FRESENIUS

Quarterly Financial Report of Fresenius Group

applying International Financial Reporting Standards (IFRS)

1st Half and 2nd Quarter 2015

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This Quarterly Financial Report was published on August 6, 2015.

FRESENIUS GROUP FIGURES AT A GLANCE

Fresenius is a global health care group providing products and services for dialysis, hospitals, and outpatient medical care. In addition, Fresenius focuses on hospital operations. We also manage projects and provide services for hospitals and other health care facilities. In 2014, Group sales were €23.5 billion. As of June 30, 2015, more than 220,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

SALES, EARNINGS, AND CASH FLOW

€ in millions	**Q2/2015**	Q2/2014	Change	**H1/2015**	H1/2014	Change
Sales	**7,044**	5,568	27%	**13,622**	10,826	26%
EBIT [1]	**965**	759	27%	**1,819**	1,389	31%
Net income [2]	**337**	256	32%	**629**	479	31%
Earnings per share in € [2]	**0.62**	0.48	29%	**1.16**	0.89	30%
Operating cash flow	**723**	567	28%	**1,257**	709	77%

BALANCE SHEET AND INVESTMENTS

€ in millions	**June 30, 2015**	December 31, 2014	Change
Total assets	**42,370**	39,955	6%
Non-current assets	**32,342**	30,389	6%
Equity [3]	**17,301**	15,860	9%
Net debt	**14,645**	14,173	3%
Investments [4]	**811**	1,697	-52%

RATIOS

€ in millions	**Q2/2015**	Q2/2014	**H1/2015**	H1/2014
EBITDA margin [1]	**17.7%**	17.8%	**17.4%**	17.1%
EBIT margin [1]	**13.7%**	13.6%	**13.4%**	12.8%
Depreciation and amortization in % of sales	**4.0%**	4.1%	**4.0%**	4.2%
Operating cash flow in % of sales	**10.3%**	10.2%	**9.2%**	6.5%
Equity ratio (June 30/December 31)			**40.8%**	39.7%
Net debt/EBITDA (June 30/December 31) [5]			**3.15**	3.37

[1] Before special items
[2] Net income attributable to shareholders of Fresenius SE & Co. KGaA; before special items
[3] Equity including noncontrolling interest
[4] Investments in property, plant and equipment, and intangible assets, acquisitions (H1)
[5] Pro forma acquisitions; before special items, 3.03 at LTM average exchange rates for both net debt and EBITDA

For a detailed overview of special items please see the reconciliation table on page 8.

INFORMATION BY BUSINESS SEGMENT

(all segment data according to U.S. GAAP)

FRESENIUS MEDICAL CARE – Dialysis products, Dialysis services

US$ in millions	Q2/2015	Q2/2014	Change	H1/2015	H1/2014	Change
Sales	**4,199**	3,835	9%	**8,159**	7,398	10%
EBIT	**547**	556	-2%	**1,051**	1,001	5%
Net income [1]	**241**	234	3%	**450**	439	3%
Operating cash flow	**385**	449	-14%	**832**	562	48%
Investments/Acquisitions	**301**	622	-52%	**571**	1,022	-44%
R & D expenses	**34**	31	12%	**65**	61	8%
Employees, per capita on balance sheet date (June 30/December 31)				**109,113**	105,917	3%

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

€ in millions	Q2/2015	Q2/2014	Change	H1/2015	H1/2014	Change
Sales	**1,538**	1,253	23%	**2,932**	2,466	19%
EBIT [2]	**314**	210	50%	**571**	411	39%
Net income [3]	**169**	111	52%	**309**	217	42%
Operating cash flow	**271**	173	57%	**354**	215	65%
Investments/Acquisitions	**85**	76	12%	**177**	147	20%
R & D expenses [2]	**83**	66	26%	**161**	125	29%
Employees, per capita on balance sheet date (June 30/December 31)				**33,125**	32,899	1%

FRESENIUS HELIOS – Hospital operations

€ in millions	Q2/2015	Q2/2014	Change	H1/2015	H1/2014	Change
Sales	**1,383**	1,294	7%	**2,774**	2,521	10%
EBIT [2]	**160**	136	18%	**307**	250	23%
Net income [4]	**119**	102	17%	**226**	179	26%
Operating cash flow	**117**	128	-9%	**231**	205	13%
Investments/Acquisitions	**63**	48	31%	**112**	840	-87%
Employees, per capita on balance sheet date (June 30/December 31)				**69,283**	68,852	1%

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

€ in millions	Q2/2015	Q2/2014	Change	H1/2015	H1/2014	Change
Sales	**255**	207	23%	**463**	398	16%
EBIT	**9**	9	0%	**16**	15	7%
Net income [5]	**6**	6	0%	**10**	10	0%
Operating cash flow	**-7**	-8	13%	**-44**	-62	29%
Investments/Acquisitions	**6**	1	--	**7**	4	75%
Order intake	**92**	185	-50%	**284**	300	-5%
Employees, per capita on balance sheet date (June 30/December 31)				**7,960**	7,746	3%

[1] Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA
[2] Before special items
[3] Net income attributable to shareholders of Fresenius Kabi AG; before special items
[4] Net income attributable to shareholders of HELIOS Kliniken GmbH; before special items
[5] Net income attributable to shareholders of VAMED AG

For a detailed overview of special items please see the reconciliation table on page 8.

FRESENIUS SHARE

The Fresenius share had a strong start into the year and continued its upward trend in the second quarter, reaching a new all-time high of €59.31 in June. With an increase of 33% in the first six months, the share significantly outperformed the DAX index.

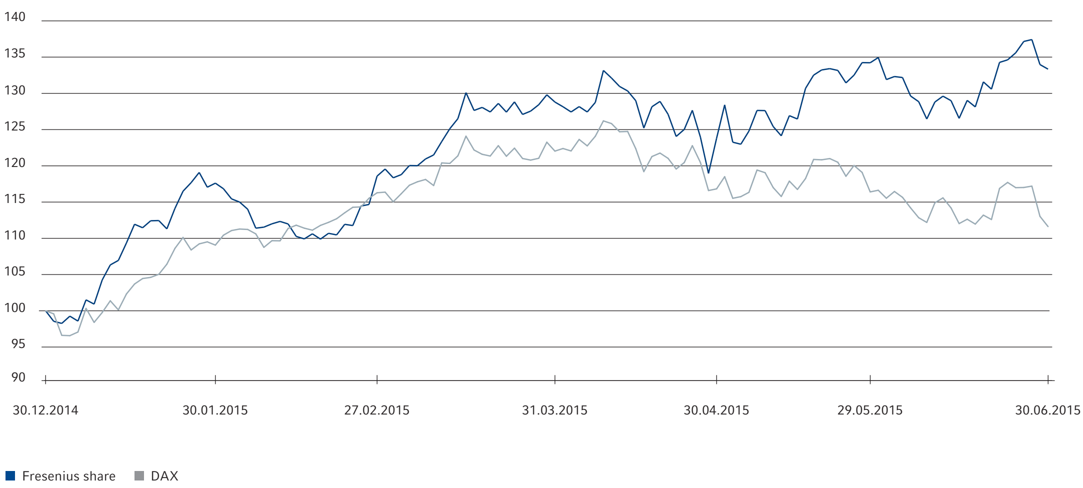
FIRST HALF OF 2015

Financial markets in the second quarter were marked by the escalation of the Greek debt crisis as well as speculation about when the Federal Reserve would raise interest rates for the first time since the financial crisis in 2008. At the same time, the global economy continued to grow during the first half. According to the latest ECB forecast, the Eurozone's economy is expected to expand by 1.5% this year. The Federal Reserve expects the U.S. economy to grow between 1.8% and 2.0%.

Amid this economic environment, the DAX reached an all-time high of 12,375 points on April 10th. The Fresenius share also continued its upward trend, reaching a new all-time high of €59.31 on June 26. The share closed at €57.55 on June 30, an increase of 33% over its price at the end of 2014. The DAX rose 12% over the same period and ended at 10,945 points.

RELATIVE SHARE PRICE PERFORMANCE VS. DAX

31.12.2014 = 100



KEY DATA OF THE FRESENIUS SHARE

	H1/2015	2014	Change
Number of shares (June 30/December 31)	**543,478,807**	541,532,600	
Quarter-end quotation in €	**57.55**	43.16	33%
High in €	**59.33**	44.12	34%
Low in €	**42.41**	35.00	21%
Ø Trading volume (number of shares per trading day)	**1,228,449**	1,153,022	7%
Market capitalization, € in millions (June 30/December 31)	**31,277**	23,373	34%

MANAGEMENT REPORT

Fresenius continues its strong growth trend in all four business segments. In times of economic volatility, the broad geographic presence and well-diversified business provide reliable growth and continue to contribute to Fresenius' overall success. The Company is highly confident of its growth prospects and raises its Group earnings guidance.

ACCELERATING SALES AND EARNINGS GROWTH IN Q2 – FRESENIUS RAISES GROUP EARNINGS GUIDANCE FOR 2015

	H 1/2015	at actual rates	in constant currency
Sales	**€13.6 bn**	+26%	+13%
EBIT [1]	**€1.8 bn**	+31%	+16%
Net income [2]	**€629 m**	+31%	+19%

HEALTH CARE INDUSTRY

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

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

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

Health care structures are being reviewed and cost-cutting potential identified in order to contain the steadily rising health care expenditures. However, such measures cannot compensate for the cost pressure. Market-based elements are increasingly being introduced into the health care system to create incentives for cost- and quality-conscious behavior. Overall treatment costs shall be reduced through improved quality standards. In addition, ever-greater importance is being placed on disease prevention and innovative reimbursement models linked to treatment quality standards.

RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

SALES

Group sales increased by 26% (13% in constant currency) to €13,622 million (H1/2014: €10,826 million). Organic sales growth was 7%. Acquisitions and divestitures contributed 6%.

[1] Before special items
[2] Net income attributable to shareholders of Fresenius SE & Co. KGaA; before special items

For a detailed overview of special items please see the reconciliation table on page 8.

EARNINGS

€ in millions	Q2/2015	Q2/2014	H1/2015	H1/2014
EBIT [1]	**965**	759	**1,819**	1,389
Net income [3]	**337**	256	**629**	479
Net income [2]	**320**	283	**634**	526
Earnings per share in € [3]	**0.62**	0.48	**1.16**	0.89
Earnings per share in € [2]	**0.59**	0.53	**1.17**	0.98

EARNINGS

Group EBITDA [1] increased by 28% (14% in constant currency) to €2,369 million (H1/2014: €1,847 million). Group EBIT [1] increased by 31% (16% in constant currency) to €1,819 million (H1/2014: €1,389 million). The EBIT margin was 13.4% (H1/2014: 12.8%).

Group net interest increased to -€330 million (H1/2014: -€283 million). Interest rate savings were more than offset by interest on incremental debt for acquisitions completed in 2014 and by currency translation effects.

The Group tax rate [1] was 30.0% (H1/2014: 30.1%). Noncontrolling interest was €414 million (H1/2014: €294 million), of which 95% was attributable to the noncontrolling interest in Fresenius Medical Care.

Group net income [2] before special items increased by 31% (19% in constant currency) to €629 million (H1/2014: €479 million). Earnings per share [3] increased by 30% (18% in constant currency) to €1.16 (H1/2014: €0.89).

Group net income [2] including special items increased by 21% (9% in constant currency) to €634 million (H1/2014: €526 million). Earnings per share [2] increased by 19% (8% in constant currency) to €1.17 (H1/2014: €0.98).

SALES BY REGION

€ in millions	H1/2015	H1/2014	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/ divestitures	% of total sales [4]
North America	**6,278**	4,365	44%	27%	17%	8%	9%	46%
Europe	**5,184**	4,852	7%	0%	7%	4%	3%	38%
Asia-Pacific	**1,324**	945	40%	18%	22%	10%	12%	10%
Latin America	**664**	517	28%	6%	22%	16%	6%	5%
Africa	**172**	147	17%	5%	12%	12%	0%	1%
Total	**13,622**	10,826	26%	13%	13%	7%	6%	100%

SALES BY BUSINESS SEGMENT

€ in millions	H1/2015	H1/2014	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/ divestitures	% of total sales [4]
Fresenius Medical Care	**7,312**	5,399	35%	19%	16%	8%	8%	54%
Fresenius Kabi	**2,932**	2,466	19%	11%	8%	8%	0%	22%
Fresenius Helios	**2,774**	2,521	10%	0%	10%	3%	7%	21%
Fresenius Vamed	**463**	398	16%	1%	15%	13%	2%	3%

All segment data according to U.S. GAAP

[1] Before special items
[2] Net income attributable to shareholders of Fresenius SE & Co. KGaA
[3] Net income attributable to shareholders of Fresenius SE & Co. KGaA; before special items
[4] Calculated on the basis of contribution to consolidated sales

For a detailed overview of special items please see the reconciliation table on page 8.

RECONCILIATION

The Group's IFRS financial results as of June 30, 2015 and June 30, 2014 comprise special items. Net income attributable to shareholders of Fresenius SE & Co. KGaA was adjusted for these special items. The table below shows the special items and the reconciliation from net income (before special items) to earnings according to IFRS.

INVESTMENTS

Spending on property, plant and equipment was €617 million (H1/2014: €527 million), primarily for the modernization and expansion of dialysis clinics, production facilities and hospitals. Total acquisition spending was €194 million (H1/2014: €1,170 million).

CASH FLOW

Operating cash flow increased to €1,257 million (H1 / 2014: €709 million). The cash flow margin increased to 9.2% (H1/2014: 6.5%). Operating cash flow in H1/2014 was reduced by the US$115 million[1] payment for the W.R. Grace bankruptcy settlement.

Net capital expenditure increased to €611 million (H1/2014: €537 million). Free cash flow before acquisitions and dividends improved to €646 million (H1/2014: €172

RECONCILIATION

€ in millions	**H1/2015 (before special items)**	Kabi efficiency program	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	**H1/2015 according to IFRS (incl. special items)**	H1/2014 (before special items)	Fenwal integration costs	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	disposal gain from RHÖN stake	H1/2014 according to IFRS (incl. special items)
Sales	**13,622**				**13,622**	10,826					10,826
EBIT	**1,819**	-33	-8	34	**1,812**	1,389	-3	-8	22	35	1,435
Interest result	**-330**				**-330**	-283					-283
Net income before taxes	**1,489**	-33	-8	34	**1,482**	1,106	-3	-8	22	35	1,152
Income taxes	**-446**	10	2		**-434**	-333	1	2	-1	-1	-332
Net income	**1,043**	-23	-6	34	**1,048**	773	-2	-6	21	34	820
Less noncontrolling interest	**-414**				**-414**	-294					-294
Net income attributable to shareholders of Fresenius SE & Co. KGaA	**629**	-23	-6	34	**634**	479	-2	-6	21	34	526

€ in millions	**Q2/2015 (before special items)**	Kabi efficiency program	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	**Q2/2015 according to IFRS (incl. special items)**	Q2/2014 (before special items)	Fenwal integration costs	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	disposal gain from RHÖN stake	Q2/2014 according to IFRS (incl. special items)
Sales	**7,044**				**7,044**	5,568					5,568
EBIT	**965**	-19	-6	0	**940**	759	-2	-8	0	35	784
Interest result	**-165**				**-165**	-145					-145
Net income before taxes	**800**	-19	-6	0	**775**	614	-2	-8	0	35	639
Income taxes	**-238**	6	2	0	**-230**	-198	1	2	0	-1	-196
Net income	**562**	-13	-4	0	**545**	416	-1	-6	0	34	443
Less noncontrolling interest	**-225**				**-225**	-160					-160
Net income attributable to shareholders of Fresenius SE & Co. KGaA	**337**	-13	-4	0	**320**	256	-1	-6	0	34	283

[1] See Annual Report 2014, page 152 f.

INVESTMENTS BY BUSINESS SEGMENT

€ in millions	H1/2015	H1/2014	thereof property, plant and equipment	thereof acquisitions	Change	% of total
Fresenius Medical Care	**511**	746	374	137	-32%	64%
Fresenius Kabi	**177**	147	141	36	20%	22%
Fresenius Helios	**112**	840	84	28	-87%	14%
Fresenius Vamed	**7**	4	7	0	75%	1%
Corporate/Other	**-2**	1	5	-7	--	-1%
IFRS Reconciliation	**6**	-41	6	0	115%	--
Total	**811**	1,697	617	194	-52%	100%

All segment data according to U.S. GAAP

million). Free cash flow after acquisitions and dividends increased to €107 million (H1/2014: -€1,275 million).

ASSET AND LIABILITY STRUCTURE

The Group's total assets increased by 6% (1% in constant currency) to €42,370 million (Dec. 31, 2014: €39,955 million). Current assets grew by 5% (1% in constant currency) to €10,028 million (Dec. 31, 2014: €9,566 million). Non-current assets increased by 6% (1% in constant currency) to €32,342 million (Dec. 31, 2014: €30,389 million).

Total shareholders' equity increased by 9% (4% in constant currency) to €17,301 million (Dec. 31, 2014: €15,860 million). The equity ratio increased to 40.8% (Dec. 31, 2014: 39.7%).

Group debt grew by 1% (decreased by 3% in constant currency) to €15,562 million (Dec. 31, 2014: €15,348 million).

As of June 30, 2015, the net debt/EBITDA ratio was 3.15[1] (3.03[1] at LTM average exchange rates for both net debt and EBITDA).

SECOND QUARTER OF 2015

Group sales increased by 27% to €7,044 million (Q2/2014: €5,568 million). In constant currency, sales increased by 13%.

CASH FLOW STATEMENT (SUMMARY)

€ in millions	H1/2015	H1/2014	Change
Net income	**1,048**	820	28%
Depreciation and amortization	**550**	458	20%
Change in accruals for pensions	**30**	6	--
Cash flow	**1,628**	1,284	27%
Change in working capital	**-371**	-575	35%
Operating cash flow	**1,257**	709	77%
Property, plant and equipment	**-621**	-542	-15%
Proceeds from the sale of property, plant and equipment	**10**	5	100%
Cash flow before acquisitions and dividends	**646**	172	--
Cash used for acquisitions, net	**-16**	-990	98%
Dividends paid	**-523**	-457	-14%
Free cash flow paid after acquisitions and dividends	**107**	-1,275	108%
Cash provided by/used for financing activities	**-405**	1,468	-128%
Effect of exchange rates on change in cash and cash equivalents	**40**	13	--
Net change in cash and cash equivalents	**-258**	206	--

[1] Pro forma acquisitions; before special items

Organic sales growth was 8%. Acquisitions and divestitures contributed 5%.

Group EBIT[1] increased by 27% (11% in constant currency) to €965 million (Q2/2014: €759 million), the EBIT margin was 13.7% (Q2/2014: 13.6%). The Group tax rate was 29.8% (Q2/2014: 32.2%, due to a special tax effect at Fresenius Medical Care).

Group net income[2] before special items increased by 32% (18% in constant currency) to €337 million (Q2/2014: €256 million). Earnings per share[3] increased by 29% (17% in constant currency) to €0.62 (Q2/2014: €0.48).

Group net income[2] including special items increased by 13% (1% in constant currency) to €320 million (Q2/2014: €283 million). Earnings per share[2] increased by 11% (0% in constant currency) to €0.59 (Q2/2014: €0.53).

Operating cash flow increased to €723 million (Q2/2014: €567 million). The cash flow margin increased to 10.3% (Q2/2014: 10.2%). Investments in property, plant and equipment were €432 million (Q2/2014: €537 million). Acquisition spending was €90 million (Q2/2014: €246 million).

ANNUAL GENERAL MEETING 2015

At the Annual General Meeting 2015, the shareholders of Fresenius SE & Co. KGaA approved all agenda items with a large majority. Fresenius SE & Co. KGaA shareholders approved the 22nd consecutive dividend increase proposed by the general partner and the Supervisory Board (agenda tem 2). Shareholders received €0.44 per common share (2014: €0.42). With large majorities, the shareholders elected Michael Diekmann to the Supervisory Board (agenda item 7) and the Joint Committee (agenda item 8).

The voting results for all agenda itesm are listed in the table below.

				Yes votes		No votes	
		Number of shares for which valid votes were cast	in % of the capital stock	Number	in % of the valid votes cast	Number	in % of the valid votes cast
Item no. 1	Resolution on the Approval of the Annual Financial Statements of Fresenius SE & Co. KGaA for the Fiscal Year 2014	401,280,473	73.91%	401,167,860	99.97%	112,613	0.03%
Item no. 2	Resolution on the Allocation of the Distributable Profit	401,144,563	73.89%	355,682,249	88.67%	45,462,314	11.33%
Item no. 3	Resolution on the Approval of the Actions of the General Partner for the Fiscal Year 2014	251,980,135	46.41%	250,990,581	99.61%	989,554	0.39%
Item no. 4	Resolution on the Approval of the Actions of the Supervisory Board for the Fiscal Year 2014	234,947,439	43.28%	230,226,118	97.99%	4,721,321	2.01%
Item no. 5	Election of the Auditor and Group Auditor for the Fiscal Year 2015	253,659,009	46.72%	246,694,814	97.25%	6,964,195	2.75%
Item no. 6	Resolution on the Approval of Domination Agreements with Fresenius Kabi AG and Fresenius Versicherungsvermittlungs GmbH	401,279,737	73.91%	401,278,409	99.99%	1,328	0.01%
Item no. 7	Election of a new member of the Supervisory Board	254,124,268	46.81%	249,635,904	98.23%	4,488,364	1.77%
Item no. 8	Resolution on the Election of a New Member to the Joint Committee	254,047,297	46.79%	249,559,208	98.23%	4,488,089	1.77%

[1] Before special items
[2] Net income attributable to shareholders of Fresenius SE & Co. KGaA
[3] Net income attributable to shareholders of Fresenius SE & Co. KGaA; before special items

For a detailed overview of special items please see the reconciliation table on page 8.

BUSINESS SEGMENTS

(all segment data according to U.S. GAAP)

FRESENIUS MEDICAL CARE

Fresenius Medical Care is the world's largest integrated provider of products and services for individuals undergoing dialysis because of chronic kidney failure. As of June 30, 2015, Fresenius Medical Care was treating 289,610 patients in 3,421 dialysis clinics. Along with its core business, the company seeks to expand the range of medical services in the field of care coordination.

US$ in millions	Q2/2015	Q2/2014	Change	H1/2015	H1/2014	Change
Sales	**4,199**	3,835	9%	**8,159**	7,398	10%
EBITDA	**728**	725	0%	**1,408**	1,337	5%
EBIT	**547**	556	-2%	**1,051**	1,001	5%
Net income [1]	**241**	234	3%	**450**	439	3%
Employees (June 30/December 31)				**109,113**	105,917	3%

- **8% organic sales growth in Q2**
- **Sales outside North America impacted by currency development**
- **2015 outlook confirmed**

FIRST HALF OF 2015

Sales increased by 10% (16% in constant currency) to US$8,159 million (H1/2014: US$7,398 million). Organic sales growth was 8%. Acquisitions contributed 9%, while divestitures reduced sales by 1%. Currency effects reduced sales by 6%.

Health Care services sales (dialysis services and care coordination) increased by 14% (18% in constant currency) to US$6,527 million (H1/2014: US$5,731 million). Dialysis product sales decreased by 2% (increased by 9% in constant currency) to US$1,631 million (H1/2014: US$1,667 million).

In North America, sales increased by 16% to US$5,717 million (H1/2014: US$4,914 million). Health Care services sales grew by 17% to US$5,293 million (H1/2014: US$4,517 million). Dialysis product sales increased by 7% to US$424 million (H1/2014: US$397 million).

Sales outside North America decreased by 1% (increased by 16% in constant currency) to US$2,427 million (H1/2014: US$2,458 million). Health Care services sales increased by 2% (21% in constant currency) to US$1,234 million (H1/2014: US$1,214 million). Dialysis product sales decreased by 4% (increased by 11% in constant currency) to US$1,193 million (H1/2014: US$1,244 million).

EBIT increased by 5% (12% in constant currency) to US$1,051 million (H1/2014: US$1,001 million). The EBIT margin was 12.9% (H1/2014: 13.5%).

Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA increased by 3% (10% in constant currency) to US$450 million (H1/2014: US$439 million).

Operating cash flow increased to US$832 million (H1/2014: US$562 million). Operating cash flow in H1/2014 was reduced by the US$115 million [2] payment for the W.R. Grace bankruptcy settlement. The cash flow margin increased to 10.2% (H1/2014: 7.6%).

SECOND QUARTER OF 2015

Fresenius Medical Care increased sales by 9% (15% in constant currency) to US$4,199 (Q2/2014: US$3,835). Organic sales growth was 8%. Acquisitions contributed 8%, while divestitures reduced sales growth by 1%. Adverse currency translation effects reduced sales by 6%.

[1] Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA
[2] See Annual Report 2014, page 152 f.

EBIT decreased by 2% (increased by 4% in constant currency) to US$547 million (Q2/2014: US$556 million). EBIT margin was 13.0% (Q2/2014: 14.5%). Net income[1] grew by 3% (11% in constant currency) to US$241 million (Q2/2014: US$234 million). Operating cash flow decreased to US$385 million (Q2/2014: US$449 million), the cash flow margin was 9.2% (Q2/2014: 11.7%).

Please see page 17 of the Management Report for the 2015 outlook of Fresenius Medical Care.

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

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

FRESENIUS KABI

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

€ in millions	Q2/2015	Q2/2014	Change	H1/2015	H1/2014	Change
Sales	**1,538**	1,253	23%	**2,932**	2,466	19%
EBITDA [1]	**376**	260	45%	**691**	513	35%
EBIT [1]	**314**	210	50%	**571**	411	39%
Net income [2]	**169**	111	52%	**309**	217	42%
Employees (June 30 / December 31)				**33,125**	32,899	1%

- **11% organic sales growth in Q2**
- **26% EBIT growth in constant currency in Q2**
- **2015 outlook raised**

FIRST HALF OF 2015

Sales increased by 19% (8% in constant currency) to €2,932 million (H1/2014: €2,466 million). Organic sales growth was 8%. Acquisitions contributed 1% while divestitures reduced sales by 1%. Positive currency translation effects (11%) were mainly related to the Euro's depreciation against the U.S. dollar and the Chinese yuan.

Sales in Europe grew by 3% (organic growth: 5%) to €1,052 million (H1/2014: €1,024 million). Sales in North America increased by 37% (organic growth: 13%) to €1,026 million (H1/2014: €747 million). Sales growth was driven by persisting IV drug shortages and new product launches. Asia-Pacific sales increased by 22% (organic growth: 4%) to €564 million (H1/2014: €464 million). Sales in Latin America/Africa grew by 25% (organic growth: 11%) to €290 million (H1/2014: €231 million).

EBIT[1] increased by 39% (18% in constant currency) to €571 million (H1/2014: €411 million). The EBIT margin was 19.5% (H1/2014: 16.7%).

Net income[2] increased by 42% (22% in constant currency) to €309 million (H1/2014: €217 million).

Operating cash flow inreased by 65% to €354 million (H1/2014: €215 million) with a margin of 12.1% (H1/2014: 8.7%).

Fresenius Kabi's initiatives to increase production efficiency and streamline administrative structures are well on track. Costs of €40 million before tax were incurred in the first half of 2015 (Q2/2015: €30 million). These costs are reported in the Group segment Corporate/Other.

SECOND QUARTER OF 2015

In the second quarter of 2015, Fresenius Kabi increased sales by 23% (11% in constant currency) to €1,538 million (Q2/2014: €1,253 million). Organic sales growth was 11%. Currency translation had a positive effect of 12%. Acquisitions contributed 1%, while divestitures reduced sales by 1%. EBIT[1] increased by 50% (26% in constant currency) to €314 million (Q2/2014: €210 million). The EBIT margin was 20.4% (Q2/2014: 16.8%). Net income[2] increased by 52% (30% in constant currency) to €169 million (Q2/2014: €111 million). In Q2/2015, operating cash flow increased to €271 million (Q2/2014: €173 million) with a margin of 17.6% (Q2/2014: 13.8%).

Please see page 17 of the Management Report for the 2015 outlook of Fresenius Kabi.

[1] Before special items
[2] Net income attributable to shareholders of Fresenius Kabi AG; before special items

For a detailed overview of special items please see the reconciliation table on page 8.

FRESENIUS HELIOS

Fresenius Helios is Germany's largest hospital operator. HELIOS operates 111 hospitals, thereof 87 acute care clinics (including seven maximum care hospitals in Berlin-Buch, Duisburg, Erfurt, Krefeld, Schwerin, Wiesbaden and Wuppertal) and 24 post-acute care clinics. HELIOS treats approximately 4.5 million patients per year, thereof 1.2 million inpatients, and operates more than 34,000 beds.

€ in millions	**Q2/2015**	Q2/2014	Change	**H1/2015**	H1/2014	Change
Sales	**1,383**	1,294	7%	**2,774**	2,521	10%
EBITDA [1]	**207**	186	11%	**399**	344	16%
EBIT [1]	**160**	136	18%	**307**	250	23%
Net income [2]	**119**	102	17%	**226**	179	26%
Employees (June 30/December 31)				**69,283**	68,852	1%

- **18% EBIT increase in Q2**
- **100 bps sequential EBIT margin increase**
- **2015 outlook fully confirmed**

FIRST HALF OF 2015

Sales increased by 10% to €2,774 million (H1/2014: €2,521 million). Organic sales growth was 3% (H1/2014: 3%). Acquisitions contributed 8% while divestitures reduced sales by 1%.

EBIT [1] grew by 23% to €307 million (H1/2014: €250 million). The EBIT [1] margin increased to 11.1% (H1/2014: 9.9%).

Net income [2] increased by 26% to €226 million (H1/2014: €179 million).

Sales of the established hospitals, including the former Rhön-Klinikum facilities consolidated for more than one year, grew by 3% to €2,583 million (H1/2014: €2,504 million). EBIT [1] increased by 20% to €298 million (H1/2014: €248 million). The EBIT margin increased to 11.5% (H1/2014: 9.9%). Sales of the acquired hospitals consolidated for less than one year were €191 million. EBIT [1] was €9 million with a margin of 4.7%.

The integration of the hospitals acquired from Rhön-Klinikum AG is fully on track. Amount and timing of targeted near-term cost synergies (€85 million p.a.) are confirmed. Integration costs were €8 million in H1/2015 (Q2/2015: €6 million) taking the total to date to €59 million. Total integration costs for 2014 and 2015 are confirmed at approximately €60 million.

SECOND QUARTER OF 2015

In the second quarter of 2015, Fresenius Helios improved sales by 7% to €1,383 million (Q2/2014: €1,294 million), organic sales growth was 2% (Q2/2014: 3%). EBIT [1] increased by 18% to €160 million (Q2/2014: €136 million). Sequentially, the EBIT margin increased by 100 bps to 11.6%. Net income [2] increased by 17% to €119 million (Q2/2014: €102 million).

Please see page 17 of the Management Report for the 2015 outlook of Fresenius Helios.

[1] Before special items
[2] Net income attributable to shareholders of HELIOS Kliniken GmbH; before special items

For a detailed overview of special items please see the reconciliation table on page 8.

FRESENIUS VAMED

Fresenius Vamed manages projects and provides services for hospitals and other health care facilities worldwide. The portfolio ranges along the entire value chain: from project development, planning, and turnkey construction, via maintenance and technical management, to total operational management.

€ in millions	Q2/2015	Q2/2014	Change	H1/2015	H1/2014	Change
Sales	**255**	207	23%	**463**	398	16%
EBITDA	**12**	12	0%	**21**	20	5%
EBIT	**9**	9	0%	**16**	15	7%
Net income[1]	**6**	6	0%	**10**	10	0%
Employees (June 30/December 31)				**7,960**	7,746	3%

- **20% organic sales growth in Q2**
- **Sequential growth acceleration in project business**
- **2015 outlook fully confirmed**

FIRST HALF OF 2015

Sales increased by 16% (15% in constant currency) to €463 million (H1/2014: €398 million). Organic sales growth was 13%. Acquisitions contributed 2%. Sales in the project business increased by 17% to €202 million (H1/2014: €173 million). Sales in the service business grew by 16% to €261 million (H1/2014: €225 million).

EBIT grew by 7% to €16 million (H1/2014: €15 million). The EBIT margin decreased to 3.5% (H1/2014: 3.8%).

Net income[1] was unchanged at €10 million (H1/2014: €10 million).

Order intake decreased by 5% to €284 million (H1/2014: €300 million). As of June 30, 2015, order backlog was €1,479 million (Dec. 31, 2014: €1,398 million).

SECOND QUARTER OF 2015

Sales in the second quarter of 2014 increased by 23% to €255 million (Q2/2014: €207 million). Organic sales growth was 20%. EBIT remained unchanged at €9 million (Q2/2014: €9 million). Sequentially, the EBIT margin increased by 10 bps to 3.5%. Net income[1] of €6 million was at prior-year's level.

Please see page 17 of the Management Report for the 2015 outlook of Fresenius Vamed.

[1] Net income attributable to shareholders of Vamed AG

EMPLOYEES

As of June 30, 2015, the number of employees increased by 2% to 220,339 (Dec. 31, 2014: 216,275).

EMPLOYEES BY BUSINESS SEGMENT

Number of employees	June 30, 2015	Dec 31, 2014	Change
Fresenius Medical Care	**109,113**	105,917	3%
Fresenius Kabi	**33,125**	32,899	1%
Fresenius Helios	**69,283**	68,852	1%
Fresenius Vamed	**7,960**	7,746	3%
Corporate/Other	**858**	861	0%
Total	**220,339**	216,275	2%

RESEARCH AND DEVELOPMENT

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

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

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

RESEARCH AND DEVELOPMENT EXPENSES BY BUSINESS SEGMENT

€ in millions	H1/2015	H1/2014	Change
Fresenius Medical Care	**59**	44	34%
Fresenius Kabi	**161**	125	29%
Fresenius Helios	–	–	--
Fresenius Vamed	**0**	0	
Corporate/Other	**3**	1	200%
IFRS Reconciliation	**1**	2	-50%
Total	**224**	172	30%

DIALYSIS

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

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

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

OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the consolidated financial statements and the management report as of December 31, 2014 applying Section 315a HBG in accordance with IFRS, there have been no material changes in Fresenius' overall opportunities and risk situation in the first half of 2015.

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 42 to 48 in the Notes of this report.

SUBSEQUENT EVENTS

There were no significant changes in the Fresenius Group's operating environment following the end of the first half of 2015. No other events of material importance on the assets and liabilities, financial position, and result of operations of the Group have occured after the close of the first half of 2015.

RATING

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

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

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

OUTLOOK 2015

(all data according to U.S. GAAP)

FRESENIUS GROUP

Based on the Group's excellent financial results in the first half of 2015 and excellent prospects for the remainder of the year, Fresenius raises its 2015 Group earnings guidance. Net income[1] is now expected to grow by 18% to 21% in constant currency. Previously, Fresenius expected net income[1] growth of 13% to 16% in constant currency. Sales guidance is narrowed to 8% to 10% in constant currency within the previously guided range of 7% to 10%.

The net debt/EBITDA[2] ratio is expected to be approximately 3.0 at the end of 2015.

FRESENIUS MEDICAL CARE

Fresenius Medical Care confirms its outlook for 2015. The company expects sales to grow by 5% to 7%, which equals a growth rate of 10% to 12% in constant currency. Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA is expected to increase by 0% to 5% in 2015. The outlook is based on current exchange rates. Savings from the global efficiency program are included, while earnings contributions from potential acquisitions are not. The outlook reflects further operating cost investments within the Care Coordination segment.

The second half of 2015 will be affected by two transactions: (i) the divestiture of the dialysis service business in Venezuela, given the difficult economic environment within the country. Fresenius Medical Care expects to incur a non-tax deductible loss of around US$30 million from this sale; and (ii) the transfer of European marketing rights for certain renal pharmaceuticals to Vifor Fresenius Medical Care Renal Pharma will generate a gain, which will cut the Venezuela loss by approximately half, on an after-tax basis. Both of these effects are considered in the Outlook above.

FRESENIUS KABI[3]

Fresenius Kabi raises its outlook for 2015 and now expects organic sales growth of 6% to 8% and EBIT growth in constant currency in the range of 18% to 21%. The implied EBIT margin is 19.0% to 20.0%. Previously, Fresenius Kabi projected organic sales growth of 4% to 7% and an EBIT growth in constant currency in the range of 11% to 14% with an implied EBIT margin in the range of 18.5% to 19.5%.

FRESENIUS HELIOS[4]

Fresenius Helios fully confirms its outlook for 2015. Fresenius Helios projects organic sales growth of 3% to 5% and reported sales growth of 6% to 9%. EBIT is expected to increase to €630 to €650 million.

FRESENIUS VAMED

Fresenius Vamed confirms its outlook for 2015 and expects to achieve single-digit organic sales growth and EBIT growth of 5% to 10%.

[1] Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before integration costs (~€10 million before tax for hospitals acquired from Rhön-Klinikum AG), before costs for the efficiency program at Fresenius Kabi (~€100 million before tax), and before the disposal gains from the divestment of two HELIOS hospitals (€34 million before tax); 2014 before special items
[2] At annual average exchange rates for both net debt and EBITDA; without major unannounced acquisitions; before special items
[3] Fresenius Kabi's outlook excludes ~€100 million costs before tax for the efficiency program. For segment reporting purposes, these costs will not be reported in the Fresenius Kabi segment but as special items in the Group segment Corporate/Other.
[4] Fresenius Helios' outlook excludes integration costs for the hospitals acquired from Rhön-Klinikum AG (~€10 million before tax) and the disposal gains from the divestment of two HELIOS hospitals (€34 million before tax). For segment reporting purposes, these items will not be reported in the Fresenius Helios segment, but as special items in the Group segment Corporate/Other.

INVESTMENTS

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

EMPLOYEES

The number of employees in the Group will continue to rise in the future as a result of the expected expansion. We expect the number of employees to be above 222,000 in 2015 (December 31, 2014: 216,275). The number of employees is expected to increase in all business segments.

RESEARCH AND DEVELOPMENT

Our R & D activities will continue to play a key role in securing the Group's long-term growth through innovations and new therapies. We plan to increase the Group's R & D spending in 2015. About 4% to 5% of our product sales will be reinvested in research and development.

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

GROUP FINANCIAL OUTLOOK 2015

	Previous guidance	New guidance
Sales, growth (in constant currency)	7% – 10%	8% – 10%
Net income [1], growth (in constant currency)	13% – 16%	18% – 21%

All data according to U.S. GAAP
[1] Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before integration costs (~€10 million before tax for hospitals acquired from Rhön-Klinikum AG), before costs for the efficiency program at Fresenius Kabi (~€100 million before tax), and before the disposal gains from the divestment of two HELIOS hospitals (€34 million before tax); 2014 before special items

OUTLOOK 2015 BY BUSINESS SEGMENT

		Previous guidance	New guidance
Fresenius Medical Care [1]	Sales growth	5% – 7%	confirmed
	Net income [2] growth	0% – 5%	confirmed
Fresenius Kabi [3]	Sales growth (organic)	4% – 7%	6% – 8%
	EBIT growth (in constant currency)	11% – 14%	18% – 21%
Fresenius Helios [4]	Sales growth (organic)	3% – 5%	confirmed
	EBIT	€630 – 650 m	confirmed
Fresenius Vamed	Sales growth (organic)	Single-digit %	confirmed
	EBIT, growth	5% – 10%	confirmed

All data according to U.S. GAAP
[1] The outlook is based on current exchange rates. Savings from the global efficiency program are included, while earnings contributions from potential acquisitions are not. The outlook reflects further operating cost investments within the Care Coordination segment.
[2] Net income attributable to the shareholders of Fresenius Medical Care AG & Co. KGaA
[3] Fresenius Kabi's outlook excludes ~€100 million costs before tax for the efficiency program
[4] Fresenius Helios' outlook excludes integration costs for the hospitals acquired from Rhön-Klinikum AG (~€10 million before tax) and disposal gains from the divestment of two HELIOS hospitals (€34 million before tax)

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

€ in millions	Q2/2015	Q2/2014	H1/2015	H1/2014
Sales	7,044	5,568	13,622	10,826
Cost of sales	-4,811	-3,877	-9,375	-7,570
Gross profit	2,233	1,691	4,247	3,256
Selling, general and administrative expenses	-1,177	-817	-2,211	-1,649
Research and development expenses	-116	-90	-224	-172
Operating income (EBIT)	940	784	1,812	1,435
Net interest	-165	-145	-330	-283
Income before income taxes	775	639	1,482	1,152
Income taxes	-230	-196	-434	-332
Net income	545	443	1,048	820
Noncontrolling interest	225	160	414	294
Net income attributable to shareholders of Fresenius SE & Co. KGaA	320	283	634	526
Earnings per ordinary share in € (after stock split 1 : 3)	0.59	0.53	1.17	0.98
Fully diluted earnings per ordinary share in € (after stock split 1 : 3)	0.58	0.52	1.16	0.97

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

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

€ in millions	Q2/2015	Q2/2014	H1/2015	H1/2014
Net income	545	443	1,048	820
Other comprehensive income (loss)				
Positions which will be reclassified into net income in subsequent years				
Foreign currency translation	-558	93	867	30
Cash flow hedges	55	14	25	18
Change of fair value of available for sale financial assets	–	-37	–	-23
Income taxes on positions which will be reclassified	-3	2	-28	-3
Positions which will not be reclassified into net income in subsequent years				
Actuarial gains/losses on defined benefit pension plans	14	-2	-35	-2
Income taxes on positions which will not be reclassified	-5	1	12	1
Other comprehensive income (loss), net	-497	71	841	21
Total comprehensive income	48	514	1,889	841
Comprehensive income (loss) attributable to noncontrolling interest	-35	221	864	330
Comprehensive income attributable to shareholders of Fresenius SE & Co. KGaA	83	293	1,025	511

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

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

ASSETS

€ in millions	June 30, 2015	December 31, 2014
Cash and cash equivalents	917	1,175
Trade accounts receivable, less allowance for doubtful accounts	4,649	4,238
Accounts receivable from and loans to related parties	17	36
Inventories	2,653	2,333
Other current assets	1,792	1,784
I. Total current assets	**10,028**	9,566
Property, plant and equipment	7,105	6,777
Goodwill	21,274	19,977
Other intangible assets	1,725	1,635
Other non-current assets	1,449	1,284
Deferred taxes	789	716
II. Total non-current assets	**32,342**	30,389
Total assets	**42,370**	39,955

LIABILITIES AND SHAREHOLDERS' EQUITY

€ in millions	June 30, 2015	December 31, 2014
Trade accounts payable	1,036	1,052
Short-term accounts payable to related parties	46	5
Short-term accrued expenses and other short-term liabilities	4,791	4,346
Short-term debt	359	233
Short-term loans from related parties	0	3
Current portion of long-term debt and capital lease obligations	485	516
Current portion of Senior Notes	722	682
Short-term accruals for income taxes	162	161
A. Total short-term liabilities	**7,601**	6,998
Long-term debt and capital lease obligations, less current portion	5,881	6,105
Senior Notes, less current portion	7,276	6,977
Convertible bonds	839	832
Long-term accrued expenses and other long-term liabilities	1,132	945
Pension liabilities	1,140	1,094
Long-term accruals for income taxes	198	216
Deferred taxes	1,002	928
B. Total long-term liabilities	**17,468**	17,097
I. Total liabilities	**25,069**	24,095
A. Noncontrolling interest	**6,945**	6,337
Subscribed capital	544	542
Capital reserve	3,240	3,183
Other reserves	6,254	5,871
Accumulated other comprehensive income (loss)	318	-73
B. Total Fresenius SE & Co. KGaA shareholders' equity	**10,356**	9,523
II. Total shareholders' equity	**17,301**	15,860
Total liabilities and shareholders' equity	**42,370**	39,955

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

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

€ in millions	H1/2015	H1/2014
Operating activities		
Net income	1,048	820
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities		
Depreciation and amortization	550	458
Gain on sale of investments and divestitures	-33	-56
Change in deferred taxes	-58	-23
Gain/loss on sale of fixed assets	-1	1
Changes in assets and liabilities, net of amounts from businesses acquired or disposed of		
Trade accounts receivable, net	-264	-166
Inventories	-215	-191
Other current and non-current assets	-15	-95
Accounts receivable from/payable to related parties	56	-9
Trade accounts payable, accrued expenses and other short-term and long-term liabilities	222	-47
Accruals for income taxes	-33	17
Net cash provided by operating activities	1,257	709
Investing activities		
Purchase of property, plant and equipment	-621	-542
Proceeds from sales of property, plant and equipment	10	5
Acquisitions and investments, net of cash acquired and net purchases of intangible assets	-174	-997
Proceeds from sale of investments and divestitures	158	7
Net cash used in investing activities	-627	-1,527
Financing activities		
Proceeds from short-term loans	301	614
Repayments of short-term loans	-177	-2,222
Proceeds from short-term loans from related parties	–	–
Repayments of short-term loans from related parties	–	–
Proceeds from long-term debt and capital lease obligations	169	1,772
Repayments of long-term debt and capital lease obligations	-794	-708
Proceeds from the issuance of Senior Notes	0	1,420
Proceeds from the issuance of Convertible Bonds	0	500
Changes of accounts receivable securitization program	13	52
Proceeds from the exercise of stock options	84	42
Dividends paid	-523	-457
Change in noncontrolling interest	-2	–
Exchange rate effect due to corporate financing	1	-2
Net cash used in/provided by financing activities	-928	1,011
Effect of exchange rate changes on cash and cash equivalents	40	13
Net decrease/increase in cash and cash equivalents	-258	206
Cash and cash equivalents at the beginning of the reporting period	1,175	864
Cash and cash equivalents at the end of the reporting period	917	1,070

ADDITIONAL INFORMATION ON PAYMENTS THAT ARE INCLUDED IN NET CASH PROVIDED BY OPERATING ACTIVITIES

€ in millions	H1/2015	H1/2014
Received interest	27	27
Paid interest	-265	-265
Income taxes paid	-369	-351

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

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

	Subscribed Capital			Reserves	
	Number of ordinary shares in thousand [1]	Amount € in thousands	Amount € in millions	Capital reserve € in millions	Other reserves € in millions
As of December 31, 2013	539,085	539,085	539	3,097	5,071
Proceeds from the exercise of stock options	297	297	–	21	
Compensation expense related to stock options				6	
Dividends paid					-225
Purchase of noncontrolling interest					
Liabilities for noncontrolling interest subject to put provisions					-8
Comprehensive income (loss)					
Net income					526
Other comprehensive income (loss)					
Cash flow hedges					
Change of fair value of available for sale financial assets					
Foreign currency translation					
Actuarial losses on defined benefit pension plans					
Comprehensive income (loss)					526
As of June 30, 2014	539,382	539,382	539	3,124	5,364
As of December 31, 2014	541,533	541,533	542	3,183	5,871
Proceeds from the exercise of stock options	1,946	1,946	2	49	
Compensation expense related to stock options				8	
Dividends paid					-283
Purchase of noncontrolling interest					
Liabilities for noncontrolling interest subject to put provisions					-13
Comprehensive income (loss)					
Net income					634
Other comprehensive income (loss)					
Cash flow hedges					
Change of fair value of available for sale financial assets					
Foreign currency translation					
Actuarial losses on defined benefit pension plans					
Comprehensive income					634
As of June 30, 2015	**543,479**	**543,479**	**544**	**3,240**	**6,254**

[1] Prior year figures were adjusted due to the stock split in 2014.

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

	Accumulated other comprehensive income (loss) € in millions	Total Fresenius SE & Co. KGaA shareholders' equity € in millions	Noncontrolling interest € in millions	Total shareholders' equity € in millions
As of December 31, 2013	-324	8,383	5,212	13,595
Proceeds from the exercise of stock options		21	21	42
Compensation expense related to stock options		6	-1	5
Dividends paid		-225	-232	-457
Purchase of noncontrolling interest		0	15	15
Liabilities for noncontrolling interest subject to put provisions		-8	-18	-26
Comprehensive income (loss)				
Net income		526	294	820
Other comprehensive income (loss)				
Cash flow hedges	7	7	5	12
Change of fair value of available for sale financial assets	-16	-16	–	-16
Foreign currency translation	-6	-6	32	26
Actuarial losses on defined benefit pension plans	–	–	-1	-1
Comprehensive income (loss)	-15	511	330	841
As of June 30, 2014	-339	8,688	5,327	14,015
As of December 31, 2014	-73	9,523	6,337	15,860
Proceeds from the exercise of stock options		51	33	84
Compensation expense related to stock options		8	1	9
Dividends paid		-238	-285	-523
Purchase of noncontrolling interest		0	25	25
Liabilities for noncontrolling interest subject to put provisions		-13	-30	-43
Comprehensive income (loss)				
Net income		634	414	1,048
Other comprehensive income (loss)				
Cash flow hedges	12	12	7	19
Change of fair value of available for sale financial assets	–	–	–	–
Foreign currency translation	388	388	457	845
Actuarial losses on defined benefit pension plans	-9	-9	-14	-23
Comprehensive income	391	1,025	864	1,889
As of June 30, 2015	**318**	**10,356**	**6,945**	**17,301**

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

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

by business segment, € in millions	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed		
	2015	2014	Change.	2015[2]	2014[3]	Change.	2015[4]	2014[5]	Change	2015	2014	Change
Sales	**7,312**	5,399	35%	**2,932**	2,466	19%	**2,774**	2,521	10%	**463**	398	16%
thereof contribution to consolidated sales	**7,300**	5,381	36%	**2,909**	2,447	19%	**2,774**	2,521	10%	**443**	381	16%
thereof intercompany sales	**12**	18	-33%	**23**	19	21%	**0**	0		**20**	17	18%
contribution to consolidated sales	**54%**	50%		**22%**	23%		**21%**	23%		**3%**	4%	
EBITDA	**1,262**	976	29%	**691**	513	35%	**399**	344	16%	**21**	20	5%
Depreciation and amortization	**320**	245	31%	**120**	102	18%	**92**	94	-2%	**5**	5	0%
EBIT	**942**	731	29%	**571**	411	39%	**307**	250	23%	**16**	15	7%
Net interest	**-183**	-142	-29%	**-102**	-95	-7%	**-25**	-27	7%	**-2**	0	
Income taxes	**-245**	-203	-21%	**-146**	-88	-66%	**-52**	-40	-30%	**-4**	-4	0%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	**404**	320	26%	**309**	217	42%	**226**	179	26%	**10**	10	0%
Operating cash flow	**746**	410	82%	**354**	215	65%	**231**	205	13%	**-44**	-62	29%
Cash flow before acquisitions and dividends	**377**	107	--	**210**	73	188%	**150**	122	23%	**-51**	-66	23%
Total assets[1]	**22,710**	20,960	8%	**10,378**	9,655	7%	**8,410**	8,352	1%	**849**	891	-5%
Debt[1]	**8,285**	7,851	6%	**5,463**	5,205	5%	**1,324**	1,394	-5%	**185**	159	16%
Other operating liabilities[1]	**3,885**	3,478	12%	**1,896**	1,698	12%	**1,436**	1,469	-2%	**365**	426	-14%
Capital expenditure, gross	**374**	306	22%	**141**	128	10%	**84**	83	1%	**7**	3	133%
Acquisitions, gross/investments	**137**	440	-69%	**36**	19	89%	**28**	757	-96%	**–**	1	-100%
Research and development expenses	**59**	44	34%	**161**	125	29%	**–**	–	--	**0**	0	
Employees (per capita on balance sheet date)[1]	**109,113**	105,917	3%	**33,125**	32,899	1%	**69,283**	68,852	1%	**7,960**	7,746	3%
Key figures												
EBITDA margin	**17.3%**	18.1%		**23.6%**	20.8%		**14.4%**	13.6%		**4.5%**	5.0%	
EBIT margin	**12.9%**	13.5%		**19.5%**	16.7%		**11.1%**	9.9%		**3.5%**	3.8%	
Depreciation and amortization in % of sales	**4.4%**	4.5%		**4.1%**	4.1%		**3.3%**	3.7%		**1.1%**	1.3%	
Operating cash flow in % of sales	**10.2%**	7.6%		**12.1%**	8.7%		**8.3%**	8.1%		**-9.5%**	-15.6%	
ROOA[1]	**9.7%**	9.7%		**11.8%**	10.5%		**7.8%**	7.4%		**10.7%**	11.2%	

FRESENIUS SE & CO. KGAA

CONSOLIDATED SEGMENT REPORTING FIRST HALF (UNAUDITED)

	Corporate/Other			IFRS-Reconciliation			Fresenius Group		
by business segment, € in millions	**2015**[6]	2014[7]	Change	**2015**	2014	Change	**2015**	2014	Change
Sales	**-52**	-51	-2%	**193**	93	108%	**13,622**	10,826	26%
thereof contribution to consolidated sales	**3**	3	0%	**193**	93	108%	**13,622**	10,826	26%
thereof intercompany sales	**-55**	-54	-2%	**0**	0		**0**	0	
contribution to consolidated sales	**0%**	0%		**0%**	0%		**100%**	100%	
EBITDA	**-23**	47	-149%	**12**	-7	--	**2,362**	1,893	25%
Depreciation and amortization	**5**	5	0%	**8**	7	14%	**550**	458	20%
EBIT	**-28**	42	-167%	**4**	-14	129%	**1,812**	1,435	26%
Net interest	**-18**	-19	5%	**0**	0		**-330**	-283	-17%
Income taxes	**20**	4	--	**-7**	-1	--	**-434**	-332	-31%
Net income attributable to shareholders of Fresenius SE & Co, KGaA	**-307**	-192	-60%	**-8**	-8	0%	**634**	526	21%
Operating cash flow	**-36**	-18	-100%	**6**	-41	115%	**1,257**	709	77%
Cash flow before acquisitions and dividends	**-40**	-18	-122%	**0**	-46	100%	**646**	172	--
Total assets[1]	**-76**	39	--	**99**	58	71%	**42,370**	39,955	6%
Debt[1]	**404**	845	-52%	**-99**	-106	7%	**15,562**	15,348	1%
Other operating liabilities[1]	**369**	287	29%	**554**	461	20%	**8,505**	7,819	9%
Capital expenditure, gross	**5**	2	150%	**6**	5	20%	**617**	527	17%
Acquisitions, gross/investments	**-7**	-1	--	**0**	-46	100%	**194**	1,170	-83%
Research and development expenses	**3**	1	200%	**1**	2	-50%	**224**	172	30%
Employees (per capita on balance sheet date)[1]	**858**	861	0%	**0**	0		**220,339**	216,275	2%
Key figures									
EBITDA margin							**17.4%**[2,4]	17.1%[5]	
EBIT margin							**13.4%**[2,4]	12.8%[5]	
Depreciation and amortization in % of sales							**4.0%**	4.2%	
Operating cash flow in % of sales							**9.2%**	6.5%	
ROOA[1]							**9.6%**[8]	9.0%[9]	

[1] 2014: December 31
[2] Before costs for the efficiency program
[3] Before integration costs
[4] Before integration costs and disposal gains (two HELIOS hospitals)
[5] Before integration costs and disposal gains (two HELIOS hospitals, Rhön stake)
[6] After costs for the efficiency program, integration costs and disposal gains (two HELIOS hospitals)
[7] After integration costs and disposal gains (two HELIOS hospitals, Rhön stake)
[8] The underlying pro forma EBIT does not include costs for the efficiency program, integration costs and disposal gains (two HELIOS hospitals).
[9] The underlying pro forma EBIT does not include integration costs and disposal gains (two HELIOS hospitals, Rhön stake).

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

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

	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed		
by business segment, € in millions	**2015**	2014	Change	**2015[1]**	2014[2]	Change.	**2015[2]**	2014[3]	Change	**2015**	2014	Change
Sales	**3,796**	2,797	36%	**1,538**	1,253	23%	**1,383**	1,294	7%	**255**	207	23%
thereof contribution to consolidated sales	**3,789**	2,785	36%	**1,527**	1,242	23%	**1,383**	1,294	7%	**245**	198	24%
thereof intercompany sales	**7**	12	-42%	**11**	11	0%	**0**	0		**10**	9	11%
contribution to consolidated sales	**54%**	51%		**22%**	22%		**20%**	23%		**4%**	4%	
EBITDA	**658**	529	24%	**376**	260	45%	**207**	186	11%	**12**	12	0%
Depreciation and amortization	**164**	123	33%	**62**	50	24%	**47**	50	-6%	**3**	3	0%
EBIT	**494**	406	22%	**314**	210	50%	**160**	136	18%	**9**	9	0%
Net interest	**-92**	-72	-28%	**-52**	-47	-11%	**-12**	-11	-9%	**-1**	1	-200%
Income taxes	**-123**	-129	5%	**-84**	-46	-83%	**-27**	-22	-23%	**-2**	-3	33%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	**218**	170	28%	**169**	111	52%	**119**	102	17%	**6**	6	0%
Operating cash flow	**349**	328	6%	**271**	173	57%	**117**	128	-9%	**-7**	-8	13%
Cash flow before acquisitions and dividends	**155**	169	-8%	**192**	96	100%	**66**	76	-13%	**-13**	-11	-18%
Capital expenditure, gross	**195**	160	22%	**83**	74	12%	**52**	51	2%	**6**	1	--
Acquisitions, gross/investments	**76**	293	-74%	**2**	2	0%	**11**	-3	--	**–**	0	
Research and development expenses	**32**	22	45%	**83**	66	26%	**–**	–	--	**0**	0	
Key figures												
EBITDA margin	**17.3%**	18.9%		**24.4%**	20.8%		**15.0%**	14.4%		**4.7%**	5.8%	
EBIT margin	**13.0%**	14.5%		**20.4%**	16.8%		**11.6%**	10.5%		**3.5%**	4.3%	
Depreciation and amortization in % of sales	**4.3%**	4.4%		**4.0%**	4.0%		**3.4%**	3.9%		**1.2%**	1.4%	
Operating cash flow in % of sales	**9.2%**	11.7%		**17.6%**	13.8%		**8.5%**	9.9%		**-2.7%**	-3.9%	

FRESENIUS SE & CO. KGAA

CONSOLIDATED SEGMENT REPORTING SECOND QUARTER (UNAUDITED)

by business segment, € in millions	Corporate/Other			IFRS-Reconciliation			Fresenius Group		
	2015[4]	2014[5]	Change	**2015**	2014	Change	**2015**	2014	Change
Sales	**-26**	-30	13%	**98**	47	109%	**7,044**	5,568	27%
thereof contribution to consolidated sales	**2**	2	0%	**98**	47	109%	**7,044**	5,568	27%
thereof intercompany sales	**-28**	-32	13%	**0**	0		**0**	0	
contribution to consolidated sales	**0%**	0%		**0%**	0%		**100%**	100%	
EBITDA	**-40**	25	--	**9**	3	200%	**1,222**	1,015	20%
Depreciation and amortization	**2**	1	100%	**4**	4	0%	**282**	231	22%
EBIT	**-42**	24	--	**5**	-1	--	**940**	784	20%
Net interest	**-8**	-16	50%	**0**	0		**-165**	-145	-14%
Income taxes	**13**	3	--	**-7**	1	--	**-230**	-196	-17%
Net income attributable to shareholders of Fresenius SE & Co, KGaA	**-187**	-103	-82%	**-5**	-3	-67%	**320**	283	13%
Operating cash flow	**-10**	-11	9%	**3**	-43	107%	**723**	567	28%
Cash flow before acquisitions and dividends	**-12**	-9	-33%	**0**	-46	100%	**388**	275	41%
Capital expenditure, gross	**2**	2	0%	**4**	3	33%	**342**	291	18%
Acquisitions, gross/investments	**1**	0		**0**	-46	100%	**90**	246	-63%
Research and development expenses	**2**	1	100%	**-1**	1	-200%	**116**	90	29%
Key figures									
EBITDA margin							**17.7%[1,2]**	17.8%[3]	
EBIT margin							**13.7%[1,2]**	13.6%[3]	
Depreciation and amortization in % of sales							**4.0%**	4.1%	
Operating cash flow in % of sales							**10.3%**	10.2%	

[1] Before costs for the efficiency program
[2] Before integration costs
[3] Before integration costs and disposal gains (Rhön stake)
[4] After costs for the efficiency program and integration costs
[5] After integration costs and disposal gains (Rhön stake)

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

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GENERAL NOTES

1. PRINCIPLES

I. GROUP STRUCTURE

Fresenius is a global health care group with products and services for dialysis, hospitals and outpatient medical care. In addition, the Fresenius Group focuses on hospital operations and also manages projects and provides services for hospitals and other health care facilities worldwide. Besides the activities of the parent company Fresenius SE & Co. KGaA, Bad Homburg v. d. H., the operating activities were split into the following legally independent business segments as of June 30, 2015:

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

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

II. BASIS OF PRESENTATION

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

The accompanying condensed interim financial statements comply with the International Accounting Standard (IAS) 34. They have been prepared in accordance with the IFRS in force on the reporting date and adopted by the European Union.

The accounting policies underlying these interim financial statements are mainly the same as those applied in the consolidated financial statements as of December 31, 2014.

III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The condensed consolidated financial statements and management report for the first half and the second quarter ended June 30, 2015 have not been audited nor reviewed and should be read in conjunction with the notes included and published in the consolidated financial statements as of December 31, 2014 applying Section 315a HGB in accordance with IFRS.

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

The consolidated financial statements for the first half and the second quarter ended June 30, 2015 include all adjustments that, in the opinion of the Management Board, are of a normal and recurring nature and are necessary to provide an appropriate view of the assets and liabilities, financial position and results of operations of the Fresenius Group.

The results of operations for the first half ended June 30, 2015 are not necessarily indicative of the results of operations for the fiscal year 2015.

Classifications

Certain items in the consolidated financial statements for the first half of 2014 and for the year 2014 have been reclassified to conform with the current year's presentation.

Use of estimates

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

IV. RECENT PRONOUNCEMENTS, APPLIED

The Fresenius Group has prepared its consolidated financial statements at June 30, 2015 in conformity with IFRS in force for interim periods on January 1, 2015.

In the first half of 2015, the Fresenius Group did not apply any new standard relevant for its business for the first time.

V. RECENT PRONOUNCEMENTS, NOT YET APPLIED

The International Accounting Standards Board (IASB) issued the following relevant new standards for the Fresenius Group:

In December 2014, the IASB issued **Amendments to IAS 1, Presentation of Financial Statements**, as part of its disclosure initiative. The amendments contain different disclosure issues. Disclosures have to be made only if the content is not immaterial. This is explicitly the case when an IFRS standard requires a list of minimum-disclosure. Furthermore, aggregation and disaggregation of subtotals in the statement of financial position and in the statement of comprehensive income are explained. In addition, the amendments clarify the disclosure of significant accounting policies and the disclosure of other comprehensive income of associates, which are consolidated by using the equity method. The amendments are effective for fiscal years beginning on or after January 1, 2016. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

In September 2014, the IASB issued **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10, Consolidated Financial Statements and IAS 28, Investments in Associates and Joint Ventures (2011))**. The amendments eliminate an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28. They clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business as defined in IFRS 3, Business Combinations. In case of loss of control of a subsidiary that constitute a business as defined in IFRS 3, the full gain or loss resulting from this transaction is recognized. A partial gain or loss is recognized when a transaction involves assets that do not constitute a business. The amendments to IFRS 10 and IAS 28 are effective for fiscal years beginning on or after January 1, 2016. Earlier adoption is permitted. The Fresenius Group will apply the amendments as of January 1, 2016. The Fresenius Group does currently not expect any impact on its consolidated financial statements.

In May 2014, the IASB issued **IFRS 15, Revenue from Contracts with Customers**. Simultaneously, the Financial Accounting Standards Board (FASB) published its equivalent revenue standard, Accounting Standards Update 2014-09 (ASU 2014-09), FASB Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers. The standards are the result of a convergence project between the FASB and the IASB. This new standard specifies how and when companies reporting under IFRS will recognize revenue as well as providing users of financial statements with more informative and relevant disclosures. IFRS 15 supersedes IAS 18, Revenue, IAS 11, Construction Contracts and a number of revenue-related interpretations. This standard applies to nearly all contracts with customers, the main exceptions are leases, financial instruments and insurance contracts. This new standard is effective for fiscal years beginning on or after January 1, 2017. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

In May 2014, the IASB issued **Amendments to IFRS 11, Accounting for Acquisitions of Interests in Joint Operations**. The amendments add new guidance on accounting for the acquisition of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3, Business Combinations. In such cases, all of the principles on business combinations accounting in IFRS 3 and other IFRSs have to be applied, except for those principles that conflict with the guidance in IFRS 11. In addition, the acquirer shall disclose the information required by IFRS 3. Those amendments shall be applied prospectively for fiscal years beginning on or after January 1, 2016. Earlier adoption is permitted. The Fresenius Group does currently not expect any impact on its consolidated financial statements.

In November 2009, the IASB issued **IFRS 9, Financial Instruments for the accounting of financial assets**, which replaces the IAS 39 financial asset categories with two categories. Financial assets that have basic loan features and are managed on a contractual yield basis must be measured at amortized cost. All other financial assets are measured at fair value through profit and loss, whereby for strategic equity investments there is an option to record changes in fair value through other comprehensive income (loss). In October 2010, the IASB issued **additions to IFRS 9, Financial Instruments for the accounting of financial liabilities**. These additions complete the classification and measurement of financial instruments phase of the project to replace IAS 39, Financial Instruments: Recognition and Measurement. The new guidance requires entities that choose to measure financial liabilities at fair value to generally present changes in the entity's own credit risk within other comprehensive income (loss). Other current accounting guidance for financial liabilities has been maintained. In November 2013, the IASB issued **additions to IFRS 9, Financial Instruments**, by introducing a new hedge accounting model. This new model enables entities to reflect their risk management activities more flexibly. For liabilities elected to be measured at fair value, the changes to IFRS 9 introduce the possibility to recognize gains and losses, caused by a worsening in an entity's own credit risk, no longer in profit or loss. The accounting for liabilities can be changed before applying any of the other requirements in IFRS 9. Furthermore, the IASB cancelled the mandatory date of January 1, 2015. In July 2014, the IASB issued a new version of **IFRS 9, Financial Instruments**. This IFRS 9 version is considered the final and complete version, thus, mainly replacing IAS 39 as soon as IFRS 9 is applied. It includes all prior guidance on the classification and measurement of financial assets and financial liabilities as well as hedge accounting and introduces requirements for impairment of financial instruments as well as modified requirements for the measurement categories of financial assets. The impairment provisions reflect a model that relies on expected losses (expected loss model). This model comprises a two stage approach: Upon recognition an entity shall recognize losses that are expected within the next 12 months. If credit risk deteriorates significantly, from that point in time impairment losses shall amount to lifetime expected losses. The provisions for classification and measurement are amended by introducing an additional third measurement category for certain debt instruments. Such instruments shall be measured at fair value with changes recognized in other comprehensive income (fair value through other comprehensive income). The standard is accompanied by additional disclosure requirements and is effective for fiscal years beginning on or after January 1, 2018. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

The EU Commission's endorsements of IFRS 9, IFRS 15 and of the amendments to IAS 1, IFRS 10, IAS 28 and IFRS 11 are still outstanding.

In the Fresenius Group's view, all other pronouncements issued by the IASB do not have a material impact on the consolidated financial statements, as expected.

2. ACQUISITIONS, DIVESTITURES AND INVESTMENTS

The Fresenius Group made acquisitions, investments and purchases of intangible assets of €194 million and €1,170 million in the first half of 2015 and 2014, respectively. Of this amount, €174 million was paid in cash and €20 million was assumed obligations in the first half of 2015.

FRESENIUS MEDICAL CARE

In the first half of 2015, Fresenius Medical Care spent €137 million on acquisitions, mainly for dialysis care services.

FRESENIUS KABI

In the first half of 2015, Fresenius Kabi spent €36 million on acquisitions, which mainly related to the purchase of 100% of the shares in medi1one medical gmbh, Germany, and the purchase of further shares in Fresenius Kabi Bidiphar JSC, Vietnam. Furthermore, on February 16, 2015, Fresenius Kabi sold its German subsidiary CFL GmbH including its subsidiaries to NewCo Pharma GmbH. The transaction resulted in a book gain in an immaterial amount.

FRESENIUS HELIOS

In the first half of 2015, Fresenius Helios spent €28 million on acquisitions, mainly for subsequent purchase price payments, the acquisition of outpatient facilities and the purchase of 94% of the shares in Lungenklinik Diekholzen gGmbH, Germany.

CORPORATE / OTHER

The segment Corporate / Other includes the consolidation of an intercompany transaction in the amount of €7 million.

NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

3. SPECIAL ITEMS

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the first half of 2015 in the amount of €634 million includes special items relating to Fresenius Kabi's efficiency program and the integration of the acquired Rhön hospitals. The divestment of two HELIOS hospitals in the fiscal year 2014 led to an additional disposal gain in the first half of 2015.

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

€ in millions	EBIT	Net income attributable to shareholders of Fresenius SE & Co. KGaA
Earnings H1/2015, adjusted	1,819	629
Costs for Fresenius Kabi's efficiency program	-33	-23
Integration costs for the acquired Rhön hospitals	-8	-6
Disposal gains from the divestment of two HELIOS hospitals	34	34
Earnings H1/2015 according to IFRS	**1,812**	**634**

4. SALES

Sales by activity were as follows:

€ in millions	H1/2015	H1/2014
Sales of services	**9,074**	7,019
Sales of products and related goods	**4,338**	3,628
Sales from long-term production contracts	**204**	176
Other sales	**6**	3
Sales	**13,622**	10,826

5. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of €224 million (H1/2014: €172 million) included expenditures for research and non-capitalizable development costs as well as depreciation and amortization expenses relating to capitalized development costs of €8 million (H1/2014: €7 million).

6. TAXES

During the first half of 2015, there were no further material changes relating to tax audits, accruals for income taxes 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 as of December 31, 2014 applying Section 315a HGB in accordance with IFRS.

7. EARNINGS PER SHARE

The following table shows the earnings per share including and excluding the dilutive effect from stock options issued after registration of the capital increase from company's funds (stock split 1 : 3) with the commercial register on August 1, 2014:

	H1/2015	H1/2014[1]
Numerators, € in millions		
Net income attributable to shareholders of Fresenius SE & Co. KGaA	**634**	526
less effect from dilution due to Fresenius Medical Care shares	**–**	–
Income available to all ordinary shares	**634**	526
Denominators in number of shares		
Weighted-average number of ordinary shares outstanding	**542,708,040**	539,561,505
Potentially dilutive ordinary shares	**4,491,252**	4,557,486
Weighted-average number of ordinary shares outstanding assuming dilution	**547,199,292**	544,118,991
Basic earnings per ordinary share in €	**1.17**	0.98
Fully diluted earnings per ordinary share in €	**1.16**	0.97

[1] Prior year figures were adjusted accordingly.

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8. CASH AND CASH EQUIVALENTS

As of June 30, 2015 and December 31, 2014, cash and cash equivalents were as follows:

€ in millions	June 30, 2015	Dec. 31, 2014
Cash	911	1,127
Time deposits and securities (with a maturity of up to 90 days)	6	48
Total cash and cash equivalents	**917**	1,175

As of June 30, 2015 and December 31, 2014, earmarked funds of €49 million and €52 million, respectively, were included in cash and cash equivalents.

9. TRADE ACCOUNTS RECEIVABLE

As of June 30, 2015 and December 31, 2014, trade accounts receivable were as follows:

€ in millions	June 30, 2015	Dec. 31, 2014
Trade accounts receivable	5,284	4,783
less allowance for doubtful accounts	635	545
Trade accounts receivable, net	**4,649**	4,238

10. INVENTORIES

As of June 30, 2015 and December 31, 2014, inventories consisted of the following:

€ in millions	June 30, 2015	Dec. 31, 2014
Raw materials and purchased components	579	527
Work in process	476	451
Finished goods	1,686	1,440
less reserves	88	85
Inventories, net	**2,653**	2,333

11. OTHER CURRENT AND NON-CURRENT ASSETS

As of June 30, 2015, investments were comprised of investments of €525 million (December 31, 2014: €512 million), mainly regarding the joint venture between Fresenius Medical Care and Galenica Ltd., that were accounted for under the equity method. In the first half of 2015, income of €12 million (H1/2014: €13 million) resulting from this valuation was included in selling, general and administrative expenses in the consolidated statement of income. Securities and long-term loans included €167 million financial assets available for sale as of June 30, 2015 (December 31, 2014: €148 million) mainly relating to shares in funds. Furthermore, securities and long-term loans included €161 million as of June 30, 2015 that Fresenius Medical Care loaned to a middle-market dialysis provider.

12. GOODWILL AND OTHER INTANGIBLE ASSETS

As of June 30, 2015 and December 31, 2014, intangible assets, split into amortizable and non-amortizable intangible assets, consisted of the following:

AMORTIZABLE INTANGIBLE ASSETS

	June 30, 2015			December 31, 2014		
€ in millions	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Patents, product and distribution rights	692	329	363	633	288	345
Technology	373	97	276	349	77	272
Non-compete agreements	309	235	74	281	212	69
Capitalized development costs	469	268	201	433	244	189
Other	1,107	519	588	1,005	453	552
Total	**2,950**	**1,448**	**1,502**	2,701	1,274	1,427

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

€ in millions	Q3–4/2015	2016	2017	2018	2019	Q1–2/2020
Estimated amortization expenses	99	185	178	172	170	89

NON-AMORTIZABLE INTANGIBLE ASSETS

	June 30, 2015			December 31, 2014		
€ in millions	**Acquisition cost**	**Accumulated amortization**	**Carrying amount**	Acquisition cost	Accumulated amortization	Carrying amount
Tradenames	**217**	**0**	**217**	202	0	202
Management contracts	**6**	**0**	**6**	6	0	6
Goodwill	**21,274**	**0**	**21,274**	19,977	0	19,977
Total	**21,497**	**0**	**21,497**	20,185	0	20,185

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, 2014	**8,446**	**4,226**	**2,158**	**85**	**6**	**14,921**
Additions	1,287	99	2,250	14	0	3,650
Disposals	0	-3	-28	0	0	-31
Reclassifications	0	–	0	0	0	–
Foreign currency translation	1,034	403	0	0	0	1,437
Carrying amount as of December 31, 2014	**10,767**	**4,725**	**4,380**	**99**	**6**	**19,977**
Additions	61	19	49	0	0	129
Foreign currency translation	851	317	0	0	0	1,168
Carrying amount as of June 30, 2015	**11,679**	**5,061**	**4,429**	**99**	**6**	**21,274**

As of June 30, 2015 and December 31, 2014, the carrying amounts of the other non-amortizable intangible assets were €193 million and €179 million, respectively, for Fresenius Medical Care as well as €30 million and €29 million, respectively, for Fresenius Kabi.

13. DEBT AND CAPITAL LEASE OBLIGATIONS

SHORT-TERM DEBT

The Fresenius Group had short-term debt of €359 million and €233 million at June 30, 2015 and December 31, 2014, respectively. As of June 30, 2015, this debt consisted of borrowings by certain entities of the Fresenius Group under lines of credit with commercial banks. Furthermore, €130 million were outstanding under the commercial paper program of Fresenius SE & Co. KGaA.

LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

As of June 30, 2015 and December 31, 2014, long-term debt and capital lease obligations consisted of the following:

€ in millions	June 30, 2015	Dec. 31, 2014
Fresenius Medical Care 2012 Credit Agreement	**2,478**	2,389
2013 Senior Credit Agreement	**2,297**	2,561
Euro Notes	**917**	1,025
Accounts receivable facility of Fresenius Medical Care	**318**	281
Capital lease obligations	**151**	151
Other	**306**	323
Subtotal	**6,467**	6,730
less current portion	**485**	516
less financing cost	**101**	109
Long-term debt and capital lease obligations, less current portion	**5,881**	6,105

Fresenius Medical Care 2012 Credit Agreement

Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) originally entered into a syndicated credit facility (Fresenius Medical Care 2012 Credit Agreement) of US$3,850 million and a 5-year period with a large group of banks and institutional investors on October 30, 2012.

On November 26, 2014, the Fresenius Medical Care 2012 Credit Agreement was amended to increase the total credit facility to approximately US$4,400 million and extend the term for an additional two years until October 30, 2019.

The following tables show the available and outstanding amounts under the Fresenius Medical Care 2012 Credit Agreement after scheduled amortization payments at June 30, 2015 and at December 31, 2014:

	June 30, 2015			
	Maximum amount available		**Balance outstanding**	
		€ in millions		**€ in millions**
Revolving Credit (in US$)	US$1,000 million	894	**US$51 million**	**45**
Revolving Credit (in €)	€400 million	400	**€0 million**	**0**
US$ Term Loan	US$2,400 million	2,145	**US$2,400 million**	**2,145**
€ Term Loan	€288 million	288	**€288 million**	**288**
Total		3,727		**2,478**

	December 31, 2014			
	Maximum amount available		**Balance outstanding**	
		€ in millions		**€ in millions**
Revolving Credit (in US$)	US$1,000 million	824	**US$36 million**	**30**
Revolving Credit (in €)	€400 million	400	**€0 million**	**0**
US$ Term Loan	US$2,500 million	2,059	**US$2,500 million**	**2,059**
€ Term Loan	€300 million	300	**€300 million**	**300**
Total		3,583		**2,389**

In addition, at June 30, 2015 and December 31, 2014, Fresenius Medical Care had letters of credit outstanding in the amount of US$7 million, which were not included above as part of the balance outstanding at those dates but which reduce available borrowings under the applicable Revolving Credit Facility.

As of June 30, 2015, FMC-AG & Co. KGaA and its subsidiaries were in compliance with all covenants under the Fresenius Medical Care 2012 Credit Agreement.

2013 Senior Credit Agreement

On December 20, 2012, Fresenius SE & Co. KGaA and various subsidiaries entered into a delayed draw syndicated credit agreement (2013 Senior Credit Agreement) in the original amount of US$1,300 million and €1,250 million. Since the initial funding of the 2013 Senior Credit Agreement in June 2013, additional tranches were added and scheduled amortization payments have been made. Furthermore, on January 29, 2015, a term loan B tranche of €297 million was voluntarily prepaid.

On February 12, 2015, the revolving credit facilities and the term loan A tranches were extended ahead of time by two years to a new maturity date on June 28, 2020. These tranches would have otherwise matured in June 2018.

The following tables show the available and outstanding amounts under the 2013 Senior Credit Agreement at June 30, 2015 and at December 31, 2014:

	June 30, 2015			
	Maximum amount available	€ in millions	**Balance outstanding**	**€ in millions**
Revolving Credit Facilities (in €)	€900 million	900	**€0 million**	**0**
Revolving Credit Facilities (in US$)	US$300 million	268	**US$0 million**	**0**
Term Loan A (in €)	€1,119 million	1,119	**€1,119 million**	**1,119**
Term Loan A (in US$)	US$827 million	739	**US$827 million**	**739**
Term Loan B (in US$)	US$491 million	439	**US$491 million**	**439**
Total		3,465		**2,297**

	December 31, 2014			
	Maximum amount available	€ in millions	**Balance outstanding**	**€ in millions**
Revolving Credit Facilities (in €)	€900 million	900	**€0 million**	**0**
Revolving Credit Facilities (in US$)	US$300 million	247	**US$0 million**	**0**
Term Loan A (in €)	€1,125 million	1,125	**€1,125 million**	**1,125**
Term Loan A (in US$)	US$890 million	733	**US$890 million**	**733**
Term Loan B (in €)	€297 million	297	**€297 million**	**297**
Term Loan B (in US$)	US$494 million	406	**US$494 million**	**406**
Total		3,708		**2,561**

As of June 30, 2015, the Fresenius Group was in compliance with all covenants under the 2013 Senior Credit Agreement.

Euro Notes

As of June 30, 2015 and December 31, 2014, Euro Notes (Schuldscheindarlehen) of the Fresenius Group consisted of the following:

			Book value / nominal value € in millions	
	Maturity	Interest rate	**June 30, 2015**	Dec. 31, 2014
Fresenius SE & Co. KGaA 2012/2016	April 4, 2016	3.36%	**108**	156
Fresenius SE & Co. KGaA 2012/2016	April 4, 2016	variable	**0**	129
Fresenius SE & Co. KGaA 2013/2017	Aug. 22, 2017	2.65%	**51**	51
Fresenius SE & Co. KGaA 2013/2017	Aug. 22, 2017	variable	**74**	74
Fresenius SE & Co. KGaA 2014/2018	April 2, 2018	2.09%	**97**	97
Fresenius SE & Co. KGaA 2014/2018	April 2, 2018	variable	**76**	76
Fresenius SE & Co. KGaA 2014/2018	April 2, 2018	variable	**65**	65
Fresenius SE & Co. KGaA 2012/2018	April 4, 2018	4.09%	**72**	72
Fresenius SE & Co. KGaA 2012/2018	April 4, 2018	variable	**0**	43
Fresenius SE & Co. KGaA 2015/2018	October 8, 2018	1.07%	**36**	0
Fresenius SE & Co. KGaA 2015/2018	October 8, 2018	variable	**55**	0
Fresenius SE & Co. KGaA 2014/2020	April 2, 2020	2.67%	**106**	106
Fresenius SE & Co. KGaA 2014/2020	April 2, 2020	variable	**55**	55
Fresenius SE & Co. KGaA 2014/2020	April 2, 2020	variable	**101**	101
Fresenius SE & Co. KGaA 2015/2022	April 7, 2022	variable	**21**	0
Euro Notes			**917**	1,025

In March 2015, Fresenius SE & Co. KGaA voluntarily terminated floating rate tranches of Euro Notes due in 2016 and 2018 in the amount of €172 million ahead of time. Furthermore, the Company made a termination offer to investors of its fixed rate €156 million Euro Notes maturing in April 2016 which was accepted for €48 million. The respective repayments were made on April 7, 2015. The remaining Euro Notes of €108 million due in 2016 are shown as current portion of long-term debt and capital lease obligations in the consolidated statement of financial position. At the same time, new Euro Notes with maturities in 2018 and 2022 were issued in a total amount of €112 million.

As of June 30, 2015, the Fresenius Group was in compliance with all of its covenants under the Euro Notes.

CREDIT LINES

In addition to the financial liabilities described before, the Fresenius Group maintains additional credit facilities which have not been utilized, or have only been utilized in part, as of the reporting date. At June 30, 2015, the additional financial cushion resulting from unutilized credit facilities was approximately €3.3 billion. Thereof €2.4 billion accounted for syndicated credit facilities.

14. SENIOR NOTES

As of June 30, 2015 and December 31, 2014, Senior Notes of the Fresenius Group consisted of the following:

				Book value € in millions	
	Notional amount	Maturity	Interest rate	**June 30, 2015**	Dec. 31, 2014
Fresenius Finance B.V. 2014/2019	€300 million	Feb. 1, 2019	2.375%	**299**	299
Fresenius Finance B.V. 2012/2019	€500 million	Apr. 15, 2019	4.25%	**500**	500
Fresenius Finance B.V. 2013/2020	€500 million	July 15, 2020	2.875%	**500**	500
Fresenius Finance B.V. 2014/2021	€450 million	Feb. 1, 2021	3.00%	**445**	445
Fresenius Finance B.V. 2014/2024	€450 million	Feb. 1, 2024	4.00%	**453**	453
Fresenius US Finance II, Inc. 2009/2015	€275 million	July 15, 2015	8.75%	**275**	273
Fresenius US Finance II, Inc. 2009/2015	US$500 million	July 15, 2015	9.00%	**447**	409
Fresenius US Finance II, Inc. 2014/2021	US$300 million	Feb. 1, 2021	4.25%	**268**	247
FMC Finance VI S.A. 2010/2016	€250 million	July 15, 2016	5.50%	**249**	249
FMC Finance VII S.A. 2011/2021	€300 million	Feb. 15, 2021	5.25%	**297**	297
FMC Finance VIII S.A. 2011/2016	€100 million	Oct. 15, 2016	variable	**100**	100
FMC Finance VIII S.A. 2011/2018	€400 million	Sept. 15, 2018	6.50%	**397**	397
FMC Finance VIII S.A. 2012/2019	€250 million	July 31, 2019	5.25%	**245**	245
Fresenius Medical Care US Finance, Inc. 2007/2017	US$500 million	July 15, 2017	6.875%	**445**	410
Fresenius Medical Care US Finance, Inc. 2011/2021	US$650 million	Feb. 15, 2021	5.75%	**578**	532
Fresenius Medical Care US Finance II, Inc. 2011/2018	US$400 million	Sept. 15, 2018	6.50%	**355**	327
Fresenius Medical Care US Finance II, Inc. 2012/2019	US$800 million	July 31, 2019	5.625%	**715**	659
Fresenius Medical Care US Finance II, Inc. 2014/2020	US$500 million	Oct. 15, 2020	4.125%	**447**	411
Fresenius Medical Care US Finance II, Inc. 2012/2022	US$700 million	Jan. 31, 2022	5.875%	**626**	577
Fresenius Medical Care US Finance II, Inc. 2014/2024	US$400 million	Oct. 15, 2024	4.75%	**357**	329
Senior Notes				**7,998**	7,659

All Senior Notes included in the table are unsecured.

The Senior Notes issued by Fresenius US Finance II, Inc. which were due on July 15, 2015 are shown as current portion of Senior Notes in the consolidated statement of financial position. They have been repaid as scheduled and refinanced with the issuance of commercial paper.

As of June 30, 2015, the Fresenius Group was in compliance with all of its covenants.

15. CONVERTIBLE BONDS

As of June 30, 2015 and December 31, 2014, the convertible bonds of the Fresenius Group consisted of the following:

					Book value € in millions	
	Notional amount	Maturity	Coupon	Current conversion price	**June 30, 2015**	Dec. 31, 2014
Fresenius SE & Co. KGaA 2014/2019	€500 million	Sept. 24, 2019	0.000%	€49.6611	**464**	460
Fresenius Medical Care AG & Co. KGaA 2014/2020	€400 million	Jan. 31, 2020	1.125%	€73.6354	**375**	372
Convertible bonds					**839**	832

The fair value of the derivative embedded in the convertible bonds of Fresenius SE & Co. KGaA was €184 million at June 30, 2015. The derivative embedded in the convertible bonds of FMC-AG & Co. KGaA was recognized with a fair value of €98 million at June 30, 2015. Fresenius SE & Co. KGaA and FMC-AG & Co. KGaA have purchased stock options (call options) to secure against future fair value fluctuations of these derivatives. The call options also had an aggregate fair value of €184 million and €98 million, respectively, at June 30, 2015.

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

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

16. PENSIONS AND SIMILAR OBLIGATIONS

DEFINED BENEFIT PENSION PLANS

At June 30, 2015, the pension liability of the Fresenius Group was €1,158 million. The current portion of the pension liability of €18 million is recognized in the consolidated statement of financial position within short-term accrued expenses and other short-term liabilities. The non-current portion of €1,140 million is recorded as pension liability.

Contributions to Fresenius Group's pension fund were €11 million in the first half of 2015. The Fresenius Group expects approximately €25 million contributions to the pension fund during 2015.

Defined benefit pension plans' net periodic benefit costs of €38 million (H1/2014: €30 million) were comprised of the following components:

€ in millions	H1/2015	H1/2014
Service cost	23	17
Net interest cost	15	13
Net periodic benefit cost	**38**	30

17. NONCONTROLLING INTEREST

As of June 30, 2015 and December 31, 2014, noncontrolling interest in the Fresenius Group was as follows:

€ in millions	June 30, 2015	Dec. 31, 2014
Noncontrolling interest in Fresenius Medical Care AG & Co. KGaA	**5,757**	5,227
Noncontrolling interest in VAMED AG	**41**	43
Noncontrolling interest in the business segments		
Fresenius Medical Care	**892**	803
Fresenius Kabi	**111**	124
Fresenius Helios	**137**	134
Fresenius Vamed	**7**	6
Total noncontrolling interest	**6,945**	6,337

Noncontrolling interest changed as follows:

€ in millions	H1/2015
Noncontrolling interest as of January 1, 2015	**6,337**
Noncontrolling interest in profit	414
Stock options	34
Purchase of noncontrolling interest	25
Dividend payments	-285
Currency effects and other changes	420
Noncontrolling interest as of June 30, 2015	**6,945**

18. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

SUBSCRIBED CAPITAL

During the first half of 2015, 1,946,207 stock options were exercised. Consequently, as of June 30, 2015, the subscribed capital of Fresenius SE & Co. KGaA consisted of 543,478,807 bearer ordinary shares. The shares are issued as non-par value shares. The proportionate amount of the subscribed capital is €1.00 per share.

CONDITIONAL CAPITAL

The following Conditional Capitals exist in order to fulfill the subscription rights under the stock option plans of Fresenius SE & Co. KGaA: Conditional Capital I (Stock Option Plan 2003), Conditional Capital II (Stock Option Plan 2008) and Conditional Capital IV (Stock Option Plan 2013) (see note 25, Stock options). Another Conditional Capital III exists for the authorization to issue option bearer bonds and / or convertible bonds.

The following table shows the development of the Conditional Capital:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003	5,773,056
Conditional Capital II Fresenius SE Stock Option Plan 2008	10,901,188
Conditional Capital III, approved on May 16, 2014	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	25,200,000
Total Conditional Capital as of January 1, 2015	**90,845,446**
Fresenius AG Stock Option Plan 2003 – options exercised	-382,855
Fresenius SE Stock Option Plan 2008 – options exercised	-1,563,352
Total Conditional Capital as of June 30, 2015	**88,899,239**

DIVIDENDS

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

In May 2015, a dividend of €0.44 per bearer ordinary share was approved by Fresenius SE & Co. KGaA's shareholders at the Annual General Meeting and paid. The total dividend payment was €238 million.

19. OTHER COMPREHENSIVE INCOME (LOSS)

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

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

€ in millions	Cash flow hedges	Change of fair value of available for sale financial assets	Foreign currency translation	Actuarial gains/losses on defined benefit pension plans	Total, before non-controlling interest	Non-controlling interest	Total, after non-controlling interest
Balance as of December 31, 2013	-105	17	-105	-131	-324	-256	-580
Other comprehensive income (loss) before reclassifications	-2	–	-6	–	-8	30	22
Amounts reclassified from accumulated other comprehensive income (loss)	9	-16	–	0	-7	6	-1
Other comprehensive income (loss), net	7	-16	-6	–	-15	36	21
Balance as of June 30, 2014	**-98**	**1**	**-111**	**-131**	**-339**	**-220**	**-559**
Balance as of December 31, 2014	-107	1	314	-281	-73	148	75
Other comprehensive income (loss) before reclassifications	6	–	388	-9	385	438	823
Amounts reclassified from accumulated other comprehensive income (loss)	6	0	–	0	6	12	18
Other comprehensive income (loss), net	12	–	388	-9	391	450	841
Balance as of June 30, 2015	**-95**	**1**	**702**	**-290**	**318**	**598**	**916**

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

	Amount of gain or loss reclassified from accumulated other comprehensive income (loss)[1]		
€ in millions	**H1/2015**	H1/2014	Affected line item in the consolidated statement of income
Details about accumulated other comprehensive income (loss) components			
Cash flow hedges			
Interest rate contracts	**19**	17	Interest income/expense
Foreign exchange contracts	**12**	2	Cost of sales
Foreign exchange contracts	**-6**	2	Selling, general and administrative expenses
Foreign exchange contracts	**0**	–	Interest income/expense
Other comprehensive income (loss)	**25**	21	
Tax expense or benefit	**-7**	-6	
Other comprehensive income (loss), net	**18**	15	
Change of fair value of available for sale financial assets	**0**	-23	Selling, general and administrative expenses
Tax expense or benefit	**0**	7	
Other comprehensive income (loss), net	**0**	-16	
Total reclassifications for the period	**18**	-1	

[1] Gains are shown with a negative sign, losses with a positive sign.

OTHER NOTES

20. LEGAL AND REGULATORY MATTERS

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

Further information regarding legal disputes, court proceedings and investigations can be found in detail in the consolidated financial statements as of December 31, 2014 applying Section 315a HGB in accordance with IFRS. In the following, only the changes during the first half ended June 30, 2015 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 as of December 31, 2014 applying Section 315a HGB in accordance with IFRS; defined terms or abbreviations having the same meaning as in the consolidated financial statements as of December 31, 2014 applying Section 315a HGB in accordance with IFRS.

BAXTER PATENT DISPUTE "LIBERTY CYCLER"

The parties have resolved this patent dispute.

SUBPOENA "AMERICAN ACCESS CARE, LLC"

On June 29, 2015, the United States District Court for the Southern District of Florida overruled a whistleblower's objections and approved a settlement agreed with the United States Attorney under which Fresenius Medical Care has paid US$1.2 million in exchange for a release of claims arising in that District. Fresenius Medical Care and the United States have agreed in principle to a settlement, on a similar basis, encompassing claims arising in the Connecticut and Rhode Island Districts, under which Fresenius Medical Care would pay approximately US$6.7 million in exchange for a release of claims arising in those Districts. Both settlements implicate only actions and events occurring prior to Fresenius Medical Care's acquisition of American Access Care, LLC (AAC).

SUBPOENAS "MASSACHUSETTS AND LOUISIANA"

In December 2012, Fresenius Medical Care Holdings, Inc. (FMCH) received a subpoena from the United States Attorney for the District of Massachusetts requesting production of a broad range of documents related to two products manufactured by FMCH, electron-beam sterilization of dialyzers and the Liberty peritoneal dialysis cycler. FMCH has cooperated fully in the government's investigation. In December 2014, FMCH was advised that the government's investigation was precipitated by a whistleblower, who first filed a complaint under seal in June 2013. In September 2014, the government declined to intervene in the whistleblower's actions. On March 31, 2015, the relator served his complaint styled Reihanifam v. Fresenius USA, Inc., 2013 Civ. 11486 (D. Mass.). On May 14, 2015, the Court dismissed without prejudice the relator's False Claims Act allegations after receiving the United States' confirmation that it would not intervene as to those allegations. The Court has allowed the relator to pursue allegations of wrongful termination from employment, and FMCH has moved to dismiss those allegations.

In January 2013 and April 2015, respectively, FMCH received subpoenas from the United States Attorney for the Western District of Louisiana and the Attorney General for the Commonwealth of Massachusetts requesting discovery responses relating to the Granuflo® and Naturalyte® acid concentrate products that are also the subject of personal injury litigation described above. FMCH has cooperated fully in the government's investigations.

CIVIL COMPLAINT "HAWAII"

In July 2015, the Attorney General for Hawaii issued a civil complaint under the Hawaii False Claims Act styled: Hawaii v. Liberty Dialysis – Hawaii, LLC et al., Case No. 15-1-1357-07 (Hawaii 1st Circuit) alleging that Xerox State Healthcare, LLC, M Group Consulting, LLC and certain Liberty Healthcare subsidiaries of FMCH conspired to over bill Hawaii Medicaid for Liberty's Epogen administrations to Hawaii Medicaid patients during the period from 2006 through 2010, prior to the time of FMCH's acquisition of Liberty. The complaint alleges that Xerox State Healthcare, LLC, which acted as Hawaii's contracted administrator for its Medicaid program reimbursement operations during 2006–2010, provided incorrect and unauthorized billing guidance to Liberty and its consultant, M Group Consulting, LLC, which Liberty relied on for purposes of its Epogen billing to the Hawaii Medicaid program. The complaint seeks civil damages authorized under the Hawaii False Claims Act. FMCH will vigorously contest the complaint.

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

The Fresenius Group, like other health care providers, conducts its operations under intense government regulation and scrutiny. It must comply with regulations which relate to or govern the safety and efficacy of medical products and supplies, the marketing and distribution of such products, the operation of manufacturing facilities, laboratories and dialysis clinics, and environmental and occupational health and safety. With respect to its development, manufacture, marketing and distribution of medical products, if such compliance is not maintained, the Fresenius Group could be subject to significant adverse regulatory actions by the U.S. Food and Drug Administration (FDA) and comparable regulatory authorities outside the United States. These regulatory actions could include warning letters or other enforcement notices from the FDA and/or comparable foreign regulatory authority, which may require the Fresenius Group to expend significant time and resources in order to implement appropriate corrective actions. If the Fresenius Group does not address matters raised in warning letters or other enforcement notices to the satisfaction of the FDA and/or comparable regulatory authorities outside the United States, these regulatory authorities could take additional actions, including product recalls, injunctions against the distribution of products or operation of manufacturing plants, civil penalties, seizures of Fresenius Group's products and/or criminal prosecution. FMCH is currently engaged in remediation efforts with respect to three pending FDA warning letters, Fresenius Kabi with respect to two pending FDA warning letters. The Fresenius Group must also comply with the laws of the United States, including the federal Anti-Kickback Statute, the federal False Claims Act, the federal Stark Law and the federal Foreign Corrupt Practices Act as well as other federal and state fraud and abuse laws. Applicable laws or regulations may be amended, or enforcement agencies or courts may make interpretations that differ from Fresenius Group's interpretations or the manner in which it conducts its business. Enforcement has become a high priority for the federal government and some states. In addition, the provisions of the False Claims Act authorizing payment of a portion of any recovery to the party bringing the suit encourage private plaintiffs to commence whistleblower actions. By virtue of this regulatory environment, Fresenius Group's business activities and practices are subject to extensive review by regulatory authorities and private parties, and continuing audits, subpoenas, other inquiries, claims and litigation relating to Fresenius Group's compliance with applicable laws and regulations. The Fresenius Group may not always be aware that an inquiry or action has begun, particularly in the case of "whistleblower" actions, which are initially filed under court seal.

21. FINANCIAL INSTRUMENTS

VALUATION OF FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and fair values as well as the fair value hierarchy levels of Fresenius Group's financial instruments as of June 30, 2015 and December 31, 2014, classified into classes:

€ in millions	Fair value hierarchy level	June 30, 2015 Carrying amount	June 30, 2015 Fair value	December 31, 2014 Carrying amount	December 31, 2014 Fair value
Cash and cash equivalents	1	**917**	**917**	1,175	1,175
Assets recognized at carrying amount	3	**4,827**	**4,832**	4,422	4,423
Assets recognized at fair value	1	**167**	**167**	148	148
Liabilities recognized at carrying amount	2	**16,598**	**17,476**	16,405	17,250
Liabilities recognized at fair value	2	**283**	**283**	146	146
Noncontrolling interest subject to put provisions recognized at fair value	3	**656**	**656**	568	568
Derivatives for hedging purposes	2	**230**	**230**	90	90

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

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

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

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

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

The class assets recognized at fair value was comprised of shares in funds. The fair values of these assets are calculated on the basis of market information. The fair value of available for sale financial assets quoted in an active market is based on price quotations at the period-end date (Level 1). Therefore, this class is classified as Level 1.

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

The derivatives embedded in the convertible bonds are included in the class liabilities recognized at fair value. The fair value of the embedded derivatives is calculated using the difference between the market value of the convertible bond and the market value of an adequate straight bond discounted with the market interest rates as of the reporting date. The class was classified as Level 2.

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

Following is a roll forward of noncontrolling interest subject to put provisions:

€ in millions	H1/2015
Noncontrolling interest subject to put provisions as of January 1, 2015	**568**
Noncontrolling interest subject to put provisions in profit	56
Purchase of noncontrolling interest subject to put provisions	24
Dividend payments	-78
Currency effects and other changes	86
Noncontrolling interest subject to put provisions as of June 30, 2015	**656**

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

Fresenius Group's own credit risk is incorporated in the fair value estimation of derivatives that are liabilities. Counterparty credit risk adjustments are factored into the valuation of derivatives that are assets. The Fresenius Group monitors and analyses the credit risk from derivative financial instruments on a regular basis. For the valuation of derivative financial instruments, the credit risk is considered in the fair value of every individual instrument. The basis for the default probability are Credit Default Swap Spreads of each counterparty appropriate for the duration. The calculation of the credit risk considered in the valuation is done by multiplying the default probability appropriate for the duration with the expected discounted cash flows of the derivative financial instrument.

The class of derivatives for hedging purposes includes the call options which have been purchased to hedge the convertible bonds. The fair values of these call options are derived from market quotes. For the fair value measurement of the class derivatives for hedging purposes, significant other observable inputs are used. Therefore, the class is classified as Level 2 in accordance with the defined fair value hierarchy levels.

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

FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

	June 30, 2015		December 31, 2014	
€ in millions	**Assets**	**Liabilities**	Assets	Liabilities
Interest rate contracts (non-current)	**1**	**4**	1	6
Foreign exchange contracts (current)	**4**	**40**	9	43
Foreign exchange contracts (non-current)	**–**	**–**	0	–
Derivatives designated as hedging instruments [1]	**5**	**44**	10	49
Interest rate contracts (non-current)	**0**	**1**	0	1
Foreign exchange contracts (current) [1]	**24**	**37**	21	37
Foreign exchange contracts (non-current) [1]	**–**	**–**	–	–
Derivatives embedded in the convertible bonds	**0**	**282**	0	145
Stock options to secure the convertible bonds [1]	**282**	**0**	145	0
Derivatives not designated as hedging instruments	**306**	**320**	166	183

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

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

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

Derivatives for hedging purposes as well as the derivatives embedded in the convertible bonds were recognized at gross value within other assets in an amount of €311 million and other liabilities in an amount of €363 million.

The current portion of interest rate contracts and foreign exchange contracts indicated as assets in the preceding table is recognized within other current assets in the consolidated statement of financial position, while the current portion of those indicated as liabilities is included in short-term accrued expenses and other short-term liabilities. The non-current portions indicated as assets or liabilities are recognized in other non-current assets or in long-term accrued expenses and other long-term liabilities, respectively. The derivatives embedded in the convertible bonds and the call options to secure the convertible bonds are recognized in other non-current liabilities/assets in the consolidated statement of financial position.

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

	H1/2015		
€ 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 the consolidated statement of income
Interest rate contracts	2	19	0
Foreign exchange contracts	-2	6	0
Derivatives in cash flow hedging relationships[1]	**–**	**25**	**0**
Foreign exchange contracts			-10
Derivatives in fair value hedging relationships			-10
Derivatives designated as hedging instruments	**–**	**25**	-10

	H1/2014		
€ 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 the consolidated statement of income
Interest rate contracts	2	17	1
Foreign exchange contracts	-5	4	0
Derivatives in cash flow hedging relationships[1]	**-3**	**21**	**1**
Foreign exchange contracts			-1
Derivatives in fair value hedging relationships			**-1**
Derivatives designated as hedging instruments	**-3**	**21**	**–**

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

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

	Gain or loss recognized in the consolidated statement of income	
€ in millions	**H1/2015**	H1/2014
Interest rate contracts	–	–
Foreign exchange contracts	**-12**	6
Derivatives not designated as hedging instruments	**-12**	6

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

The Fresenius Group expects to recognize a net amount of €7 million of the existing losses for foreign exchange contracts deferred in accumulated other comprehensive income (loss) in the consolidated statement of income within the next 12 months. For interest rate contracts, the Fresenius Group expects to recognize €35 million of losses in the course of normal business during the next 12 months in interest expense.

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

In the first half of 2015, no losses (H1/2014: €16 million) for available for sale financial assets were recognized in other comprehensive income (loss).

MARKET RISK

General

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

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

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

Derivative financial instruments

Classification

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

These master netting agreements do not provide a basis for offsetting the fair values of derivative financial instruments in the consolidated statement of financial position as the offsetting criteria under International Financial Reporting Standards are not satisfied.

At June 30, 2015 and December 31, 2014, the Fresenius Group had €29 million and €30 million of derivative financial assets subject to netting arrangements and €75 million and €77 million of derivative financial liabilities subject to netting arrangements. Offsetting these derivative financial instruments would have resulted in net assets of €17 million and €15 million as well as net liabilities of €63 million and €62 million at June 30, 2015 and December 31, 2014, respectively.

Foreign exchange risk management

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

As of June 30, 2015, the notional amounts of foreign exchange contracts totaled €2,265 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 -€36 million and €10 thousand, respectively.

As of June 30, 2015, the Fresenius Group was party to foreign exchange contracts with a maximum maturity of 36 months.

Interest rate risk management

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

As of June 30, 2015, the U.S. dollar interest rate swaps had a notional volume of US$500 million (€447 million) as well as a fair value of US$2 million (€2 million) and expire in 2022. The euro interest rate swaps had a notional volume of €601 million and a fair value of -€5 million. The euro interest rate swaps expire in the years 2016 to 2022.

The pre-hedges are used to hedge interest rate exposures with regard to interest rates which are relevant for the future debt issuance and which could rise until the respective debt is actually issued. These pre-hedges are settled at the issuance date of the corresponding debt with the settlement amount recorded in accumulated other comprehensive income (loss) amortized to interest expense over the life of the pre-hedges. At June 30, 2015 and December 31, 2014, the Fresenius Group had €74 million and €89 million, respectively, related to such settlements of pre-hedges deferred in accumulated other comprehensive income (loss), net of tax.

22. SUPPLEMENTARY INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of June 30, 2015, the equity ratio was 40.8% and the debt ratio (debt/total assets) was 36.7%. As of June 30, 2015, the leverage ratio (pro forma, before special items) on the basis of net debt/EBITDA, which is measured on the basis of U.S. GAAP figures, was 3.2.

The aims of the capital management and further information can be found in the consolidated financial statements as of December 31, 2014 applying Section 315a HGB in accordance with IFRS.

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 & Co. KGaA:

	June 30, 2015	Dec. 31, 2014
Standard & Poor's		
Corporate Credit Rating	**BBB-**	BB+
Outlook	**stable**	positive
Moody's		
Corporate Credit Rating	**Ba1**	Ba1
Outlook	**stable**	negative
Fitch		
Corporate Credit Rating	**BB+**	BB+
Outlook	**stable**	positive

23. SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

€ in millions	H1/2015	H1/2014
Assets acquired	**185**	1,797
Liabilities assumed	**-11**	-567
Noncontrolling interest	**-8**	-9
Notes assumed in connection with acquisitions	**-20**	-174
Cash paid	**146**	1,047
Cash acquired	**-4**	-190
Cash paid for acquisitions, net	**142**	857
Cash paid for investments, net of cash acquired	**13**	136
Cash paid for intangible assets, net	**19**	4
Total cash paid for acquisitions and investments, net of cash acquired, and net purchases of intangible assets	**174**	997

24. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

GENERAL

The consolidated segment reporting shown on pages 24 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 June 30, 2015.

The business segments were identified in accordance with IFRS 8, Operating Segments, 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 largest integrated provider of products and services for individuals with chronic kidney failure. As of June 30, 2015, Fresenius Medical Care was treating 289,610 patients in 3,421 dialysis clinics.

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

Fresenius Helios is Germany's largest hospital operator. On June 30, 2015, the HELIOS Group operated 111 hospitals: 87 acute care clinics, including 7 maximum care hospitals in Berlin-Buch, Duisburg, Erfurt, Krefeld, Schwerin, Wiesbaden and Wuppertal as well as 24 post-acute care clinics. Fresenius Helios has more than 34,000 beds and treats approximately 4.5 million patients – including 1.2 million inpatients – each year.

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

The segment Corporate / Other is mainly comprised of the holding functions of Fresenius SE & Co. KGaA as well as Fresenius Netcare GmbH, which provides services in the field of information technology. In addition, the segment Corporate / Other includes intersegment consolidation adjustments as well as special items (see note 3, Special items).

The key data used by the Management Board of Fresenius Management SE (the general partner of Fresenius SE & Co. KGaA) to control the segments are based on U.S. GAAP. Therefore, the segment information is given in accordance with U.S. GAAP. The column IFRS-Reconciliation provides a reconciliation from the U.S. GAAP segment data to the IFRS key data. The differences between the U.S. GAAP and the IFRS key data are mainly due to the differing recognition of in-process R & D, the different measuring of certain accruals, the different classification of certain bad debt expenses, gains from sale and leaseback transactions with an operating lease agreement, development costs, cumulative actuarial gains and losses for pensions and contingent considerations.

NOTES ON THE BUSINESS SEGMENTS

Explanations regarding the notes on the business segments can be found in the consolidated financial statements as of December 31, 2014 applying Section 315a HGB in accordance with IFRS.

RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS

€ in millions	H1/2015	H1/2014
Total EBIT of reporting segments	**1,832**	1,393
General corporate expenses Corporate / Other (EBIT)	**-20**	42
Group EBIT	**1,812**	1,435
Net interest	**-330**	-283
Income before income taxes	**1,482**	1,152

RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	June 30, 2015	Dec. 31, 2014
Short-term debt	**359**	233
Short-term loans from related parties	**0**	3
Current portion of long-term debt and capital lease obligations	**485**	516
Current portion of Senior Notes	**722**	682
Long-term debt and capital lease obligations, less current portion	**5,881**	6,105
Senior Notes, less current portion	**7,276**	6,977
Convertible bonds	**839**	832
Debt	**15,562**	15,348
less cash and cash equivalents	**917**	1,175
Net debt	**14,645**	14,173

25. STOCK OPTIONS

FRESENIUS SE & CO. KGAA STOCK OPTION PLANS

As of June 30, 2015, Fresenius SE & Co. KGaA had three stock option plans in place: the Fresenius AG Stock Option Plan 2003 (2003 Plan) which is based on convertible bonds, the stock option based Fresenius SE Stock Option Plan 2008 (2008 Plan) and the Fresenius SE & Co. KGaA Long Term Incentive Program 2013 (2013 LTIP) which is based on stock options and phantom stocks. The 2013 LTIP is the only program under which stock options can be granted.

Transactions during the first half of 2015

During the first half of 2015, Fresenius SE & Co. KGaA received cash of €36 million from the exercise of 1,946,207 stock options.

658,568 convertible bonds were outstanding and exercisable under the 2003 Plan at June 30, 2015. The members of the Fresenius Management SE Management Board held 40,434 convertible bonds. At June 30, 2015, out of 5,947,749 outstanding stock options issued under the 2008 Plan, 2,713,239 were exercisable and 1,144,820 were held by the members of the Fresenius Management SE Management Board. 4,219,752 stock options issued under the 2013 LTIP were outstanding at June 30, 2015. The members of the Fresenius Management SE Management Board held 630,000 stock options. 641,169 phantom stocks issued under the 2013 LTIP were outstanding at June 30, 2015. The members of the Fresenius Management SE Management Board held 163,422 phantom stocks.

As of June 30, 2015, 3,371,807 options for ordinary shares were outstanding and exercisable. On June 30, 2015, total unrecognized compensation cost related to non-vested options granted under the 2008 Plan and the 2013 LTIP was €22 million. This cost is expected to be recognized over a weighted-average period of 2.7 years.

FRESENIUS MEDICAL CARE AG & CO. KGAA STOCK OPTION PLANS

During the first half of 2015, 1,048,650 stock options were exercised. Fresenius Medical Care AG & Co. KGaA received cash of €38 million upon exercise of these stock options and €10 million from a related tax benefit.

26. RELATED PARTY TRANSACTIONS

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

Prof. Dr. h. c. Roland Berger, a member of the Supervisory Board of Fresenius Management SE and of Fresenius SE & Co. KGaA, is a partner of Roland Berger Strategy Consultants Holding GmbH. In the first half of 2015, after discussion and approval by the Supervisory Board of Fresenius Management SE and the Supervisory Board of Fresenius SE & Co. KGaA, the Fresenius Group paid €0.05 million to affiliated companies of the Roland Berger group for consulting services rendered.

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

On May 20, 2015, at the Annual General Meeting of Fresenius SE & Co. KGaA, Michael Diekmann, chairman of the management board of Allianz SE until May 6, 2015, was elected to the Supervisory Boards of Fresenius Management SE and of Fresenius SE & Co. KGaA. In the first half of 2015, the Fresenius Group paid €5.7 million for insurance premiums to the Allianz group under customary conditions.

Dr. Dieter Schenk, deputy chairman of the Supervisory Board of Fresenius Management SE, is a partner in the international law firm Noerr LLP, which provides legal services to the Fresenius Group. In the first half of 2015, after discussion and approval of each mandate by the Supervisory Board of Fresenius Management SE, the Fresenius Group paid €0.6 million to this law firm for legal services rendered.

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

27. SUBSEQUENT EVENTS

There have been no significant changes in the Fresenius Group's operating environment following the end of the first half of 2015. No other events of material importance on the assets and liabilities, financial position, and results of operations of the Group have occurred following the end of the first half of 2015.

28. CORPORATE GOVERNANCE

For each consolidated stock exchange listed entity, the declaration pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz) has been issued and made available to shareholders on the website of Fresenius SE & Co. KGaA (www.fresenius.com), and of Fresenius Medical Care AG & Co. KGaA (www.freseniusmedicalcare.com).

29. RESPONSIBILITY STATEMENT

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year."

Bad Homburg v. d. H., August 6, 2015

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

The Management Board

Dr. U. M. Schneider | Dr. F. De Meo | Dr. J. Götz

M. Henriksson | R. Powell | S. Sturm | Dr. E. Wastler

FINANCIAL CALENDAR

Report on 1st–3rd quarter 2015 Conference call, Live webcast	October 29, 2015
Annual General Meeting, Frankfurt am Main Live webcast of the speech of the Chairman of the Management Board	May 13, 2016

Subject to change

FRESENIUS SHARE / ADR

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

	ADR
CUSIP	35804M105
Ticker symbol	FSNUY
ISIN	US35804M1053
Structure	Sponsored Level 1 ADR
Ratio	4 ADR = 1 Share
Trading platform	OTCQX

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

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