**617**	604	2%	**179**	146	23%	**6**	5	20%	**4,135**	3,534	17%
thereof intercompany sales	**1**	1	0%	**10**	10	0%	**0**	0		**–**	0		**-11**	-11	0%	**0**	0	
contribution to consolidated sales	**57%**	57%		**24%**	22%		**15%**	17%		**4%**	4%		**0%**	0%		**100%**	100%	
EBITDA	**477**	398	20%	**250**	185	35%	**83**	72	15%	**11**	7	57%	**-5**	-11	55%	**816**	651	25%
Depreciation and amortization	**96**	82	17%	**40**	34	18%	**21**	20	5%	**2**	1	100%	**2**	3	-33%	**161**	140	15%
EBIT	**381**	316	21%	**210**	151	39%	**62**	52	19%	**9**	6	50%	**-7**	-14	50%	**655**	511	28%
Net interest	**-55**	-52	-6%	**-71**	-74	4%	**-13**	-13	0%	**0**	0		**-4**	-6	33%	**-143**	-145	1%
Income taxes	**-118**	-93	-27%	**-42**	-22	-91%	**-10**	-7	-43%	**-3**	-1	-200%	**9**	18	-50%	**-164**	-105	-56%
Net income attributable to Fresenius SE	**192**	157	22%	**92**	51	80%	**36**	29	24%	**6**	5	20%	**-131**	-177	26%	**195**	65	200%
Operating cash flow	**296**	316	-6%	**189**	145	30%	**92**	96	-4%	**-28**	-11	-155%	**-8**	-26	70%	**541**	520	4%
Cash flow before acquisitions and dividends	**202**	219	-8%	**148**	114	30%	**64**	70	-9%	**-31**	-12	-158%	**-13**	-25	48%	**370**	366	1%
Capital expenditure, gross	**95**	101	-6%	**43**	32	34%	**29**	25	16%	**3**	1	200%	**4**	0		**174**	159	9%
Acquisitions, gross	**71**	19	--	**0**	10	-100%	**1**	1	0%	**0**	0		**0**	0		**72**	30	140%
Research and development expenses	**17**	16	6%	**37**	28	32%	**–**	0		**0**	0		**6**	8	-25%	**60**	52	15%
Key figures																		
EBITDA margin	**20.2%**	19.7%		**25.6%**	23.9%		**13.5%**	11.9%		**6.1%**	4.8%					**19.7%**	18.4%	
EBIT margin	**16.1%**	15.6%		**21.5%**	19.5%		**10.0%**	8.6%		**5.0%**	4.1%					**15.8%**	14.5%	
Depreciation and amortization in % of sales	**4.1%**	4.1%		**4.1%**	4.4%		**3.4%**	3.3%		**1.1%**	0.7%					**3.9%**	4.0%	
Operating cash flow in % of sales	**12.5%**	15.3%		**19.3%**	18.7%		**14.9%**	15.9%		**-15.6%**	-7.5%					**13.1%**	14.7%	

[1] Including special items from the acquisition of APP Pharmaceuticals, Inc.

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

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 September 30, 2010:

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

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

II. CHANGE OF FRESENIUS SE'S LEGAL FORM INTO A PARTNERSHIP LIMITED BY SHARES (KOMMANDITGESELLSCHAFT AUF AKTIEN) AND CONVERSION OF THE PREFERENCE SHARES INTO ORDINARY SHARES

On May 12, 2010, Fresenius SE's Annual General Meeting approved the change of Fresenius SE's legal form into a partnership limited by shares (Kommanditgesellschaft auf Aktien, KGaA) with the name Fresenius SE & Co. KGaA in combination with the conversion of all non-voting preference shares into voting ordinary shares. The change of legal form as well as the conversion of shares was also approved by the preference shareholders through a special resolution.

Upon registration of the resolution in the commercial register, the holders of preference shares will receive one ordinary share in Fresenius SE & Co. KGaA for each preference share held in Fresenius SE; the ordinary shareholders will receive one ordinary share in Fresenius SE & Co. KGaA for each ordinary share held in Fresenius SE. The notional proportion of each non-par value share in the share capital as well as the share capital itself will remain unchanged. The change of Fresenius SE's legal form into a KGaA will neither lead to the liquidation of the Company nor to the formation of a new legal entity. The legal and commercial identity of the Company will be preserved.

The legal form of the KGaA enables Fresenius to achieve the benefits of a single share class while maintaining the control position of the Else Kröner-Fresenius Foundation which holds approximately 58% of the ordinary shares in Fresenius SE prior to the change. The European company Fresenius Management SE, a wholly-owned subsidiary of the Else Kröner-Fresenius Foundation, is designated to be the general partner of Fresenius SE & Co. KGaA. The Management Board of Fresenius Management SE will be identical to Fresenius SE's current Management Board and will assume the management of Fresenius SE & Co. KGaA. The Else Kröner-Fresenius Foundation's right to provide the general partner is tied to the holding of more than 10% of the share capital in Fresenius SE & Co. KGaA. In connection with the change of the legal form, it is intended to merge the Dutch Calea Nederland N.V., a wholly-owned subsidiary of Fresenius SE, into Fresenius SE & Co. KGaA. This cross-border merger is to become effective immediately upon the change of the legal form taking effect and serves the purpose of clearing up and simplifying the group structure. As a result, Fresenius SE & Co. KGaA will be able to maintain its well-established governance structure with a Supervisory Board consisting of 12 members including employee representatives with an international composition.

In addition to the existing Conditional Capitals, three Authorized Capitals will be created with the articles of association that were approved at the Annual General Meeting. These can be used as an alternative source of shares for Fresenius SE & Co. KGaA's three active employee participation programs.

The resolutions have been challenged by three shareholder complaints (Anfechtungsklagen) currently pending before the Frankfurt am Main Regional Court (Landgericht). Fresenius SE has initiated a clearance procedure (Freigabeverfahren) before the Higher Regional Court (Oberlandesgericht) of Frankfurt am Main. The final decision was scheduled for November 2, 2010 but has been postponed. Fresenius expects the ruling until the end of 2010. As a consequence, the registration of the change of legal form in the commercial register and the execution of the conversion of shares might not be accomplished in 2010. Assuming a positive court decision, the Management Board expects the conversion to become effective in early 2011.

III. BASIS OF PRESENTATION

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

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 U.S. GAAP.

The accounting policies underlying these interim financial statements are mainly the same as those applied in the consolidated financial statements as of December 31, 2009.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The condensed consolidated financial statements and management report for the first three quarters and the third quarter ended September 30, 2010 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, 2009, published in the 2009 Annual Report.

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

The consolidated financial statements for the first three quarters and the third quarter ended September 30, 2010 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 three quarters ended September 30, 2010 are not necessarily indicative of the results of operations for the fiscal year 2010.

Classifications

Certain items in the consolidated financial statements for the first three quarters of 2009 and for the year 2009 have been reclassified to conform with the current year's presentation.

Valuation

Due to the inflationary development in Venezuela, Fresenius Medical Care's subsidiaries operating in Venezuela apply Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Topic 830, Foreign Currency Matters, as of January 1, 2010.

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. 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 income and expenses during the reporting period. Actual results could differ from those estimates.

V. RECENT PRONOUNCEMENTS, APPLIED

The Fresenius Group has prepared its consolidated financial statements at September 30, 2010 in conformity with U.S. GAAP in force for interim periods on January 1, 2010.

The Fresenius Group applied the following standards, as far as they are relevant for Fresenius Group's business, for the first time in the first three quarters ended September 30, 2010:

In June 2009, the FASB issued **Accounting Standards Update 2009-17** (ASU 2009-17), FASB ASC Topic 810, Consolidations – Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities. ASU 2009-17 requires reporting entities to evaluate former Qualifying Special Purpose Entities (QSPE) for consolidation and changes the approach to determining a Variable Interest Entity's (VIE) primary beneficiary from a quantitative assessment to a qualitative assessment designed to identify a controlling financial interest. In addition, ASU 2009-17 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.

In June 2009, the FASB issued **Accounting Standards Update 2009-16** (ASU 2009-16), FASB ASC Topic 860, Transfers and Servicing – Accounting for Transfers of Financial Assets. ASU 2009-16 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. ASU 2009-16 also requires additional year-end and interim disclosures about risks related to VIEs.

The Fresenius Group implemented the amendments prescribed by ASU 2009-16 and ASU 2009-17 as of January 1, 2010, which did not have a material impact on the results of the Fresenius Group in the first three quarters ended September 30, 2010.

VI. RECENT PRONOUNCEMENTS, NOT YET APPLIED

The FASB issued the following for the Fresenius Group relevant new standard.

In July 2010, the FASB issued **Accounting Standards Update 2010-20** (ASU 2010-20), Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses. ASU 2010-20 is an update of FASB ASC Topic 310, Receivables. This update requires enhanced disclosures on a disaggregated basis about:

- the nature of the credit risk inherent in the portfolio of financing receivables
- how that risk is analyzed and assessed in arriving at the allowance for credit losses
- the changes and reasons for those changes in the allowance for credit losses

The disclosures required under ASU 2010-20 as of the end of a reporting period are effective for interim and annual reporting periods ending on or after December 15, 2010. Disclosures about activity that occurs during a reporting period are effective for interim and annual reporting periods beginning on or after December 15, 2010. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact of ASU 2010-20 on its consolidated financial statements.

The Fresenius Group does not generally adopt new accounting standards before compulsory adoption date.

2. ACQUISITIONS AND INVESTMENTS

The Fresenius Group made acquisitions and investments of €323 million and €186 million in the first three quarters of 2010 and 2009, respectively. Of this amount, €306 million were paid in cash and €17 million were assumed obligations in the first three quarters of 2010.

In the first three quarters of 2010, Fresenius Medical Care spent €299 million on acquisitions. These related in an amount of €199 million mainly to the purchase of dialysis clinics. In addition, Fresenius Medical Care invested €100 million in short-term investments with banks (with a maturity greater than 3 and less than 12 months).

In the first three quarters of 2010, Fresenius Kabi spent €23 million on acquisitions. The acquisition of the cas central compounding baden-württemberg GmbH, Germany, was the biggest individual project.

Fresenius Helios spent €1 million on acquisitions, mainly for the purchase of medical centres, in the first three quarters of 2010.

NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

Net income attributable to Fresenius SE for the first three quarters of 2010 in an amount of €435 million includes several special items relating to the acquisition of APP Pharmaceuticals, Inc. (APP) in 2008. These special items in a total amount of -€60 million (before tax: -€98 million) are described in note 4, Other financial result. Net income attributable to Fresenius SE before special items was €495 million (Q1–3 2009: €368 million).

3. SALES

Sales by activity were as follows:

€ in millions	Q1–3/2010	Q1–3/2009
Sales of services	**7,145**	6,427
Sales of products and related goods	**4,321**	3,754
Sales from long-term production contracts	**354**	247
Other sales	**1**	1
Sales	**11,821**	10,429

4. OTHER FINANCIAL RESULT

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

The registered and tradable Contingent Value Rights (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 €33 million in the first three quarters of 2010 (Q1–3 2009: expense of €27 million).

Due to their contractual definition, the issued Mandatory Exchangeable Bonds (MEB) include derivative financial instruments that have to be measured at fair value. This measurement resulted in an expense (before tax) of €131 million in the first three quarters of 2010 (Q1–3 2009: expense before tax of €3 million).

5. TAXES

During the first three quarters of 2010, there were no material changes relating to tax audits, accruals for income taxes, unrecognized tax benefits as well as recognized and accrued payments for interest and penalties. Explanations regarding the tax audits and further information can be found in the consolidated financial statements in the 2009 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:

	Q1–3/2010	Q1–3/2009
Numerators, € in millions		
Net income attributable to Fresenius SE	**435**	339
less preference on preference shares	**1**	1
less effect from dilution due to Fresenius Medical Care shares and MEB	**4**	–
Income available to all classes of shares	**430**	338
Denominators in number of shares		
Weighted-average number of ordinary shares outstanding	**80,796,498**	80,581,662
Weighted-average number of preference shares outstanding	**80,796,498**	80,581,662
Weighted-average number of shares outstanding of all classes	**161,592,996**	161,163,324
Potentially dilutive ordinary shares	**556,879**	266,407
Potentially dilutive preference shares	**556,879**	266,407
Weighted-average number of ordinary shares outstanding assuming dilution	**81,353,377**	80,848,069
Weighted-average number of preference shares outstanding assuming dilution	**81,353,377**	80,848,069
Weighted-average number of shares outstanding of all classes assuming dilution	**162,706,754**	161,696,138
Basic earnings per ordinary share in €	**2.69**	2.10
Preference per preference share in €	**0.01**	0.01
Basic earnings per preference share in €	**2.70**	2.11
Fully diluted earnings per ordinary share in €	**2.65**	2.09
Preference per preference share in €	**0.01**	0.01
Fully diluted earnings per preference share in €	**2.66**	2.10

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

7. CASH AND CASH EQUIVALENTS

As of September 30, 2010 and December 31, 2009, cash and cash equivalents were as follows:

€ in millions	Sept. 30, 2010	Dec. 31, 2009
Cash	**517**	411
Time deposits and securities (with a maturity of up to 90 days)	**143**	9
Total cash and cash equivalents	**660**	420

As of September 30, 2010 and December 31, 2009, earmarked funds of €71 million and €17 million, respectively, were included in cash and cash equivalents.

8. TRADE ACCOUNTS RECEIVABLE

As of September 30, 2010 and December 31, 2009, trade accounts receivable were as follows:

€ in millions	Sept. 30, 2010	Dec. 31, 2009
Trade accounts receivable	**3,201**	2,794
less allowance for doubtful accounts	**307**	285
Trade accounts receivable, net	**2,894**	2,509

9. INVENTORIES

As of September 30, 2010 and December 31, 2009, inventories consisted of the following:

€ in millions	Sept. 30, 2010	Dec. 31, 2009
Raw materials and purchased components	**316**	298
Work in process	**257**	185
Finished goods	**825**	752
Inventories	**1,398**	1,235

10. GOODWILL AND OTHER INTANGIBLE ASSETS

As of September 30, 2010 and December 31, 2009, intangible assets, split into amortizable and non-amortizable intangible assets, consisted of the following:

AMORTIZABLE INTANGIBLE ASSETS

	Sept. 30, 2010			Dec. 31, 2009		
€ in millions	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Patents, product and distribution rights	**564**	**124**	**440**	538	93	445
Technology	**79**	**17**	**62**	69	12	57
Non-compete agreements	**177**	**125**	**52**	157	109	48
Other	**468**	**269**	**199**	423	234	189
Total	**1,288**	**535**	**753**	1,187	448	739

NON-AMORTIZABLE INTANGIBLE ASSETS

	Sept. 30, 2010			Dec. 31, 2009		
€ in millions	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Tradenames	170	0	170	161	0	161
Management contracts	4	0	4	153	0	153
Goodwill	11,104	0	11,104	10,356	0	10,356
Total	11,278	0	11,278	10,670	0	10,670

In the second quarter of 2010, administrative services agreements of Fresenius Medical Care in an amount of US$215 million (€163 million) were reclassified from the category management contracts to goodwill due to a change in New York state regulations that allowed Fresenius Medical Care, beginning in April 2010, to directly own the managed facilities in that state.

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

€ in millions	Q4/2010	2011	2012	2013	2014	Q1–3/2015
Estimated amortization expenses	31	90	86	82	78	52

The carrying amount of goodwill has developed as follows:

€ in millions	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate/ Other	Fresenius Group
Carrying amount as of January 1, 2009	5,253	3,511	1,565	44	6	10,379
Additions	125	43	61	0	0	229
Foreign currency translation	-164	-88	0	0	0	-252
Carrying amount as of December 31, 2009	5,214	3,466	1,626	44	6	10,356
Additions	159	18	–	1	0	178
Disposals	0	-7	–	0	0	-7
Reclassifications	163	0	–	0	0	163
Foreign currency translation	270	144	0	0	0	414
Carrying amount as of September 30, 2010	5,806	3,621	1,626	45	6	11,104

As of September 30, 2010 and December 31, 2009, the carrying amounts of the other non-amortizable intangible assets were €158 million and €299 million, respectively, for Fresenius Medical Care as well as €16 million and €15 million, respectively, for Fresenius Kabi.

11. DEBT AND CAPITAL LEASE OBLIGATIONS

SHORT-TERM DEBT

The Fresenius Group had short-term debt of €556 million and €287 million at September 30, 2010 and December 31, 2009, respectively. As of September 30, 2010, these consisted of €193 million borrowed by certain subsidiaries of the Fresenius Group under lines of credit with commercial banks and US$495 million (€363 million) outstanding short-term borrowings under the accounts receivable facility of Fresenius Medical Care. In September 2010, the accounts receivable facility was extended to September 27, 2011 during the annual renewal and increased by US$50 million to US$700 million.

LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

As of September 30, 2010 and December 31, 2009, long-term debt and capital lease obligations consisted of the following:

€ in millions	Sept. 30, 2010	Dec. 31, 2009
Fresenius Medical Care 2006 Senior Credit Agreement	**2,153**	2,445
2008 Senior Credit Agreement	**1,549**	1,602
Euro Notes	**800**	800
European Investment Bank Agreements	**533**	424
Capital lease obligations	**40**	45
Other	**164**	173
Subtotal	**5,239**	5,489
less current portion	**295**	261
Long-term debt and capital lease obligations, less current portion	**4,944**	5,228

Fresenius Medical Care 2006 Senior Credit Agreement

Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA), Fresenius Medical Care Holdings, Inc. (FMCH), and certain other subsidiaries of FMC-AG & Co. KGaA that are borrowers and/or guarantors thereunder, including Fresenius Medical Care Deutschland GmbH (FMC D-GmbH), entered into a US$4.6 billion syndicated credit facility (Fresenius Medical Care 2006 Senior Credit Agreement) with Bank of America, N.A.; 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 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 September 30, 2010:

US$ in millions	Maximum amount available	Balance outstanding
Revolving Credit	1,200	**31**
Term Loan A	1,365	**1,365**
Term Loan B	1,542	**1,542**
Total	4,107	**2,938**

In addition, at September 30, 2010 and December 31, 2009, US$122 million and US$97 million, respectively, were utilized as letters of credit which were not included as part of the balances outstanding at those dates.

On September 29, 2010, Fresenius Medical Care amended and extended the Fresenius Medical Care 2006 Senior Credit Agreement. The significant changes are as follows:

- The US$1,000 million revolving credit facility has been increased to US$1,200 million and is now due and payable on March 31, 2013, an extension from the original due date of March 31, 2011.
- The Term Loan A facility, which was increased by US$50 million to US$1,365 million and its maturity extended from March 31, 2011 to March 31, 2013, will be repaid in quarterly payments of US$30 million starting on December 31, 2010, with the remaining balance due and payable in full on March 31, 2013.
- The early repayment requirement for Term Loan B, which stipulated that Term Loan B was subject to early retirement if the Trust Preferred Securities due June 15, 2011 were not paid, refinanced or extended prior to March 1, 2011, has been removed.
- The definition of Fresenius Medical Care's consolidated leverage ratio, which is used to determine the applicable margin, was amended to allow for the reduction of up to US$250 million (increased from US$30 million) of cash and cash equivalents from consolidated funded debt, as defined in the Fresenius Medical Care 2006 Senior Credit Agreement. The applicable margin is then added to LIBOR to determine the interest rate for the appropriate period.

In addition, certain types of permitted borrowings outside of the Fresenius Medical Care 2006 Senior Credit Agreement were increased and further flexibility for certain types of investments was provided.

- The limitation on dividends and other restricted payments under the Fresenius Medical Care 2006 Senior Credit Agreement (US$300 million for dividends in 2010) has been set for up to US$330 million in 2011 and increases by US$30 million each year through 2013.

Fresenius Medical Care incurred fees of approximately US$21 million in conjunction with the amendment and extension of the Fresenius Medical Care 2006 Senior Credit Agreement which will be amortized over the life of the credit agreement.

Due to the amendment and extension of the Fresenius Medical Care 2006 Senior Credit Agreement, the Revolving Credit and Term Loan A, which were shown in the first half of 2010 as current portion under short-term liabilities, were reclassified to long-term debt and capital lease obligations at September 30, 2010.

As of September 30, 2010, FMC-AG & Co. KGaA was in compliance with all covenants under the Fresenius Medical Care 2006 Senior Credit Agreement.

2008 Senior Credit Agreement

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

The following table shows the available and outstanding amounts under the 2008 Senior Credit Agreement at September 30, 2010:

	Maximum amount available		**Balance outstanding**	
		€ in millions		**€ in millions**
Revolving Credit Facilities	US$550 million	403	US$24 million	**18**
Term Loan A	US$877 million	643	US$877 million	**643**
Term Loan C (in US$)	US$990 million	725	US$990 million	**725**
Term Loan C (in €)	€163 million	163	€163 million	**163**
Total		1,934		**1,549**

In March 2010, the 2008 Senior Credit Agreement was amended, which led to a replacement of Term Loan B by Term Loan C, among other things. Both Term Loan facilities merely differ in terms of the applicable interest rate. Term Loan C is available in the amounts of US$586.4 million and €164.5 million to Fresenius US Finance I, Inc. and US$409.2 million is available to APP Pharmaceuticals, LLC. Term Loan C amortizes and is repayable in nine equal semi-annual installments which commenced on June 10, 2010 with a final bullet payment on September 10, 2014.

The interest rate for Term Loan C is a rate per annum equal to the aggregate of the applicable margin of 3.00% (previously Term Loan B: 3.50%) and LIBOR or, in relation to the loan in euro, EURIBOR for the relevant interest periods, subject, in the case of Term Loan C, to a minimum LIBOR or EURIBOR of 1.50% (previously Term Loan B: 3.25%).

Other amendments of the 2008 Senior Credit Agreement relate to the financial covenants as defined in the agreement.

Prior to the amendment, voluntary prepayments were made in December 2009 and February 2010 in a total amount of US$199.7 million and €33 million.

As of September 30, 2010, Fresenius SE was in compliance with all covenants under the 2008 Senior Credit Agreement.

Euro Notes

As of September 30, 2010, Euro Notes (Schuldscheindarlehen) of the Fresenius Group consisted of the following:

	Maturity	Interest rate	Book value/ nominal value € in millions
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-AG & Co. KGaA 2009/2012	Oct. 27, 2012	7.41%	36
FMC-AG & Co. KGaA 2009/2012	Oct. 27, 2012	variable	119
FMC-AG & Co. KGaA 2009/2014	Oct. 27, 2014	8.38%	15
FMC-AG & Co. KGaA 2009/2014	Oct. 27, 2014	variable	30
Euro Notes			**800**

European Investment Bank Agreements

The following table shows the outstanding amounts under the European Investment Bank (EIB) facilities as of September 30, 2010:

	Maximum amount available € in millions	Maturity	Book value € in millions
Fresenius SE	196	2013	196
FMC-AG & Co. KGaA	261	2013/2014	261
HELIOS Kliniken GmbH	76	2019	76
Loans from EIB	533		**533**

The EIB loans were drawn down in either euros or U.S. dollars.

In February 2010, a loan of €50 million was disbursed from the loan agreement FMC-AG & Co. KGaA entered into with the EIB in December 2009. The loan has a four-year term and is guaranteed by FMCH and FMC D-GmbH. This loan also bears variable interest rates which are based on EURIBOR or LIBOR plus applicable margin. These interest rates change every three months. In addition, FMC-AG & Co. KGaA drew down the remaining available balance of US$81 million on the 2005 Revolving Credit Facility with the EIB in March 2010.

FMC-AG & Co. KGaA used the funds to refinance research and development projects.

CREDIT LINES

In addition to the financial liabilities described before, the Fresenius Group maintains additional credit facilities which have not been utilized, or have only been utilized in part as of the reporting date. As of September 30, 2010, the additional financial cushion resulting from unutilized credit facilities was approximately €2 billion.

12. SENIOR NOTES

As of September 30, 2010 and December 31, 2009, Senior Notes of the Fresenius Group consisted of the following:

	Notional amount	Maturity	Interest rate	Book value € in millions Sept. 30, 2010	Dec. 31, 2009
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%	**634**	639
Fresenius US Finance II, Inc. 2009/2015	€275 million	July 15, 2015	8 3/4%	**261**	259
Fresenius US Finance II, Inc. 2009/2015	US$500 million	July 15, 2015	9.00%	**348**	326
FMC Finance III S.A. 2007/2017	US$500 million	July 15, 2017	6 7/8%	**362**	342
FMC Finance VI S.A. 2010/2016	€250 million	July 15, 2016	5.50%	**247**	0
Senior Notes				**2,352**	2,066

On January 20, 2010, FMC-AG & Co. KGaA's wholly-owned subsidiary, FMC Finance VI S.A., issued €250 million of unsecured Senior Notes. The Senior Notes are due in 2016.

Proceeds were used to repay short-term indebtedness and for general corporate purposes. The Senior Notes are guaranteed on a senior basis jointly and severally by FMC-AG & Co. KGaA, FMCH and FMC D-GmbH.

As of September 30, 2010, the Fresenius Group was in compliance with all of its covenants.

13. MANDATORY EXCHANGEABLE BONDS

The Mandatory Exchangeable Bonds (MEB) issued by Fresenius Finance (Jersey) Ltd. which mature on August 14, 2011 are shown under short-term liabilities in an amount of €554 million as of September 30, 2010.

14. TRUST PREFERRED SECURITIES

The trust preferred securities of the Fresenius Medical Care Capital Trust IV and V are due on June 15, 2011 and are therefore shown under short-term liabilities in an amount of €464 million at September 30, 2010.

15. PENSIONS AND SIMILAR OBLIGATIONS

DEFINED BENEFIT PENSION PLANS

At September 30, 2010, the pension liability of the Fresenius Group was €336 million. The current portion of the pension liability in an amount of €11 million is recognized in the statement of financial position within short-term accrued expenses and other short-term liabilities. The non-current portion of €325 million is recorded as pension liability.

Contributions to Fresenius Group's pension fund were €3 million in the first three quarters of 2010. The Fresenius Group expects approximately €5 million contributions to the pension fund during 2010.

Defined benefit pension plans' net periodic benefit costs of €26 million were comprised of the following components:

€ in millions	Q1–3/2010	Q1–3/2009
Service cost	**11**	10
Interest cost	**25**	23
Expected return on plan assets	**-13**	-11
Amortization of unrealized actuarial losses, net	**3**	3
Amortization of prior service costs	**–**	–
Amortization of transition obligations	**–**	–
Settlement loss	**–**	0
Net periodic benefit cost	**26**	25

16. NONCONTROLLING INTEREST

Noncontrolling interest in the Group was as follows:

€ in millions	Sept. 30, 2010	Dec. 31, 2009
Noncontrolling interest in FMC-AG & Co. KGaA	**3,438**	3,050
Noncontrolling interest in HELIOS Kliniken GmbH	**4**	4
Noncontrolling interest in VAMED AG	**36**	33
Noncontrolling interest in the business segments		
Fresenius Medical Care	**157**	145
Fresenius Kabi	**45**	37
Fresenius Helios	**114**	110
Fresenius Vamed	**2**	3
Corporate/Other	**0**	0
Total noncontrolling interest	**3,796**	3,382

Noncontrolling interest increased by €414 million to €3,796 million in the first three quarters of 2010. The change resulted from the noncontrolling interest in profit of €421 million, less dividend payments of €181 million as well as noncontrolling interest in stock options, currency effects and first-time consolidations in a total amount of €174 million.

17. FRESENIUS SE SHAREHOLDERS' EQUITY

SUBSCRIBED CAPITAL

During the first three quarters of 2010, 661,908 stock options were exercised. Accordingly, at September 30, 2010, the subscribed capital of Fresenius SE was divided into 80,988,642 bearer ordinary shares and 80,988,642 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 II 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 22, 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	656,550	656,550	1,313,100
Conditional Capital II Fresenius AG Stock Option Plan 2003	2,149,221	2,149,221	4,298,442
Conditional Capital III Fresenius SE Stock Option Plan 2008	3,100,000	3,100,000	6,200,000
Total Conditional Capital as of January 1, 2010	**5,905,771**	**5,905,771**	**11,811,542**
Fresenius AG Stock Option Plan 1998 – options exercised	-126,186	-126,186	-252,372
Fresenius AG Stock Option Plan 2003 – options exercised	-204,768	-204,768	-409,536
Total Conditional Capital as of September 30, 2010	**5,574,817**	**5,574,817**	**11,149,634**

APPROVED CAPITAL

By resolution of the Annual General Meeting on May 8, 2009, the previous Approved Capital I and II were revoked and 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.

Against the resolutions of the Annual General Meeting dated May 8, 2009 creating Approved Capitals I and II, two challenging complaints (Anfechtungsklagen) were lodged. The Frankfurt Regional Court has decided in favor of one complaint through judgment dated February 2, 2010, the other complaint was rejected. The judgment of the Frankfurt Regional Court dated February 2, 2010 is not yet final and binding.

The release procedure initiated by Fresenius SE pursuant to Section 246a of the German Stock Corporation Act (AktG) in order to secure the Authorized Capitals I and II already entered in the commercial register was decided by the Higher Regional Court of Frankfurt am Main in favor of Fresenius SE on March 30, 2010. Therewith, the entry of the Authorized Capitals I and II into the commercial register is final and conclusive.

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 2010, a dividend of €0.75 per bearer ordinary share and €0.76 per bearer preference share was approved by Fresenius SE's shareholders at the Annual General Meeting and paid. The total dividend payment was €122 million.

OTHER NOTES

18. 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 Fresenius Group's view of the merits can occur. The Fresenius Group believes that it has valid defenses to the legal matters pending against it and is defending itself vigorously. Nevertheless, it is possible that the resolution of one or more currently pending or threatened legal matters could have a material adverse effect on its business, results of operations and financial condition.

Further information regarding legal disputes, court proceedings and investigations can be found in detail in the consolidated financial statements in the 2009 Annual Report. In the following, only the changes during the first three quarters ended September 30, 2010 compared to the information provided in the consolidated financial statements are described. These changes should be read in conjunction with the overall information in the consolidated financial statements in the 2009 Annual Report; defined terms or abbreviations having the same meaning as in the 2009 Annual Report.

BAXTER PATENT DISPUTE "TOUCHSCREEN INTERFACES" (1)

On March 18, 2010, the U.S. Patent and Trademark Office (USPTO) and the Board of Patent Appeals and Interferences ruled in reexamination that the remaining Baxter patent is invalid. On October 5, 2010, Baxter appealed from the Board's ruling to the United States Court of Appeals for the Federal Circuit.

BAXTER PATENT DISPUTE "TOUCHSCREEN INTERFACES" (2)

All the asserted patents now stand rejected in an ongoing reexamination at the USPTO.

BAXTER PATENT DISPUTE "LIBERTY CYCLER"

During and after discovery, seven of the asserted nine patents were dropped from the suit. On July 28, 2010, at the conclusion of the trial, the jury returned a verdict in favor of FMCH finding that the Liberty™ cycler does not infringe any of the asserted claims of the Baxter patents.

GAMBRO PATENT DISPUTE

After a first hearing in February 2010, the court ordered in May 2010 that the proceedings concerning the determination of compensation to be paid by Fresenius Medical Care are stayed until there is a final court decision on the invalidity of the patent. The patent expired in May 2010, meaning that the provisional enforced injunction is not longer effective.

RENAL CARE GROUP – CLASS ACTION "ACQUISITION"

Following the trial court's dismissal of the complaint, plaintiff's appeal in part, and reversal in part by the appellate court, the cause of action purports to be a class action on behalf of former shareholders of RCG and seeks monetary damages only against the individual former directors of RCG. The individual defendants, however, may have claims for indemnification and reimbursement of expenses against Fresenius Medical Care. Fresenius Medical Care expects to continue as a defendant in the litigation, which is proceeding toward trial in the Chancery Court, and believes that defendants will prevail.

RENAL CARE GROUP – COMPLAINT "METHOD II"

On March 22, 2010, the Tennessee District Court entered judgment against defendants for approximately US$23 million in damages and interest under the unjust enrichment count of the complaint but denied all relief under the six False Claims Act counts of the complaint. Fresenius Medical Care appealed the Tennessee District Court's decision to the United States Court of Appeals for the Sixth Circuit and secured a stay of enforcement of the judgment pending appeal. The United States Attorney filed a cross appeal, but also asked the Tennessee District Court for an indicative or supplemental ruling. On June 23, 2010, the Tennessee District Court issued an indicative ruling to the effect that, if the case were remanded to the District Court, it would expect to enter a judgment under the False Claims Act against Fresenius Medical Care for approximately US$104 million. On September 23, 2010, the Court of Appeals remanded the case to the Tennessee District Court to permit revision or supplementation of the original judgment, after which Fresenius Medical Care may pursue its appeals to the Court of Appeals. Fresenius Medical Care believes that RCG's operation of its Method II supply company was in compliance with applicable law, that no relief is due to the United States, and that its position in the litigation will ultimately be sustained.

FRESENIUS MEDICAL CARE HOLDINGS – QUI TAM COMPLAINT

On March 30, 2010, the District Court issued final judgment in favor of defendants on all counts based on a jury verdict rendered on February 25, 2010 and on rulings of law made by the Court during the trial. The plaintiff has appealed from the District Court judgment.

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.

19. 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 value of short-term financial instruments like accounts receivable, short-term investments, accounts payable and short-term debt represents its carrying amount, which is a reasonable estimate of the fair value due to the relatively short period to maturity of these instruments.

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

The 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.

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

Fair value of financial instruments

The following table presents the carrying amounts and fair values of the Group's financial instruments as of September 30, 2010 and December 31, 2009, respectively:

	Sept. 30, 2010		Dec. 31, 2009	
€ in millions	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Cash and cash equivalents	**660**	**660**	420	420
Assets recognized at carrying amount	**2,914**	**2,914**	2,535	2,535
Liabilities recognized at carrying amount	**9,762**	**9,988**	9,461	9,611
Liabilities recognized at fair value	**151**	**151**	55	55
Derivatives for hedging purposes	**-260**	**-260**	-115	-115

Derivatives for hedging purposes as well as derivatives embedded in the MEB were recognized at gross values within other assets in an amount of €51 million and other liabilities in an amount of €458 million.

Derivative and non-derivative financial instruments recognized at fair value are classified according to the three-tier fair value hierarchy. For the fair value measurement of derivatives for hedging purposes, significant other observable inputs are used. Therefore, they are classified as Level 2 in accordance with the defined fair value hierarchy levels. The derivatives embedded in the MEB are also classified as Level 2. The valuation of the CVR is based on the current stock exchange price, they are therefore classified as Level 1. The liabilities recognized at fair value consist of embedded derivatives and the CVR and are consequently classified in their entirety as the lower hierarchy Level 2. There were no financial instruments that would have to be classified as Level 3 within the Fresenius Group.

FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

€ in millions	Sept. 30, 2010 Assets	Sept. 30, 2010 Liabilities	Dec. 31, 2009 Assets	Dec. 31, 2009 Liabilities
Interest rate contracts (current)	**–**	**67**	–	–
Interest rate contracts (non-current)	**–**	**158**	–	134
Foreign exchange contracts (current)	**11**	**46**	18	11
Foreign exchange contracts (non-current)	**10**	**1**	20	1
Derivatives designated as hedging instruments [1]	**21**	**272**	38	146
Foreign exchange contracts (current) [1]	**30**	**30**	11	17
Foreign exchange contracts (non-current) [1]	**–**	**9**	–	1
Derivatives embedded in the MEB (current)	**0**	**147**	0	0
Derivatives embedded in the MEB (non-current)	**0**	**0**	0	21
Derivatives not designated as hedging instruments	**30**	**186**	11	39

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

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

Derivatives not designated as hedging instruments, which are derivatives that do not qualify for hedge accounting, are also solely 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 previous table are recognized within 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 in other non-current assets or in long-term accrued expenses and other long-term liabilities, respectively. The derivatives embedded in the MEB are recognized within other short-term liabilities (December 31, 2009: other long-term liabilities).

EFFECT OF DERIVATIVE INSTRUMENTS DESIGNATED AS HEDGING INSTRUMENTS ON THE STATEMENT OF FINANCIAL PERFORMANCE

	Q1–3/2010		
€ in millions	Gain or loss recognized in other comprehensive income (loss) (effective portion)	Gain or loss reclassified from accumulated other comprehensive income (loss) (effective portion)	Gain or loss recognized in income
Interest rate contracts	-91	-4	–
Foreign exchange contracts	-13	-10	–
Derivatives in cash flow hedging relationships [1]	**-104**	**-14**	**–**
Foreign exchange contracts			-19
Derivatives in fair value hedging relationships			**-19**
Derivatives designated as hedging instruments	**-104**	**-14**	**-19**

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

EFFECT OF DERIVATIVE INSTRUMENTS DESIGNATED AS HEDGING INSTRUMENTS ON THE STATEMENT OF FINANCIAL PERFORMANCE

€ in millions	Q1–3/2009 Gain or loss recognized in other comprehensive income (loss) (effective portion)	Q1–3/2009 Gain or loss reclassified from accumulated other comprehensive income (loss) (effective portion)	Q1–3/2009 Gain or loss recognized in income
Interest rate contracts	-1	-4	1
Foreign exchange contracts	5	1	–
Derivatives in cash flow hedging relationships[1]	**4**	**-3**	**1**
Foreign exchange contracts			22
Derivatives in fair value hedging relationships			**22**
Derivatives designated as hedging instruments	**4**	**-3**	**23**

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

EFFECT OF DERIVATIVE INSTRUMENTS NOT DESIGNATED AS HEDGING INSTRUMENTS ON THE STATEMENT OF FINANCIAL PERFORMANCE

€ in millions	Gain or loss recognized in income Q1–3/2010	Gain or loss recognized in income Q1–3/2009
Foreign exchange contracts	**-76**	-4
Derivatives embedded in the MEB	**-126**	2
Derivatives not designated as hedging instruments	**-202**	**-2**

Losses from derivatives in fair value hedging relationships and from foreign exchange contracts not designated as hedging instruments recognized in income are faced by gains from the underlying transactions in the corresponding amount.

The Fresenius Group expects to recognize a net amount of €4 million of the existing losses for foreign exchange contracts deferred in accumulated other comprehensive income (loss) in earnings within the next 12 months. For interest rate contracts, the Fresenius Group expects to recognize €92 million of losses in the course of normal business during the next 12 months in interest expense.

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

In order to manage the risk of interest rate and foreign exchange rate fluctuations, the Fresenius Group enters into certain hedging transactions with highly rated financial institutions as authorized by the Management Board. Derivative financial instruments are not 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 sustainable 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 existing and foreseeable foreign exchange transaction exposures, the Fresenius Group enters into foreign exchange forward contracts and, on a small scale, foreign exchange options. In order to ensure that no foreign exchange risks result from loans in foreign currencies, the Fresenius Group enters into foreign exchange swap contracts.

As of September 30, 2010, the notional amounts of foreign exchange contracts totaled €2,900 million. These foreign exchange contracts have been entered into to hedge risks from operational business and in connection with loans in foreign currency. The predominant part of the foreign exchange forward contracts to hedge risks from operational business was recognized as cash flow hedge, while foreign exchange contracts in connection with loans in foreign currencies are partly recognized as fair value hedges. The fair values of cash flow hedges and fair value hedges were -€25 million and -€1 million, respectively.

As of September 30, 2010, the Fresenius Group was party to foreign exchange contracts with a maximum maturity of 31 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$4,675 million (€3,425 million) and €407 million as well as a fair value of -US$274 million and -€24 million, respectively, which expire between 2011 and 2016.

20. SUPPLEMENTARY INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of September 30, 2010, the equity ratio was 37.48% and the debt ratio (debt/total assets) was 37.89%. As of September 30, 2010, the net debt/EBITDA ratio, which is measured on the basis of U.S. GAAP figures, was 2.7.

The aims of the capital management and further information can be found in the consolidated financial statements in the 2009 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	positive	stable	positive

In 2010, all rating agencies increased the outlook. Moody's raised the outlook from negative to stable on May 28, 2010. Standard & Poor's as well as Fitch increased the outlook from stable to positive on April 29, 2010 and on August 3, 2010, respectively.

21. NOTES ON SEGMENT REPORTING

GENERAL

The segment reporting shown on pages 26 to 27 of this interim report is an integral part of the notes.

The Fresenius Group has identified the business segments Fresenius Medical Care, Fresenius Kabi, Fresenius Helios and Fresenius Vamed which corresponds to the internal organizational and reporting structures (Management Approach) at September 30, 2010.

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

Fresenius Medical Care is the world's leading provider of dialysis products and dialysis care for the life-saving treatment of patients with chronic kidney failure. Fresenius Medical Care treats 210,191 patients in its 2,716 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 U.S., 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 for example in connection with the fair value measurement 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 2009 Annual Report.

RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS

€ in millions	Q1–3/2010	Q1–3/2009
Total EBIT of reporting segments	**1,806**	1,534
General corporate expenses Corporate/Other (EBIT)	**-30**	-38
Group EBIT	**1,776**	1,496
Net interest	**-424**	-439
Other financial result	**-98**	-30
Income before income taxes	**1,254**	1,027

RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	Sept. 30, 2010	Dec. 31, 2009
Short-term debt	**556**	287
Short-term loans from related parties	**4**	2
Current portion of long-term debt and capital lease obligations	**295**	261
Trust preferred securities of Fresenius Medical Care Capital Trusts (current)	**464**	0
Long-term debt and capital lease obligations, less current portion	**4,944**	5,228
Senior Notes	**2,352**	2,066
Trust preferred securities of Fresenius Medical Care Capital Trusts (non-current)	**0**	455
Debt	**8,615**	8,299
less cash and cash equivalents	**660**	420
Net debt	**7,955**	7,879

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

22. STOCK OPTIONS

FRESENIUS SE STOCK OPTION PLANS

On September 30, 2010, 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). Currently, stock options can only be granted under the 2008 Plan.

Transactions during the first three quarters of 2010

On July 1, 2010, Fresenius SE awarded 1,100,738 stock options under the 2008 plan, including 198,660 to members of the Management Board of Fresenius SE, at a weighted-average exercise price of €53.49, a weighted-average fair value of €12.91 each and a total fair value of €14 million, which will be amortized over the three year vesting period.

During the first three quarters of 2010, Fresenius SE received cash of €22 million from the exercise of 661,908 stock options.

Under the 1998 Plan, 204,670 stock options were outstanding and exercisable at September 30, 2010. No options were held by the members of the Fresenius SE Management Board. 2,360,874 convertible bonds were outstanding under the 2003 Plan, of which 2,081,928 were exercisable. The members of the Fresenius SE Management Board held 514,500 convertible bonds. Out of 3,192,586 outstanding stock options issued under the 2008 Plan, 559,860 were held by the members of the Fresenius SE Management Board.

At September 30, 2010, 1,143,299 options for ordinary shares and 1,143,299 options for preference shares were outstanding and exercisable.

At September 30, 2010, total unrecognized compensation costs related to non-vested options granted under the 2003 Plan and the 2008 Plan were €21 million. These costs are expected to be recognized over a weighted-average period of 2.1 years.

FRESENIUS MEDICAL CARE STOCK OPTION PLANS

On July 26, 2010, Fresenius Medical Care awarded 2,769,903 options under the Fresenius Medical Care AG & Co. KGaA Stock Option Plan 2006, including 423,300 options granted to members of the Management Board of Fresenius Medical Care Management AG at an exercise price of €42.68, a fair value of €8.07 each and a total fair value of €22 million, which will be amortized over the three year vesting period.

23. RELATED PARTY TRANSACTIONS

Prof. Dr. h. c. Roland Berger, a member of the Supervisory Board of Fresenius SE, is a partner and was the chairman of the supervisory board of Roland Berger Strategy Consultants until August 1, 2010. In the first three quarters of 2010, the Fresenius Group paid this company €0.2 million for consulting 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 maintains business relations with Commerzbank under customary conditions.

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 three quarters of 2010, the Fresenius Group paid €2.5 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 Noerr LLP (formerly: Nörr Stiefenhofer Lutz) that provides legal services to the Fresenius Group. In the first three quarters of 2010, the Fresenius Group paid this law firm €0.7 million for services rendered.

24. SUBSEQUENT EVENTS

There have been no significant changes in the Fresenius Group's operating environment following the end of the first three quarters of 2010. No other events of material importance on the assets and liabilities, financial position, and results of operations of the Group have occurred following the end of the first three quarters of 2010.

25. CORPORATE GOVERNANCE

For each consolidated stock exchange listed entity, the declaration pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz) has been issued and made available to shareholders on the website of Fresenius SE www.fresenius.com under Who we are / Corporate Governance / Declaration of Conformity, including the amendment to the Declaration of Conformity dated April 1, 2010, and of Fresenius Medical Care AG & Co. KGaA www.fmc-ag.com under Investor Relations / Corporate Governance / Declaration of Compliance, respectively.

FINANCIAL CALENDAR

Report on Fiscal Year 2010 Analyst Meeting, Bad Homburg v. d. H. Press conference, Bad Homburg v. d. H. Live webcast	February 23, 2011
Report on 1st quarter 2011 Conference Call Live webcast	May 4, 2011
Annual General Meeting, Frankfurt am Main, Germany	May 13, 2011
Report on the first half 2011 Conference Call Live webcast	August 2, 2011
Report on 1st – 3rd quarter 2011 Conference Call Live webcast	November 2, 2011

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Chairman of the Supervisory Board: Dr. Gerd Krick