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PROSPECTUS/OFFERING MEMORANDUM

NOT FOR GENERAL DISTRIBUTION IN THE UNITED STATES



Fresenius Medical Care

FMC FINANCE VIII S.A.
€400,000,000 6.50% Senior Notes due 2018
Guaranteed on a senior basis by
Fresenius Medical Care AG & Co. KGaA,
Fresenius Medical Care Holdings, Inc. and
Fresenius Medical Care Deutschland GmbH

FRESENIUS MEDICAL CARE US FINANCE II, INC.
$400,000,000 6.50% Senior Notes due 2018
Guaranteed on a senior basis by
Fresenius Medical Care AG & Co. KGaA,
Fresenius Medical Care Holdings, Inc. and
Fresenius Medical Care Deutschland GmbH

Fresenius Medical Care US Finance II, Inc. (the "Dollar Issuer"), is offering $400,000,000 aggregate principal amount of its 6.50% senior notes due 2018 (the "Dollar-denominated Notes"). FMC Finance VIII S.A. (the "Euro Issuer" and, together with the Dollar Issuer, the "Issuers"), is offering €400,000,000 aggregate principal amount of its 6.50% senior notes due 2018 (the "Euro-denominated Notes" and, together with the Dollar-denominated Notes, the "Notes"). The Dollar Issuer will pay interest on the Dollar-denominated Notes and the Euro Issuer will pay interest on the Euro-denominated Notes semi-annually on March 15 and September 15 of each year, commencing March 15, 2012. The Notes will mature on September 15, 2018.

The Dollar-denominated Notes will be the senior unsecured obligations of the Dollar Issuer and will rank equally with all of its existing and future senior unsecured indebtedness. The Euro-denominated Notes will be the senior unsecured obligations of the Euro Issuer and will rank equally with all of its existing and future senior unsecured indebtedness. All of the Notes will be guaranteed on a senior unsecured basis by Fresenius Medical Care AG & Co. KGaA (the "Company"), Fresenius Medical Care Holdings, Inc. and Fresenius Medical Care Deutschland GmbH (together with the Company, the "Guarantors"). Other subsidiaries of Fresenius Medical Care AG & Co. KGaA will not guarantee the Notes. The Notes and the guarantees will be effectively subordinated to all secured indebtedness of the Issuers and the Guarantors to the extent of the value of the collateral securing such indebtedness and structurally subordinated to all liabilities of Fresenius Medical Care AG & Co. KGaA's subsidiaries that are not guaranteeing the Notes.

The Notes are subject to the redemption provisions set out elsewhere in this prospectus/offering memorandum.

This document is an offering memorandum in connection with an offering of securities that has not been registered under the Securities Act of 1933 or any U.S. state securities laws. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the securities to be issued under this prospectus/offering memorandum or determined if this prospectus/offering memorandum is accurate or complete. Any representation to the contrary is a criminal offense.

This prospectus/offering memorandum constitutes a prospectus within the meaning of Article 5 para. 3 of Directive 2003/71/EC of the European Parliament and the Council of November 4, 2003 (as amended, inter alia, by Directive 2010/73/EU) (the "Prospectus Directive") since application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and to admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange, a market appearing on the list of regulated markets issued by the European Commission pursuant to Directive 2004/39/EC of April 21, 2004 on markets in financial instruments.

This prospectus/offering memorandum will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.bourse.lu). This prospectus/offering memorandum has been approved by the Commission de Surveillance du Secteur Financier (the "CSSF") of the Grand Duchy of Luxembourg ("Luxembourg") in its capacity as competent authority under the Luxembourg law relating to prospectuses dated July 10, 2005 (*Loi relative aux prospectus pour valeurs mobilières,* the "Luxembourg Prospectus Law"), which implements the Prospectus Directive into Luxembourg law. We have requested the CSSF to provide the competent authority in the Federal Republic of Germany ("Germany") with a certificate of approval attesting that this prospectus/offering memorandum has been prepared in accordance with the Luxembourg Prospectus Law (the "Notification"). Until such Notification is given in Germany, and at all times in other Member States of the European Economic Area ("Member States"), offers will be made only pursuant to an exception under Section 3 of the German Securities Prospectus Act or an applicable exception under the national legislation of the Member State implementing the Prospectus Directive, as the case may be.

Investing in the Notes involves risks. See "Risk Factors" beginning on page 19.

Dollar-denominated Notes Issue Price: 98.623%
Euro-denominated Notes Issue Price: 98.623%

Delivery of the Dollar-denominated Notes to investors in book entry form will be made through the Depository Trust Company and delivery of the Euro-denominated Notes in book-entry form will be made through Euroclear and Clearstream, in each case on or about September 14, 2011.

The Notes have not been registered under the Securities Act of 1933 as amended (the "Securities Act"), or any U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only (a) outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act and (b) to "qualified institutional buyers" as defined in Rule 144A under the Securities Act. For details about eligible offers, deemed representations and agreements by investors and transfer restrictions, see "Transfer Restrictions."

Joint Lead Managers and Bookrunners for the Euro-denominated Notes
Credit Suisse
J.P. Morgan Morgan Stanley Société Générale Corporate & Investment Banking

Joint Lead Managers and Bookrunners for the Dollar-denominated Notes
J.P. Morgan
Credit Suisse Barclays Capital Morgan Stanley

Co-Lead Managers for the Euro-denominated Notes
Commerzbank BayernLB BBVA BNP PARIBAS
Crédit Agricole CIB DZ BANK AG HELABA Landesbank Baden-Württemberg
Raiffeisen Bank International AG The Royal Bank of Scotland
UniCredit Bank WestLB

Co-Lead Managers for the Dollar-denominated Notes
DnB NOR Markets HSBC Scotia Capital
TD Securities Wells Fargo Securities

The date of this prospectus/offering memorandum is September 8, 2011.

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You should rely only on the information contained in this prospectus/offering memorandum. We have not authorized any person to provide you with any information or represent anything about us or this offering that is not contained in this prospectus/offering memorandum. If given or made, any such other information or representation should not be relied upon as having been authorized by us or the initial purchasers. We are not, and the initial purchasers are not, making an offer to sell these Notes in any jurisdiction where an offer or sale is not permitted.

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IN CONNECTION WITH THIS OFFERING, J.P. MORGAN SECURITIES LLC WITH RESPECT TO THE DOLLAR-DENOMINATED NOTES AND CREDIT SUISSE SECURITIES (EUROPE) LIMITED WITH RESPECT TO THE EURO-DENOMINATED NOTES, EACH A "STABILIZING MANAGER", AND ANY PERSON ACTING FOR THEM MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE APPLICABLE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE ISSUE DATE. HOWEVER, THERE IS NO OBLIGATION ON J.P. MORGAN SECURITIES LLC OR CREDIT SUISSE SECURITIES (EUROPE) LIMITED OR ANY AGENT FOR THEM TO DO THIS. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME, AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD. SUCH STABILIZATION SHALL BE IN COMPLIANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.

RESPONSIBILITY STATEMENT

Each of the Issuers and the Guarantors accepts responsibility for the information contained or incorporated by reference in this prospectus/offering memorandum and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained or incorporated by reference in this prospectus/offering memorandum is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The information contained under the heading "Quantitative and Qualitative Disclosures About Market Risks — Management of Foreign Exchange and Interest Rate Risks — Foreign Exchange Risk" includes extracts from information and data publicly released by official and other sources. While we accept responsibility for accurately summarizing the information concerning exchange rate information, we accept no further responsibility in respect of such information. The information set out in relation to sections of this prospectus/offering memorandum describing clearing arrangements, including the section entitled "Book-Entry, Delivery and Form," is subject to any change in or reinterpretation of the rules, regulations and procedures of The Depository Trust Company, Euroclear and Clearstream as currently in effect. While we accept responsibility for accurately summarizing the information concerning The Depository Trust Company, Euroclear and Clearstream, we accept no further responsibility in respect of such information.

Neither the initial purchasers nor any other person mentioned in this prospectus/offering memorandum, except for the Issuers and the Guarantors, is responsible for the information contained or incorporated by reference in this prospectus/offering memorandum, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained or incorporated by reference herein.

NOTICE TO INVESTORS

None of the Dollar Issuer, the Euro Issuer, the Guarantors, the initial purchasers, the Trustee, or any of our or their respective representatives, affiliates, advisers or agents is making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this prospectus/offering memorandum as legal, business or tax advice. You should consult your own advisors as to the legal, tax, business, financial and related aspects of an investment in the Notes. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Notes or possess or distribute this prospectus/offering memorandum, and you must obtain all applicable consents and approvals. None of the Dollar Issuer, the Euro Issuer, the Guarantors, the initial purchasers or the Trustee or any of their affiliates, representatives, advisors or agents shall have any responsibility for any of the foregoing legal requirements.

The initial purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained or incorporated by reference in this prospectus/offering memorandum. Nothing contained or incorporated by reference in this prospectus/offering memorandum is or should be relied upon as a promise or representation by the initial purchasers as to the past or the future. You agree to the foregoing by accepting this prospectus/offering memorandum.

We are offering the Notes in reliance on an exemption from registration under the Securities Act and in an offshore transaction pursuant to Regulation S under the Securities Act for offers and sales of securities that do not involve a public offering. The Notes may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable U.S. state securities laws. You must comply with all applicable laws and regulations in force in any applicable jurisdiction, and you must obtain any consent, approval or permission required for the purchase, offer or sale by you of the Notes under the laws and regulations in force in the jurisdictions to which you are subject or in which you make such purchase, offer or sale, and neither we nor the initial purchasers will have any responsibility therefor.

The Notes are subject to restrictions on offers, sales and transfers, which are described under "Notice to Investors in the European Economic Area," "Notice to Investors in the United Kingdom," "Notice to Certain Other European Investors" and "Notice to New Hampshire Residents." By possessing this prospectus/offering memorandum or purchasing any Notes, you will be deemed to have represented and agreed to all of the provisions contained in those sections of this prospectus/offering memorandum. You may be required to bear the financial risks of this investment for an indefinite period of time.

Each person receiving this prospectus/offering memorandum acknowledges that (1) we have afforded it an opportunity to request and to review, and it has received, all additional information considered by it to be necessary to verify the accuracy of or to supplement the information contained or incorporated by reference in this prospectus/offering memorandum, (2) investing in the Notes involves risks, (3) it has not relied upon the initial purchasers or any person affiliated with the initial purchasers in connection with its investigation of the accuracy of such information or its investment decision, (4) this prospectus/offering memorandum relates to offerings exempt from

registration under the Securities Act and does not comply in important respects with Securities and Exchange Commission ("SEC") rules that would apply to an offering document relating to a public offering of securities and (5) no person has been authorized to give information or to make any representation concerning us, this offering or the Notes, other than as contained in this prospectus/offering memorandum, in connection with an investor's examination of us and the terms of this offering.

Neither the Securities and Exchange Commission nor any U.S. state securities regulator has approved or disapproved of these securities or determined that this prospectus/offering memorandum is accurate or complete. Any representation to the contrary is a criminal offense in the United States.

You may not use any information herein for any purpose other than considering an investment in the Notes. We reserve the right to withdraw this offering of the Notes at any time. We and the initial purchasers reserve the right to reject any offer to purchase the Notes in whole or in part for any reason or for no reason and to allot to any prospective purchaser less than the full amount of the Notes sought by such purchaser.

The prospectus/offering memorandum may only be used for the purpose for which it has been established.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1955, AS AMENDED ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each initial purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Notes to the public in that Relevant Member State, other than the offers contemplated by the prospectus/offering memorandum in Luxembourg and Germany, from the time the prospectus/offering memorandum has been approved by the CSSF and published and notified to the relevant competent authority in accordance with the Prospectus Directive as implemented in Germany, except that it may make an offer of such Notes in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant initial purchaser or initial purchasers nominated by the relevant Issuer for any such offer; or

(c) in any other circumstances falling within Article 3 para.(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuers or any initial purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on

the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

Members of the public are not eligible to take part in the offering. This prospectus/offering memorandum is directed only at persons in the United Kingdom who are qualified investors within the meaning of the Prospectus Directive (including any implementing measure in the United Kingdom) ("Qualified Investors") and persons who are:

(a) investment professionals falling within articles 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order");

(b) persons falling within article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Order; or

(c) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 in connection with the issue or sale of any securities may otherwise be lawfully communicated or caused to be communicated.

(all such persons together being referred to as "Relevant Persons"). This document prospectus/offering memorandum must not be acted on or relied on in the United Kingdom by persons who are not Relevant Persons. Persons distributing this prospectus/offering memorandum must satisfy themselves that it is lawful to do so. Any investment or investment activity to which this prospectus/offering memorandum relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

Each initial purchaser has represented and agreed that:

(a) if a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, the Notes purchased by it in the offering will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer and resale to, persons in the United Kingdom other than to Qualified Investors, or in circumstances in which the prior consent of the Issuer has been given to the proposed offer or resale;

(b) (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell the Notes in the United Kingdom other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes has or would otherwise constitute an offer to the public within the meaning of Section 85(1) of the Financial Services Markets Act 2000 ("FSMA") by the Issuers;

(c) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuers or the Guarantors;

(d) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and

(e) if it is located in the United Kingdom, it is a Qualified Investor.

NOTICE TO CERTAIN OTHER EUROPEAN INVESTORS

France

This prospectus/offering memorandum has not been prepared in the context of a public offering in France within the meaning of Article L.41 1-1 of the Code monétaire et financier and therefore has not been approved by, registered or filed with the Autorité des Marchés Financiers (the "AMF"). Consequently, the Notes are not being offered, directly or indirectly, to the public in France and this prospectus/offering memorandum has not been and will not be released, issued or distributed or caused to be released, issued or distributed to the public in France or used in connection with any offer for subscription or sale of the Notes to the public in France.

The Notes may only be offered or sold in the Republic of France to qualified investors (*investisseurs qualifies*) or to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), to the exclusion of any individuals (*cercle restraint d'investisseurs*) all as defined in and in accordance with articles L.41 1-2 and D. 411-1 to D. 411-4 of the French *Code Monétaire et Financier.*

Prospective investors are informed that:

(i) this prospectus/offering memorandum has not been submitted for clearance to the French Financial Market Authority (*Autorité des Marchés Financiers)*;

(ii) in compliance with Articles D. 411-1 to D. 411-4 of the French *Code Monétaire et Financier*, any investors subscribing for the Notes should be acting for their own account; and

(iii) the direct and indirect distribution or sale to the public of the Notes acquired by them may only be made in compliance with articles L.411-1, L.411-2, L412-1 and L.621-8 to L.621-8-3 of the French *Code Monétaire et Financier.*

Italy

The offering of the Notes has not been registered pursuant to the Legislative Decree No. 58 of February 24, 1998 (the "Financial Services Act") and, accordingly, in the Republic of Italy the Notes may not be offered, sold or delivered, nor may copies of this prospectus/offering memorandum or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati),* as defined in Article 34-ter of *Commissione Nazionale per la Società e le Borsa* Regulation No. 11971 of May 14, 1999 ("Regulation 11971"), as amended; or

(ii) in the other circumstances which are exempted from the rules on offers to the public pursuant to Article 100 of the Financial Services Act and Article 34-ter, first paragraph, of Regulation 11971, as amended.

Any offer, sale or delivery of the Notes or distribution of copies of this prospectus/offering memorandum or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of September 1, 1993 (the "Banking Act"), the Financial Services Act, the regulations implementing the Financial Services Act and any other applicable laws and regulations; and

(ii) in compliance with any and all other applicable laws and regulations.

Spain

The Notes may not be offered or sold in Spain except in accordance with the requirements of the Spanish Securities Market Law (*Ley 24/1988, de 28 de Julio del Mercado de Valores)* as amended and restated and Royal Decree 1310/2005 of November 4 on matters of the admittance or negotiation of securities in official stock exchanges, of public sale and subscription offerings and the required brochure for such purposes (*Real Decreto 1310/2005, de 4 de noviembre, en materia de admisión o negociación de valores en mercados secundarios oficiales, ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*) as amended and restated ("R.D. 1310/2005"), and subsequent legislation.

This prospectus/offering memorandum is neither approved nor registered in the administrative registries of the *Comisión Nacional del Mercado de Valores,* and therefore a public offer for subscription of the Notes will not be carried out in Spain. Notwithstanding that and in accordance with Article 30 bis 1 of the Spanish Securities Market Law and Article 38 of R.D. 1310/2005, a private placement of the Notes addressed exclusively to institutional investors (as defined in Article 39 of R.D. 1310/2005) may be carried out in accordance with the requirements of R.D. 1310/2005.

PRESENTATION OF FINANCIAL INFORMATION

The financial statements and other financial information contained herein of FMC-AG & Co. KGaA have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), unless it is expressly indicated herein that financial statements or other financial information have been prepared in accordance with the International Financial Reporting Standards of the International Accounting Standards Board (IASB) as adopted by the European Union ("IFRS"). The Company uses U.S. GAAP to prepare the financial statements that it files with the United States Securities and Exchange Commission pursuant to the reporting requirements of the U.S. Securities Exchange Act of 1934. It uses IFRS to comply with the reporting requirements of the German Commercial Code (*Handelsgesetzbuch*) and other German laws. The balance sheet of the Euro Issuer included in this prospectus/offering memorandum has been prepared in accordance with accounting principles generally accepted in Luxembourg ("Luxembourg GAAP").

Financial statements and other financial information prepared in accordance with IFRS are not comparable to, and could differ from, financial statements and other financial information prepared in accordance with U.S. GAAP. For a discussion of some of the significant differences between IFRS and U.S. GAAP that affect the Company, see "Selected Historical Consolidated Financial Data Prepared Under IFRS."

NON-GAAP AND NON-IFRS FINANCIAL MEASURES

EBITDA, as presented in this prospectus/offering memorandum, is a supplemental measure of our performance that is not required by, or presented in accordance with, U.S. GAAP or IFRS. It is not a measurement of our financial performance under U.S. GAAP or IFRS and should not be considered as an alternative to net income or any other performance measures derived in accordance with U.S. GAAP or IFRS or as an alternative to cash flows from operating activities.

We define "EBITDA" as operating income plus depreciation and amortization. We caution investors that amounts presented in accordance with our definition of EBITDA may not be comparable to similar measures disclosed by other issuers, because not all issuers and analysts calculate EBITDA in the same manner, and may not be presented in accordance with the SEC's rules regarding the use of non-GAAP financial measures. We present EBITDA because it is the basis for determining compliance with certain covenants contained in our syndicated credit facility (the "Amended 2006 Senior Credit Agreement"), our 6⅞% Senior Notes due 2017 (the "6⅞% Senior Notes"), our 5.50% Senior Notes due 2016 (the "5.50% Senior Notes"), our 5.75% Senior Notes due 2021 (the "5.75% Senior Notes") and our 5.25% Senior Notes due 2021 (the "5.25% Senior Notes"), our Euro-denominated notes due 2012 and 2014 (the "Euro Notes") and our European Investment Bank ("EIB") credit facilities due 2013 and 2014. The 5.75% Senior Notes, the 6⅞% Senior Notes, the 5.25% Senior Notes and the 5.50% Senior Notes are collectively referred to in this prospectus/offering memorandum as the Company's "Outstanding Senior Notes." You should not consider EBITDA to be an alternative to net earnings determined in accordance with U.S. GAAP or IFRS or to cash flow from operations, investing activities or financing activities. In addition, not all funds depicted by EBITDA are available for management's discretionary use. For example, a substantial portion of such funds is subject to contractual restrictions and functional requirements for debt service, to fund necessary capital expenditures and to meet other commitments from time to time as described in more detail elsewhere in our public filings. For a reconciliation of EBITDA to cash flow provided by operating activities, which we consider to be our most directly comparable U.S. GAAP financial measure, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Debt Covenant Disclosure — EBITDA."

CERTAIN DEFINED TERMS

In this prospectus/offering memorandum, (1) the "Company" refers to both Fresenius Medical Care AG prior to the transformation of legal form discussed under "Summary — History" below and to Fresenius Medical Care AG & Co. KGaA after the transformation; (2) "we", "us" and "our" refers either to the Company or the Company and its subsidiaries on a consolidated basis both before and after the transformation, as the context requires; (3) "Fresenius Medical Care AG" and "FMC-AG" refers to the Company as a German stock corporation before the transformation of legal form and "FMC-AG & Co. KGaA" refers to the Company as a German partnership limited by shares after the transformation; (4) "FMCH" and "D-GmbH" refer, respectively, to Fresenius Medical Care Holdings, Inc., the holding company for our North American operations and a guarantor of the Notes and to Fresenius Medical Care Deutschland GmbH, one of our German subsidiaries and a guarantor of the Notes; (5) "Fresenius SE" refers to Fresenius SE & Co. KGaA, a German partnership limited by shares resulting from the change of legal form of Fresenius SE (effective as of January 2011), a European Company (Societas Europaea) previously called Fresenius AG, a German stock corporation. Fresenius SE owns 100% of the share capital of our

general partner and approximately 30.4% of our ordinary shares as of August 19, 2011. "Management AG" refers to Fresenius Medical Care Management AG, the Company's general partner and a wholly owned subsidiary of Fresenius SE.

FORWARD-LOOKING STATEMENTS

This prospectus/offering memorandum contains forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, the "Exchange Act". When used in this prospectus/offering memorandum, the words "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and similar expressions are generally intended to identify forward looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated, and future events and actual results, financial and otherwise, could differ materially from those set forth in or contemplated by the forward-looking statements contained elsewhere in this prospectus/offering memorandum. We have based these forward-looking statements on current estimates and assumptions made to the best of our knowledge. By their nature, such forward-looking statements involve risks, uncertainties, assumptions and other factors which could cause actual results, including our financial condition and profitability, to differ materially and be more negative than the results expressly or implicitly described in or suggested by these statements. Moreover, forward-looking estimates or predictions derived from third parties' studies or information may prove to be inaccurate. Consequently, we cannot give any assurance regarding the future accuracy of the opinions set forth in this prospectus/offering memorandum or the actual occurrence of the developments described herein. In addition, even if our future results meet the expectations expressed here, those results may not be indicative of our performance in future periods.

These risks, uncertainties, assumptions, and other factors that could cause actual results to differ from our projected results include, among others, the following:

- changes in governmental and commercial insurer reimbursement for our complete products and services portfolio, including the new expanded Medicare reimbursement system for dialysis services;
- changes in utilization patterns for pharmaceuticals and in our costs of purchasing pharmaceuticals;
- the outcome of ongoing government investigations;
- the influence of private insurers and managed care organizations;
- the impact of recently enacted and possible future healthcare reforms;
- product liability risks;
- the outcome of ongoing potentially material litigation;
- risks relating to the integration of acquisitions and our dependence on additional acquisitions;
- the impact of currency fluctuations;
- introduction of generic or new pharmaceuticals that compete with our pharmaceutical products;
- changes in raw material and energy costs; and
- the financial stability and liquidity of our governmental and commercial payors.

Important factors that could contribute to such differences are noted in this prospectus/offering memorandum in the sections entitled "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and "Business — Legal Proceedings."

Our business is also subject to other risks and uncertainties that we describe from time to time in our public filings. Developments in any of these areas could cause our results to differ materially from the results that we or others have projected or may project.

Our reported financial condition and results of operations are sensitive to accounting methods, assumptions and estimates that are the basis of our financial statements. The actual accounting policies, the judgments made in the selection and application of these policies, and the sensitivities of reported results to changes in accounting policies, assumptions and estimates, are factors to be considered along with our financial statements and the discussion below under "Results of Operations". For a discussion of our critical accounting policies, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies."

MARKET AND INDUSTRY DATA

Where information in this prospectus/offering memorandum has been specifically identified as having been extracted from third party documents, each of the Issuers and the Guarantors confirms that this information has been accurately reproduced and that as far as the Issuers and the Guarantors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In particular, this prospectus/offering memorandum contains patient and other statistical data related to end-stage renal disease and treatment modalities, including estimates regarding the size of the patient population and growth in that population. These data have been compiled using our Market & Competitor Survey ("MCS"), an internal information tool we created to collect, analyze and communicate relevant market and competition data on the global dialysis market that utilizes annual country-by-country surveys and publicly available information from our competitors. See "Summary — Renal Industry Overview." While we believe the information obtained in our surveys and competitor publications to be reliable, we have not independently verified the data or any assumptions our MCS is derived from on which the estimates they contain are based. None of the Issuer, the Guarantors or the initial purchasers makes any representation as to the accuracy of such information. Market data not attributed to a specific source are our estimates, compiled using our MCS.

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SUMMARY

The following is a summary of the more detailed information appearing elsewhere in this prospectus/offering memorandum. This summary should be read as an introduction to this prospectus/offering memorandum. It does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this prospectus/offering memorandum. Any decision by an investor to invest in the Notes should be based on consideration of this prospectus/offering memorandum as a whole, including the documents incorporated by reference. Where a claim relating to the information contained in this prospectus/offering memorandum is brought before a court in a Member State of the European Economic Area, the plaintiff investor might, under the national legislation of such court, have to bear the costs of translating the prospectus/offering memorandum before the legal proceedings are initiated. Civil liability attaches to the Issuers, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this prospectus/offering memorandum. You should carefully read this entire prospectus/offering memorandum, including the "Risk Factors" section, the financial statements and the related notes, and the documents incorporated by reference. Unless the context otherwise requires or except as otherwise indicated, "we," "us," "our" and similar terms, as well as references to "the Company" and "FMC-AG & Co. KGaA," include all of our consolidated subsidiaries including the Issuers. The "Dollar Issuer" refers to Fresenius Medical Care US Finance II, Inc. as the issuer of the Dollar-denominated Notes offered hereby and the "Euro Issuer" refers to FMC Finance VIII S.A. as the issuer of the Euro-denominated Notes offered hereby, and "Issuers" refers to the Dollar Issuer and the Euro Issuer. You will find definitions of the capitalized terms used in this prospectus/offering memorandum in the section entitled "Description of the Notes" as well as elsewhere in this prospectus/offering memorandum. Except for (i) the amounts set forth under "Summary — Summary Historical Consolidated Financial Information Data and Other Data — IFRS" and under "Selected Historical Consolidated Financial Data Prepared Under IFRS," and (ii) the financial statements listed on pages F-95 - F-96 and incorporated by reference into this prospectus/offering memorandum, all financial information of the Company contained in this prospectus/offering memorandum is presented in, or has been derived from our financial statements prepared in accordance with, U.S. GAAP. The balance sheet of the Euro Issuer included in this prospectus/offering memorandum has been prepared in accordance with Luxembourg GAAP.

Our Company

Our Business

Based on publicly reported sales and number of patients treated, we are the world's largest kidney dialysis company, operating in both the field of dialysis products and the field of dialysis services. See "Renal Industry Overview" below, for a description of our internal information data gathering tool. Our dialysis business is vertically integrated, providing dialysis treatment at our own dialysis clinics and supplying these clinics with a broad range of products. In addition, we sell dialysis products to other dialysis service providers. At June 30, 2011, we provided dialysis treatment to 225,909 patients in 2,838 clinics worldwide located in more than 35 countries. In the U.S. we also perform clinical laboratory testing and provide inpatient dialysis services and other services under contract to hospitals. In the six months ended June 30, 2011, we provided approximately 16.6 million dialysis treatments, an increase of approximately 9% over the comparable period of 2010, and in 2010, we provided approximately 31.7 million dialysis treatments, an increase of approximately 8% compared to 2009. We also develop and manufacture a full range of equipment, systems and disposable products, which we sell to customers in more than 120 countries. For the year ended December 31, 2010, we had net revenues of $12.1 billion, a 7% increase (7% in constant currency) over 2009 revenues and EBITDA of $2.4 billion. For the twelve months ended June 30, 2011, we had net revenues of $12.5 billion and EBITDA of $2.5 billion. We derived 67% of our revenues for the twelve months ended December 31, 2010 from our North American operations and 33% from our International operations, which include our operations in Europe (21%), Latin America (5%) and Asia-Pacific (7%). Our ordinary shares and our preference shares are listed on the Frankfurt Stock Exchange and American Depositary Receipts evidencing our ordinary shares and our preference shares are listed on the New York Stock Exchange. On July 31, 2011 we had an equity market capitalization of approximately $23.3 billion.

We use the insight we gain when treating patients in developing new and improved products. We believe that our size, our activities in both dialysis care and dialysis products and our concentration in specific geographic areas allow us to operate more cost-effectively than many of our competitors.

The following table summarizes net revenues for our North America segment and our International segment as well as our major categories of activity for the six-month periods ended June 30, 2011 and 2010 and the three years ended December 31, 2010, 2009 and 2008.

	For the six months ended June 30,		Three years ended December 31,		
	2011	2010	2010	2009	2008
			(in millions)		
North America					
Dialysis Care	$3,610	$3,578	$7,303	$6,794	$6,247
Dialysis Products	395	408	827	818	758
	4,005	3,986	8,130	7,612	7,005
International					
Dialysis Care	1,037	817	1,767	1,556	1,490
Dialysis Products	1,180	1,025	2,156	2,079	2,117
	2,217	1,842	3,923	3,635	3,607

History

Fresenius Medical Care AG & Co. KGaA ("FMC-AG & Co. KGaA" or the "Company"), is a German partnership limited by shares (*Kommanditgesellschaft auf Aktien*), formerly Fresenius Medical Care AG ("FMC-AG"), a German stock corporation (*Aktiengesellschaft*) organized under the laws of the Federal Republic of Germany.

The Company was originally incorporated on August 5, 1996 as a stock corporation, *Aktiengesellschaft* (AG). On September 30, 1996, we acquired all of the outstanding common stock of W.R. Grace & Co., whose sole business at the time was National Medical Care, Inc., its global dialysis business, and all of the publicly held noncontrolling interest in Fresenius USA, Inc. The Company was transformed into a partnership limited by shares upon registration on February 10, 2006.

On March 31, 2006, the Company completed the acquisition of Renal Care Group, Inc. ("RCG" and the "RCG Acquisition"), a Delaware corporation with principal offices in Nashville, Tennessee, for an all cash purchase price, net of cash acquired, of approximately $4.2 billion for all of the outstanding common stock, the retirement of RCG stock options and including the concurrent repayment of approximately $657.8 million of indebtedness of RCG. During 2005, RCG provided dialysis and ancillary services to over 32,360 patients through more than 450 owned outpatient dialysis centers in 34 states within the United States, in addition to providing acute dialysis services to more than 200 hospitals.

Effective June 15, 2007, we completed three-for-one share splits of our ordinary shares and our preference shares. All share and per share amounts in the consolidated financial statements, the related notes and elsewhere in this prospectus/offering memorandum have been restated to reflect the share splits.

Renal Industry Overview

We offer life-maintaining and life-saving dialysis services and products in a market which is characterized by favorable demographic development. As a global market leader in dialysis products and dialysis services, Fresenius Medical Care considers it important to possess accurate and current information on the status and development of the global, regional and national markets.

To obtain and manage this information, Fresenius Medical Care created an internal information tool called Market & Competitor Survey (the "MCS"). The MCS is used within the Company as a tool to collect, analyze and communicate current, accurate and essential information on the dialysis market, developing trends, the market position of Fresenius Medical Care and those of its competitors. Country – by – country surveys are performed at the end of each calendar year, which focus on the total number of patients treated for end-stage renal disease ("ESRD"), the treatment modality selected, products used, treatment location and the structure of ESRD patient care providers. The survey has been refined over the years to facilitate access to more detailed information and to reflect changes in the development of therapies and products as well as changes to the structure of our competitive environment. The questionnaires are distributed to professionals in the field of dialysis who are in a position to provide ESRD-relevant country specific information themselves or who can coordinate appropriate input from contacts with the relevant know-how in each country. The surveys are then centrally validated and checked for consistency by cross-referencing them with the most recent sources of national ESRD information (e.g. registry data or publications if available) and with the results of surveys performed in previous years. All information

received is consolidated at a global and regional level and analyzed and reported together with publicly available information published by our competitors.

Except as otherwise specified below, all patient and market data in this prospectus/offering memorandum have been derived using our MCS.

End-Stage Renal Disease

ESRD is the stage of advanced chronic kidney disease characterized by the irreversible loss of kidney function and requiring regular dialysis treatment or kidney transplantation to sustain life. A normally functioning human kidney removes waste products and excess water from the blood, which prevents toxin buildup, water overload and the eventual poisoning of the body. Most patients suffering from ESRD must rely on dialysis, which is the removal of toxic waste products and excess fluids from the body by artificial means. A number of conditions — diabetes, hypertension, glomerulonephritis and inherited diseases — can cause chronic kidney disease. The majority of all people with ESRD acquire the disease as a complication of one or more of these primary conditions.

There are currently only two methods for treating ESRD: dialysis and kidney transplantation. Scarcity of compatible kidneys limits transplants. Therefore, most patients suffering from ESRD rely on dialysis.

We estimate that at the end of 2010, there were approximately 2.622 million ESRD patients worldwide, of which approximately 593,000 kidney patients were living with a transplanted kidney. For many years the number of donated organs worldwide has continued to be significantly lower than the number of patients on transplant waiting lists. Consequently, less than one quarter of the global ESRD population lives with a donor organ and the remainder receive renal replacement therapy in the form of dialysis. Despite ongoing efforts by many regional initiatives to increase awareness of and willingness for kidney donation, the distribution of patients between the various treatment modes has remained nearly unchanged over the past ten years. In both the U.S. and Germany, approximately 30% of all ESRD patients live with a functioning kidney transplant and approximately 70% require dialysis.

There are two major dialysis methods commonly used today, hemodialysis ("HD") and peritoneal dialysis ("PD"). These are described below under "Dialysis Treatment Options for ESRD." Of the estimated 2.029 million dialysis patients treated in 2010, approximately 1.810 million received HD and about 219,000 received PD. Generally, an ESRD patient's physician, in consultation with the patient, chooses the patient treatment method, which is based on the patient's medical conditions and needs.

The number of dialysis patients grew by approximately 7% worldwide in 2010. The present annual patient growth rate in North America, the largest dialysis market, is approximately 5% per year, while in many developing countries we see annual growth rates of 10% or more. We believe that worldwide growth will continue at around 6% per year. At the end of 2010, there were approximately 494,000 patients in North America (including Mexico), approximately 322,000 dialysis patients in the 27 countries of the European Union (E.U.), approximately 250,000 patients in Europe (excluding the E.U. countries), the Middle East and Africa, approximately 215,000 patients in Latin America (excluding Mexico), and approximately 748,000 patients in Asia-Pacific (including approximately 299,000 patients in Japan).

Dialysis patient growth rates vary significantly from region to region. A below average increase in the number of patients is experienced in the U.S. and Japan, as well as Western and Central Europe, where patients with terminal kidney failure have had readily available access to treatment, usually dialysis, for many years. In contrast, growth rates in the economically weaker regions were above average, reaching double digit figures in some cases. This indicates that accessibility to treatment is still somewhat limited in these countries, but is gradually improving.

We estimate that about 20% of worldwide patients are treated in the U.S., around 16% in the E.U. and approximately 15% in Japan. The remaining 49% of all dialysis patients are distributed throughout approximately 120 countries in different geographical regions.

We believe that the continuing growth in the number of dialysis patients is principally attributable to:

- increased general life expectancy and the overall aging of the general population;
- shortage of donor organs for kidney transplants;
- improved dialysis technology that makes life-prolonging dialysis available to a larger patient population;
- improvements in global standards of living, resulting in greater access to treatment in developing countries; and
- increased incidence of hypertension, diabetes and other illnesses that lead to ESRD and better treatment and survival of patients with these illnesses.

Dialysis Treatment Options for ESRD

Hemodialysis. Hemodialysis removes toxins and excess fluids from the blood in a process in which the blood flows outside the body through plastic tubes known as bloodlines into a specially designed filter, called a dialyzer. The dialyzer separates waste products and excess water from the blood. Dialysis solution flowing through the dialyzer carries away the waste products and excess water, and supplements the blood with solutes which must be added due to renal failure. The treated blood is returned to the patient. The hemodialysis machine pumps blood, adds anti-coagulants, regulates the purification process and controls the mixing of dialysis solution and the rate of its flow through the system. This machine can also monitor and record the patient's vital signs.

Hemodialysis patients generally receive treatment three times per week, typically for three to five hours per treatment. The majority of hemodialysis patients receive treatment at outpatient dialysis clinics, such as ours, where hemodialysis treatments are performed with the assistance of a nurse or dialysis technician under the general supervision of a physician.

Patients can receive hemodialysis treatment at a clinic run by (1) a public center (government or government subsidiary owned or run), (2) a healthcare organization (non-profit organizations for public benefit purposes), (3) a private center (owned or run by individual doctors or a group of doctors) or (4) a company-owned clinic, including multi-clinic providers (owned or run by a company such as FMC-AG & Co. KGaA). There were approximately 5,600 Medicare-certified ESRD treatment clinics in the U.S. in 2010 with only around 1% of patients receiving care in public centers. In 2010, there were approximately 5,200 dialysis clinics in the E.U. treating dialysis patients. In the E.U., around 45% of dialysis patients received care through public centers, approximately 13% through centers owned by healthcare organizations, approximately 21% through private centers and approximately 21% through company-owned clinics, such as ours. In Latin America, private centers and company-owned clinics predominated, caring for over 83% of all dialysis patients. In Japan, nephrologists (doctors who specialize in the treatment of renal patients) cared for around 80% of the population in their private centers.

Among company-owned clinics, the two largest providers are Fresenius Medical Care, caring for approximately 215,000 patients and DaVita, caring for approximately 125,000 patients at the end of 2010. All other company-owned clinics care for less than 20,000 patients each.

Of the approximately 2.029 million patients who received dialysis care in 2010, more than 89% were treated with hemodialysis. Hemodialysis patients represented about 93% of all dialysis patients in the U.S., approximately 96% of all dialysis patients in Japan, 91% in the E.U. and 85% in the rest of the world. Within the 15 largest dialysis countries (measured by number of patients) that account for approximately 75% of the world dialysis population, hemodialysis is the predominant treatment method in all countries, except Mexico. Based on these data, it is clear that hemodialysis is the dominant therapy method worldwide.

Peritoneal Dialysis. Peritoneal dialysis removes toxins from the blood using the peritoneum, the membrane lining covering the internal organs located in the abdominal area, as a filter. Most peritoneal dialysis patients administer their own treatments in their own homes and workplaces, either by a treatment known as continuous ambulatory peritoneal dialysis or CAPD, or by a treatment known as continuous cycling peritoneal dialysis or CCPD. In both of these treatments, a surgically implanted catheter provides access to the peritoneal cavity. Using this catheter, the patient introduces a sterile dialysis solution from a solution bag through a tube into the peritoneal cavity. The peritoneum operates as the filtering membrane and, after a specified dwell time, the solution is drained and disposed. A typical CAPD peritoneal dialysis program involves the introduction and disposal of dialysis solution four times a day. With CCPD, a machine pumps or "cycles" solution to and from the patient's peritoneal cavity while the patient sleeps. During the day, one and a half to two liters of dialysis solution remain in the abdominal cavity of the patient. The human peritoneum can only be used as a dialyzer for a limited period of time, ideally only if the kidneys are still functioning to some extent.

Our Strategy and Competitive Strengths

Growth Objectives

Goal 13 is our long-term strategy for sustained growth through 2013. Goal 13 includes the following annual objectives for the years 2011, 2012 and 2013:

Annual revenue growth*	6-8%
Annual average interest rate	6.0-6.5%
Net income attributable to FMC AG & Co. KGaA (growth in %)	High single to low double digits
Earnings per share (growth in %)	High single to low double digits
Cash flow from operations**	>10%
Capital expenditures and acquisitions**	>7%

* In constant currency.

** As a percent of revenue.

Growth Paths

We have established four paths that the Company continues to follow in order to perform successfully in a broader spectrum of the global dialysis market and to achieve our growth and profitability objectives:

Path 1: Organic Growth

For this path, we will continue to offer integrated, innovative treatment concepts such as UltraCare®, NephroCare and our recently introduced Protect, Preserve and Prolong ("P3") comprehensive PD therapy program as well as Cardioprotective Hemodialysis, which uses our Body Composition Monitor to measure patient water levels, a major factor in the cardiovascular health of dialysis patients (see "Business — Research and Development") and combine these treatments, for example, with our dialysis drugs. With these measures, we want our portfolio of services to stand out from those of our competitors. In addition, we plan to increase our growth in revenue by opening 100-120 new dialysis clinics annually over the next three years and to further increase the number of patients whose treatments are covered by private health insurance.

We also intend to continue to innovate with dialysis products. High-quality products such as our recently introduced 2008T and 4008S classic HD machines and the 5008 therapy system in addition to cost-effective manufacturing are intended to contribute significantly to the further growth of our dialysis products sector.

Path 2: Acquisitions

We intend to make attractive, targeted acquisitions broadening our network of dialysis clinics. In North America we want to expand our clinic network in particularly attractive regions. On August 2, 2011 we announced that we had executed a definitive merger agreement with Liberty Dialysis Holdings, Inc., the holding company for Liberty Dialysis and Renal Advantage. Liberty Dialysis Holdings operates approximately 260 dialysis clinics. The investment, including assumed debt, will be approximately $1.7 billion. In addition, we had previously invested approximately $294 million in Renal Advantage. The merger is subject to clearance under the Hart-Scott-Rodino Antitrust Improvements Act and other customary closing conditions, and we expect it to close in early 2012. We have also executed an agreement to acquire American Access Care Holdings, LLC ("AAC") for $385 million. AAC operates 28 freestanding out-patient vascular access centers primarily dedicated to serving vascular access needs of dialysis patients. The transaction is subject to clearance under the Hart-Scott-Rodino Antitrust Improvements Act and other customary closing conditions, and we expect it to close in the fourth quarter of 2011. We currently operate 13 vascular access centers, and we believe the acquisition will provide scale, resources and operational efficiency to our vascular access operations. No assurance can be given that any such acquisitions will be consummated. This offering is not conditioned on the consummation of any such acquisitions.

Outside North America, we intend to participate in the privatization process of healthcare systems and seek to achieve above-average growth in Eastern Europe and Asia; acquisitions will support these activities. We have entered into a long-term, 10-year exclusive distribution agreement with Japanese-based Nikkiso Co. Ltd. for distribution of hemodialysis and peritoneal dialysis products in Japan and we have acquired Nikkiso Medical Korea Co. Ltd., a wholly owned subsidiary of Nikkiso Co. Ltd. In our clinic network outside North America, we continue to focus on improving our strategic position in selected markets. In July 2010, we completed a significant expansion of our activities in the field of dialysis services in the Asia-Pacific region through the acquisition of Asia Renal Care Ltd., the second largest provider of dialysis and related services in the Asia-Pacific region (behind Fresenius Medical Care), with more than 80 clinics throughout Asia treating about 5,300 patients. In the second quarter of

2010, we acquired KNC (Kraevoy Nefrologocheskiy Centr), a private operator of dialysis clinics in Russia's Krasnodar region treating approximately 1,000 patients in five clinics, and in December 2010, we acquired Gambro AB's worldwide peritoneal dialysis (PD) business, which serves over 4,000 PD patients in more than 25 countries, expanding our activities in the home dialysis market, especially in Europe and Asia-Pacific. Effective June 30, 2011, the Company completed the acquisition of International Dialysis Centers ("IDC"), the dialysis service business of Euromedic International. IDC treats over 8,200 hemodialysis patients predominantly in Central and Eastern Europe and operates a total of 70 clinics in nine countries. Completion of the acquisition followed final regulatory approvals by the relevant antitrust authorities except Portugal, where the review by the relevant antitrust authority is still ongoing. The final purchase price for the acquisition was €529 million.

Path 3: Horizontal Expansion

We plan on opening up new growth opportunities in the dialysis market by expanding our product portfolio beyond patient care and dialysis products. To this end, beginning in 2006 we increased our activities in some areas of dialysis medication and will continue to do so in the future. Initially, we focused on drugs regulating patients' mineral and blood levels, including phosphate binders, iron and Vitamin D supplements and calcimimetics. High phosphate levels in the blood can lead to medium-term damage to patients' bones and blood vessels. In 2006, we acquired the PhosLo® phosphate binder business of Nabi Biopharmaceuticals, and in 2008 we entered into license and distribution agreements to market and distribute intravenous iron products such as Venofer® and Ferinject® for dialysis treatment. In December 2010, we expanded those agreements by forming a new renal pharmaceutical company, Vifor Fresenius Medical Care Renal Pharma Ltd., with Galenica Ltd. (subject to final anti-trust approval in certain regions), designed to develop and distribute products to treat iron deficiency anemia and bone mineral metabolism for pre-dialysis and dialysis patients. We own 45% of the new company. See the discussion in "Business — Dialysis Products — Renal Pharmaceuticals" below.

Path 4: Home Therapies

Around 11% of all dialysis patients perform dialysis at home, principally PD, with the remaining 89% treated in clinics. Still, we aim to achieve a long-term leading global position in the relatively small field of home therapies, including peritoneal dialysis and home hemodialysis. To achieve this goal, we can combine our comprehensive and innovative product portfolio with our expertise in patient care. In 2007 we acquired Renal Solutions, Inc. which owns technology that can be utilized to significantly reduce water volumes used in hemodialysis, an important step in advancing home hemodialysis, and in March 2010, a subsidiary of FMCH purchased substantially all the assets of Xcorporeal, Inc. ("Xcorporeal") and National Quality Care, Inc. ("NQCI"). Xcorporeal, under license from NQCI, has completed functional prototypes of a portable artificial kidney for attended and home dialysis care and has demonstrated a feasibility prototype of a wearable artificial kidney.

We expect these strategic steps, expansion of our product portfolio horizontally through an increase of our dialysis drug activities (Path 3), further development of our home therapies (Path 4) and organic growth (Path 1), to produce average annual revenue growth of about 6% to 8% in constant currency through 2013. Between 2011 and 2013, we expect annual net income and earnings per share growth, in percent, in the high single to low double digits.

Our Competitive Strengths

We believe that we are well positioned to meet our strategic objectives. Our competitive strengths include:

Our Leading Market Position

Based on publicly reported sales and number of patients treated, we are the world's largest kidney dialysis company, operating in both the field of dialysis products and the field of dialysis services. We use the insight we gain when treating patients in developing new and improved products. We believe that our size, our activities in both dialysis care and dialysis products and our concentration in specific geographic areas allow us to operate more cost-effectively than many of our competitors.

Our Full Spectrum of Dialysis and Laboratory Services

We provide expanded and enhanced patient services, including renal pharmaceutical products and in the United States, laboratory services, to both our own clinics and those of third parties. We have developed disease state management methodologies, which involve the coordination of holistic patient care for ESRD patients and which we believe are attractive to managed care payors. We provide ESRD and chronic kidney disease management programs to about 4,000 patients. In the United States, we also operate a surgical center for the management and care of vascular access for ESRD patients, which can decrease hospitalization.

Differentiated Patient Care Programs from those of our Competitors

We believe that our UltraCare® Patient Care program offered at our North American dialysis facilities distinguishes and differentiates our patient care from that of our competitors. UltraCare® represents our commitment to deliver excellent care to patients through innovative programs, the latest technology, continuous quality improvement and a focus on superior customer service.

Our Reputation for High Standards of Patient Care and Quality Products and our Extensive Clinic Network

We believe that our reputation for providing high standards of patient care is a competitive advantage. With our large patient population, we have developed proprietary patient statistical databases which enable us to improve dialysis treatment outcomes and further improve the quality and effectiveness of dialysis products. Our extensive network of dialysis clinics enables physicians to refer their patients to conveniently located clinics.

Our Position as an Innovator in Product and Process Technology

We are committed to technological leadership in both hemodialysis and peritoneal dialysis products. Our research and development teams focus on offering patients new products and therapies in the area of dialysis and other extracorporeal therapies to improve their quality of life and increase their life expectancy. We believe that our extensive expertise in patient treatment and clinical data will further enhance our ability to develop more effective products and treatment methodologies. Our ability to manufacture dialysis products on a cost-effective and competitive basis results in large part from our process technologies. Over the past several years, we have reduced manufacturing costs per unit through development of proprietary manufacturing technologies that have streamlined and automated our production processes.

Our Complete Dialysis Product Lines with Recurring Disposable Products Revenue Streams

We offer broad and competitive hemodialysis and peritoneal dialysis product lines. These product lines enjoy broad market acceptance and enable us to serve as our customers' single source for all of their dialysis machines, systems and disposable products.

Our Worldwide Manufacturing Facilities

We operate state-of-the-art production facilities in all major regions — North America, Europe, Latin America and Asia-Pacific — to meet the demand for our dialysis products, including dialysis machines, dialyzers, and other equipment and disposables. We have invested significantly in developing proprietary processes, technologies and manufacturing equipment which we believe provides a competitive advantage in manufacturing our products. Our decentralized manufacturing structure adds to our economies of scale by reducing transportation costs.

The Issuers

Fresenius Medical Care US Finance II, Inc. is a wholly-owned subsidiary of Fresenius Medical Care AG & Co. KGaA. It was incorporated under the General Corporation Law of the State of Delaware on August 22, 2011, with the identification number 5021129. The business or purposes to be conducted by it are to "engage in any lawful financing act or activity, and any other acts related thereto or in furtherance thereof, for which corporations may be organized and incorporated under the General Corporation Law of the State of Delaware". Its executive offices are located at 920 Winter Street, Waltham, Massachusetts, 02451-1457 USA, and its telephone number is +1 (781) 699-9000. Its registered office is located c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, County of New Castle, Delaware, 19801, U.S.A.

FMC Finance VIII S.A. is a corporation (*société anonyme*) organized and existing under the laws of Luxembourg and is a wholly-owned subsidiary of Fresenius Medical Care AG & Co. KGaA. It was incorporated for an unlimited duration on August 12, 2011. It has been organized for the purposes of:

- incurring, issuing and selling debt securities, including the Euro-denominated Notes, Additional Euro denominated Notes and additional debt securities of the Euro Issuer to the extent permitted by the Indenture governing the Euro-denominated Notes and other indentures to which it may be a party;
- advancing the proceeds of the Euro-denominated Notes to us and our subsidiaries;
- becoming a guarantor under our Amended 2006 Senior Credit Agreement or any refinancing thereof; and
- engaging in only those other activities necessary, convenient or incidental thereto.

FMC Finance VIII S.A. is registered with the Luxembourg Trade and Companies Register (R.C.S. Luxembourg) under B 162959. The registered office of FMC Finance VIII S.A. and its place of business is 28-30, Val St-André, L-1128 Luxembourg, tel. +352 26 33 75 901.

The Guarantors

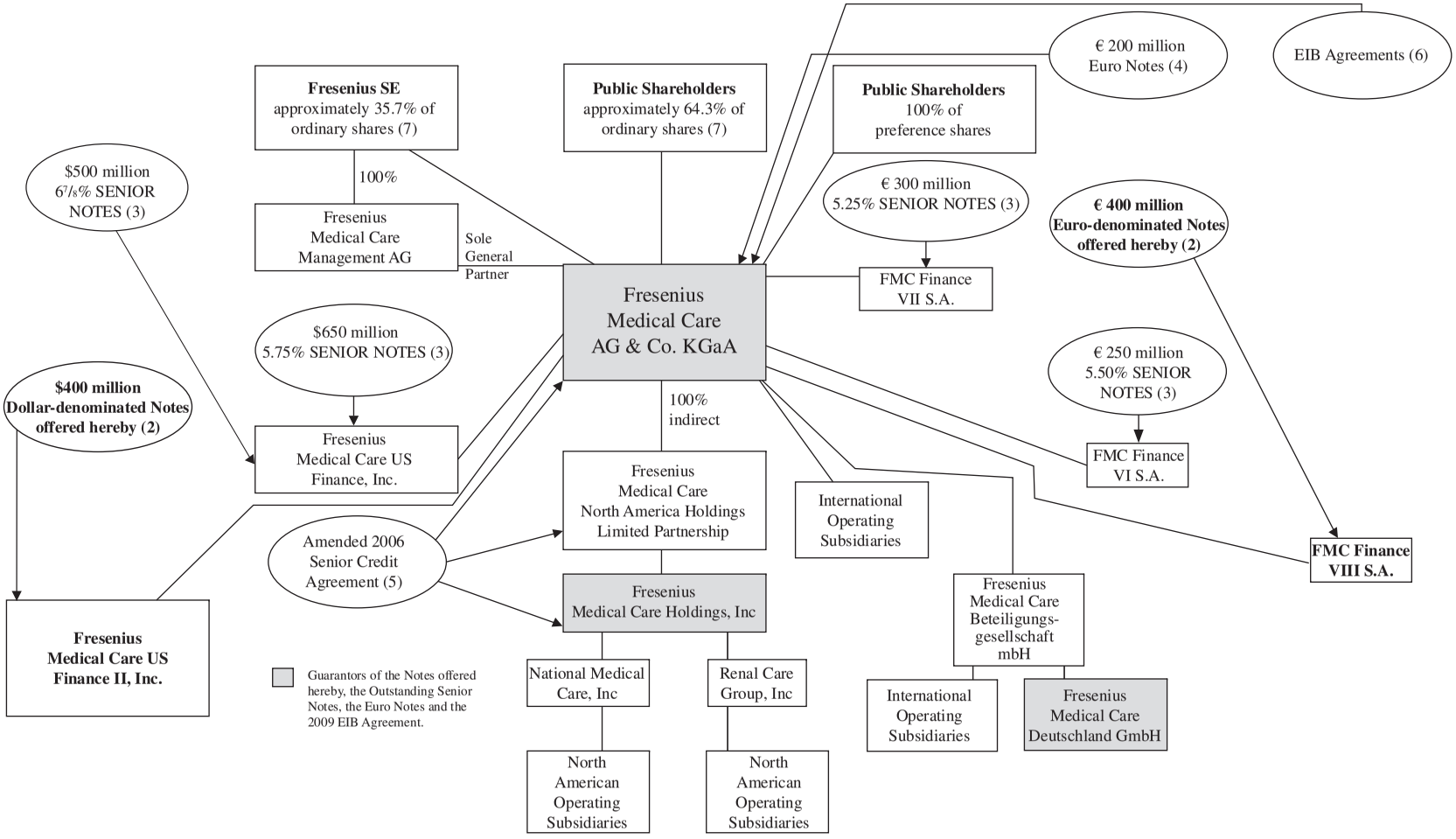
Fresenius Medical Care AG & Co. KGaA is registered with the commercial register of the local court (*Amtsgericht*) of Hof an der Saale, Germany, under the registration number HRB 4019. Its registered office (*Sitz*) is Hof an der Saale, Germany and its business address is Else-Kröner-Strasse 1, 61352 Bad Homburg, Germany, telephone +49-6172-609-0.

Fresenius Medical Care Holdings, Inc. is an indirectly wholly-owned subsidiary of Fresenius Medical Care AG & Co. KGaA. It was incorporated under the Business Corporation Law of the State of New York on March 21, 1988. Fresenius Medical Care Holdings, Inc. is a holding company and is engaged, through subsidiaries, in providing dialysis treatment at its own dialysis clinics, manufacturing dialysis products and supplying those products to its clinics and selling dialysis products to other dialysis service providers, and performing clinical laboratory testing and providing inpatient dialysis services and other services under contract to hospitals. It is the principal holding company for our North American Operations. Its executive offices are located at 920 Winter Street, Waltham, Massachusetts, 02451-1457, USA, and its telephone number is +1(781) 699-9000.

Fresenius Medical Care Deutschland GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of Germany and registered with the commercial register of the local court (*Amtsgericht*) of Bad Homburg vor der Höhe under HRB 5748. It was established on June 5, 1996. Fresenius Medical Care Deutschland GmbH is an indirectly wholly-owned subsidiary of Fresenius Medical Care AG & Co. KGaA and carries out its business activities in the European and Middle Eastern markets as one of the principal operating companies within our group. The address and registered office of Fresenius Medical Care Deutschland GmbH is at Else-Kröner-Straße 1, 61352 Bad Homburg v.d. Höhe. The telephone number of its registered office is +49-6172-609-0.

Summary Corporate and Finance Structure[(1)]

The diagram below depicts, in abbreviated form, our corporate structure and certain debt obligations after giving pro forma effect to the offering of the Notes. See "Description of Certain Indebtedness." The Company and all of its subsidiaries will be subject to the restrictive covenants in the Indentures.



(1) As of June 30, 2011, giving pro forma effect to the offering of the Notes.

(2) The Dollar-denominated Notes will be the senior unsecured obligations of the Dollar Issuer and the Euro-denominated Notes will be the senior unsecured obligations of the Euro Issuer. The Dollar-denominated Notes and the Euro-denominated Notes will rank equally with all of the existing and future senior unsecured indebtedness of the Dollar Issuer and the Euro Issuer, respectively. The Notes will be unconditionally and irrevocably guaranteed, jointly and severally, on a senior unsecured basis by Fresenius Medical Care AG & Co. KGaA, FMCH, and D-GmbH. Other subsidiaries of Fresenius Medical Care AG & Co. KGaA will not guarantee the Notes but Fresenius Medical Care AG & Co. KGaA and its subsidiaries will be subject to the restrictive covenants in the Indentures.

(3) Each issue of our Outstanding Senior Notes constitutes the senior unsecured obligations of the issuer of such notes, and ranks equally with all of such issuer's existing and future senior unsecured indebtedness. All of our Outstanding Senior Notes have been unconditionally guaranteed, jointly and severally, on a senior unsecured basis by Fresenius Medical Care AG & Co. KGaA, FMCH and D-GmbH. Other subsidiaries of Fresenius Medical Care AG & Co. KGaA have not guaranteed the Outstanding Senior Notes, but Fresenius Medical Care AG & Co. KGaA and all its subsidiaries are subject to the restrictive covenants in the Outstanding Senior Notes.

(4) The Euro Notes (*Schuldscheindarlehen*), which mature in 2012 and 2014, are the senior unsecured obligations of Fresenius Medical Care AG & Co. KGaA and rank equally with all of its existing and future senior unsecured indebtedness. The Euro Notes have been unconditionally guaranteed, jointly and severally, on a senior unsecured basis by FMCH and D-GmbH. Other subsidiaries of Fresenius Medical Care AG & Co. KGaA have not guaranteed the Euro Notes.

(5) Fresenius Medical Care AG & Co. KGaA and FMCH are both borrowers and guarantors under our Amended 2006 Senior Credit Agreement. D-GmbH and certain other international subsidiaries are guarantors under the Amended 2006 Senior Credit Agreement. Certain other international and North American subsidiaries of Fresenius Medical Care AG & Co. KGaA are also borrowers and/or guarantors thereunder. The Amended 2006 Senior Credit Agreement is secured by the pledge of stock of certain direct and indirect subsidiaries of Fresenius Medical Care AG & Co. KGaA.

(6) The EIB Agreements comprise a €41,000,000 term loan and a €90,000,000 revolving credit facility entered into in 2005, a €90,000,000 term loan entered into in 2006 and a €50,000,000 term loan entered into in December 2009. Fresenius Medical Care AG & Co. KGaA is the borrower under all of the EIB Agreements. FMCH and D-GmbH have unconditionally guaranteed, jointly and severally, borrowings under the 2009 EIB Agreement on a senior unsecured basis but are not guarantors of the 2005 or 2006 EIB Agreements.

(7) Subsequent to June 30, 2011, Fresenius SE's ownership of our ordinary shares was reduced to 30.4%. See "Management — Significant Shareholders — Security Ownership of Certain Beneficial Owners of the Company."

Summary of the Offering

The summary below describes the principal terms of the Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The "Description of the Notes" section of this prospectus/offering memorandum contains a more detailed description of the terms and conditions of the Notes.

Dollar Issuer	Fresenius Medical Care US Finance II, Inc., a wholly owned subsidiary of Fresenius Medical Care AG & Co. KGaA, organized under the laws of Delaware, has been organized for the purpose of incurring, issuing and selling Dollar-denominated debt securities.
Euro Issuer	FMC Finance VIII S.A., a wholly owned subsidiary of Fresenius Medical Care AG & Co. KGaA, organized under the laws of Luxembourg. FMC Finance VIII S.A. has been organized for the purpose of incurring, issuing and selling Euro-denominated debt securities.
Dollar-denominated Notes Offered	$400,000,000 aggregate principal amount of 6.50% Senior Notes due 2018.
Euro-denominated Notes Offered	€400,000,000 aggregate principal amount of 6.50% Senior Notes due 2018.
Issue Date	September 14, 2011.
Denomination:	The Dollar-denominated Notes will be issued in denominations of $2,000 and integral multiples of $1,000 in excess thereof. The Euro-denominated Notes will be issued in denominations of €1,000 and integral multiples of €1,000 in excess thereof.
Delivery of the Notes:	Delivery of the Dollar-denominated Notes to investors in book entry form will be made through the Depository Trust Company and delivery of the Euro-denominated Notes to investors in book-entry form will be made through Euroclear and Clearstream, in each case on or about September 14, 2011.
Form of Notes	The Notes will be represented by one or more global notes without interest coupons attached.
Maturity	Dollar-denominated Notes — September 15, 2018. Euro-denominated Notes — September 15, 2018.
Interest Rate	Interest on the Dollar-denominated Notes will accrue at the rate of 6.50% per annum, payable semi-annually in cash in arrears. Interest on the Euro-denominated Notes will accrue at the rate of 6.50% per annum, payable semi-annually in cash in arrears.
Interest Payment Dates	Dollar-denominated Notes and Euro-denominated Notes — March 15 and September 15 of each year, beginning March 15, 2012. The interest payment on March 15, 2012 will cover the period from the Issue Date to March 15, 2012.
Guarantees	Fresenius Medical Care AG & Co. KGaA will unconditionally and irrevocably guarantee the obligations of each of the Issuers under the Notes. Fresenius Medical Care Holdings, Inc. and Fresenius Medical Care Deutschland GmbH, both of which are subsidiaries of Fresenius Medical Care AG & Co. KGaA, will each unconditionally and irrevocably guarantee, jointly and severally with Fresenius Medical Care AG & Co. KGaA, the obligations of each of the Issuers under the Notes. At a time when a guarantor (other than Fresenius Medical Care AG & Co. KGaA) is no longer an obligor under our Amended 2006 Senior Credit Agreement (as amended, modified, renewed, refunded, replaced, restated or refinanced from time to time), such guarantor will no longer be a guarantor of the Notes. Each subsidiary guarantee will not exceed the maximum amount that can be guaranteed by the applicable subsidiary guarantor without rendering the subsidiary guaranty, as it relates to the subsidiary guarantor, voidable or unenforceable under applicable laws affecting the rights of creditors generally. In the case of Fresenius Medical Care Deutschland GmbH, the maximum amount of the guarantee and its enforcement may be limited in circumstances that could otherwise give rise to personal

	liability of the managing directors under applicable laws of Germany, including German Federal Supreme Court decisions.
Ranking	The Dollar-denominated Notes will be unsecured senior obligations of the Dollar Issuer and the Euro-denominated Notes will be senior unsecured obligations of the Euro Issuer. The Notes will rank equally with all of the existing and future unsecured obligations of their respective issuers that do not expressly provide that they are subordinated to the Notes. The guarantee of Fresenius Medical Care AG & Co. KGaA, and the guarantees of the two subsidiary guarantors, will be unsecured senior obligations of the Guarantors. The guarantees will: • rank equally with all of the Guarantors' respective obligations that do not expressly provide that they are subordinated to the guarantees; • rank equally with the Guarantors' indebtedness under our Amended 2006 Senior Credit Agreement but will be effectively subordinated to such indebtedness to the extent of the collateral securing such indebtedness; • rank equally with the Guarantors' respective guarantees of the indebtedness under our 6⅞% Senior Notes due 2017; • rank equally with the Guarantors' respective guarantees of the indebtedness under our 5.50% Senior Notes due 2016; • rank equally with the Guarantors' respective guarantees of the indebtedness under our 5.75% Senior Notes due 2021 and our 5.25% Senior Notes due 2021; • be structurally subordinated to the indebtedness of our subsidiaries that are not guarantors of the Notes (including indebtedness of such subsidiaries under our Amended 2006 Senior Credit Agreement); and • in the case of the guarantee of Fresenius Medical Care Deutschland GmbH, be effectively subordinated to the claims of its third-party creditors as a result of limitations applicable to the guarantee. Each of our subsidiaries that is an obligor under our Amended 2006 Senior Credit Agreement is jointly and severally liable with the other borrowers and guarantors of the facility for the entire outstanding indebtedness under that facility, up to the maximum amount that can be guaranteed by the subsidiary without rendering any such guaranty void or unenforceable under applicable laws.
Optional Redemption	The Notes may be redeemed at the option of the relevant Issuer, in whole or in part, at any time at a price equal to 100% of the principal amount thereof, together with accrued and unpaid interest to the redemption date, plus a "make-whole" premium. The Notes are also redeemable as provided in "Description of the Notes — Redemption for Changes in Withholding Taxes."
Change of Control	Upon the occurrence of a Change of Control and a Ratings Decline (each as defined herein), you have the right to require us to redeem all or any part of your Notes at a redemption price in cash equal to 101% of their principal amount plus any accrued and unpaid interest. See "Description of the Notes — Change of Control."
Certain Covenants	We will issue the Dollar-denominated Notes and the Euro-denominated Notes under separate indentures with U.S. Bank National Association, as trustee, to be dated on or about September 14, 2011. Each indenture contains various identical covenants that will limit our ability and the ability of our subsidiaries to, among other things: • incur debt; • incur liens; • engage in sale-leaseback transactions; and

	• merge or consolidate with other companies or sell our or our subsidiaries' assets. We will also be required to provide periodic financial reports to the trustee under each indenture. These covenants are subject to significant exceptions and limitations. For more details, see "Description of the Notes — Certain Covenants."
Governing Law	The Notes, the related indentures and the Note Guarantees will be governed by, and construed in accordance with, the laws of the State of New York, except that certain matters concerning the limitations thereof will be construed in accordance with the laws of the Federal Republic of Germany.
Transfer Restrictions; No Prior Market . .	The Notes have not been registered under the Securities Act and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes will be new securities for which there is currently no market. We have applied to list the Notes on the official list of the Luxembourg Stock Exchange and to admit them for trading on the regulated market of the Luxembourg Stock Exchange. Although the initial purchasers of the Notes have informed us that they presently intend to make a market in the Notes, they are not obligated to do so, and they may discontinue market-making at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.
Use of Proceeds	We will use the net proceeds from this offering for acquisitions, to refinance indebtedness outstanding under the revolving credit facility of our Amended 2006 Senior Credit Agreement and under our accounts receivable facility ("A/R Facility"), and for general corporate purposes. See "Use of Proceeds."

Summary of Risk Factors

Investing in the Notes involves substantial risks. We are exposed to a number of risks that either individually or collectively could have material adverse effects on our assets, financial condition and results of operations, and on our ability to fulfill our obligations under the Notes. The following summarizes the risks you should consider before investing in the Notes as they may impact each of the Issuers and the Guarantors.

Risks Relating to Our Business

- *A significant portion of our North American profits are dependent on the services we provide to a minority of our patients who are covered by private insurance.*
- *We are exposed to product liability, patent infringement and other claims which could result in significant costs and liability which we may not be able to insure on acceptable terms in the future.*
- *Our growth depends, in part, on our ability to continue to make acquisitions.*
- *We face specific risks from international operations.*
- *If physicians and other referral sources cease referring patients to our dialysis clinics or cease purchasing or prescribing our dialysis products, our revenues would decrease.*
- *Our pharmaceutical product business could lose sales to generic drug manufacturers or new branded drugs.*
- *Our competitors could develop superior technology or otherwise impact our sales.*
- *Global economic conditions may have an adverse effect on our businesses.*
- *If we are unable to attract and retain skilled medical, technical and engineering personnel, we may be unable to manage our growth or continue our technological development.*
- *Diverging views of fiscal authorities could require us to make additional tax payments.*

Risks Relating to Litigation and Regulatory Matters

- *A change in U.S. government reimbursement for dialysis care could materially decrease our revenues and operating profit.*

- *A reduction in reimbursement for or a change in the utilization of EPO could materially reduce our revenue and operating profit. An interruption of supply or our inability to obtain satisfactory terms for EPO could reduce our revenues.*
- *If we do not comply with the many governmental regulations applicable to our business, we could be excluded from government health care reimbursement programs or our authority to conduct business could be terminated, either of which would result in a material decrease in our revenue.*
- *We operate in many different jurisdictions and we could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-corruption laws.*
- *If our joint ventures violate the law, our business could be adversely affected.*
- *Proposals for health care reform, or relating to regulatory approvals, and the Budget Control Act of 2011, could decrease our revenues and operating profit.*

Risks Relating to the Notes

- *Our substantial indebtedness could adversely affect our financial condition, prevent us from fulfilling our obligations under our debt securities or implementing certain elements of our business strategy.*
- *Restrictive covenants in our debt instruments limit our ability to engage in certain transactions and could diminish our ability to make payments on our indebtedness, including the Notes.*
- *Despite our substantial indebtedness, we may still be able to incur significantly more debt; this could intensify the risks described above.*
- *We obtain substantially all of our income from our subsidiaries, and our holding company structure may limit our ability to benefit from the assets of our subsidiaries.*
- *We may not be able to make a change of control redemption up on demand.*
- *If we default on our obligations to pay our indebtedness, we may not be able to make payments on the Notes.*
- *U.S. federal and state laws allow courts, under specific circumstances, to void guarantees and to require you to return payments received from guarantors.*
- *German insolvency laws may preclude the recovery of payments due under the guarantees.*
- *The Issuers will have no assets other than intercompany receivables and no source of income other than payments due from us and our subsidiaries.*
- *There are restrictions on your ability to transfer or resell the Notes without registration under applicable U.S. securities laws.*
- *There is presently no active trading market for the Notes.*
- *You may face foreign exchange risks by investing in the Notes.*
- *Issues relating to the Guarantors FMCH and D-GmbH.*

For a more detailed discussion of these risks, see “Risk Factors.”

Summary Historical Consolidated Financial Data and Other Data

U.S. GAAP

The following table summarizes the consolidated financial information and certain other information for our business for each of the years 2006 through 2010, as of June 30, 2011 and for the six-month periods ended June 30, 2011 and 2010. For each of the years presented, we derived the selected financial information from our consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). We derived the selected consolidated financial data as of June 30, 2011 and for the six-month periods ended June 30, 2011 and 2010 from our unaudited consolidated financial statements prepared in accordance with the U.S. GAAP. We prepared our unaudited consolidated financial statements on a basis substantially consistent with our audited consolidated financial statements. You should read this information together with our consolidated financial statements and the notes to those statements appearing elsewhere in this prospectus/offering memorandum and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	For the Six Months Ended June 30,		Year Ended December 31,				
	2011	2010	2010	2009	2008	2007	2006(a)
			(In millions except ratios and operating data)				
Statement of Operations Data:							
Net revenues	$ 6,230	$ 5,828	$ 12,053	$ 11,247	$ 10,612	$ 9,720	$ 8,499
Cost of revenues	4,073	3,852	7,908	7,415	6,983	6,364	5,621
Gross profit	2,157	1,976	4,145	3,832	3,629	3,356	2,878
Selling, general and administrative	1,166	1,043	2,124	1,982	1,877	1,709	1,549
Gain on sale of dialysis clinics	—	—	—	—	—	—	(40)
Research and development	53	45	97	94	80	67	51
Income from equity method investees	(17)	(4)	—	—	—	—	—
Operating income	955	892	1,924	1,756	1,672	1,580	1,318
Interest expense, net	146	135	280	300	336	371	351
Income before income taxes	809	757	1,644	1,456	1,336	1,209	967
Net income	536	500	1,066	965	860	755	563
Less: Net income attributable to noncontrolling interests	(55)	(41)	(87)	(74)	(42)	(38)	(26)
Net income attributable to FMC-AG & Co. KGaA	$ 481	$ 459	$ 979	$ 891	$ 818	$ 717	$ 537
Other Financial Data:							
EBITDA[(1)]	1,227	1,137	2,427	2,213	2,088	1,944	1,627
Depreciation and amortization	272	246	503	457	416	363	309
Net debt[(2)]	6,664	5,253	5,357	5,267	5,516	5,398	5,420
Net debt excluding trust preferred securities	6,664	4,661	4,731	4,611	4,875	4,064	4,166
Capital expenditures	238	227	524	574	687	573	463
Ratio of earnings to fixed charges[(3)]	4.9x	5.2x	5.5x	4.8x	4.2x	3.7x	3.3x
Ratio of EBITDA to interest expense, net	8.4x	8.4x	8.7x	7.4x	6.2x	5.2x	4.6x
Ratio of net debt to EBITDA[(4)]	2.6x	2.3x	2.2x	2.4x	2.6x	2.8x	3.3x
Ratio of net debt excluding trust preferred securities to EBITDA[(4)]	2.6x	2.0x	1.9x	2.1x	2.3x	2.1x	2.6x
Pro Forma Data:							
Net debt adjusted for offering[(5)]	6,693						
Ratio of adjusted net debt to EBITDA	2.7x						
Operating Data:							
No. of treatments	16,559,315	15,258,148	31,670,702	29,425,758	27,866,573	26,442,421	23,739,733
No. of patients	225,909	202,414	214,648	195,651	184,086	173,863	163,517
No. of clinics	2,838	2,599	2,757	2,553	2,388	2,238	2,108
Average revenue/treatment (U.S.)	$ 348	$ 356	$ 356	$ 347	$ 330	$ 327	$ 321

	June 30,	December 31,				
	2011	2010	2009	2008	2007	2006
				(in millions)		
Balance Sheet Data:						
Total debt[(6)]	$ 7,114	$ 5,880	$ 5,568	$ 5,738	$ 5,642	$ 5,579
Total assets	19,053	17,095	15,821	14,920	14,170	13,045
Total equity	7,921	7,804	7,030	6,123	5,681	4,945

(a) The operations of Renal Care Group, Inc. ("RCG") and related financing costs to acquire RCG are included in the statement of operations and other data commencing April 1, 2006.

(1) EBITDA (operating income plus depreciation and amortization) is the basis for determining compliance with certain covenants contained in our Amended 2006 Senior Credit Agreement, Euro Notes, European Investment Bank ("EIB") loan, and the indentures relating to our Outstanding Senior Notes. You should not consider EBITDA to be an alternative to net earnings determined in accordance with U.S. GAAP or to cash flow from operations, investing activities or financing activities. In addition, not all funds depicted by EBITDA are available for management's discretionary use. For example, a substantial portion of such funds are subject to contractual restrictions and functional requirements for debt service, to fund necessary capital expenditures and to meet other commitments from time to time as described in more detail elsewhere in our public filings with the Securities and Exchange Commission. For a reconciliation of cash flow provided by operating activities to EBITDA, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Debt Covenant Disclosure — EBITDA."

(2) Net debt includes short-term borrowings (including our A/R Facility), short-term borrowings from related parties, long-term debt (including current portion) and trust preferred securities, less cash and cash equivalents.

(3) In calculating the ratio of earnings to fixed charges, earnings consist of income before taxes plus fixed charges. Fixed charges consist of interest expense and amortization of deferred financing fees, plus an interest factor for operating leases calculated using the Company's weighted average cost of capital.

(4) The ratios of net debt to EBITDA at June 30, 2011 and 2010 and net debt excluding trust preferred securities to EBITDA at June 30, 2010 are calculated utilizing EBITDA for the twelve-month periods ended June 30, 2011 and 2010, of $2,517 million and $2,321 million, respectively.

(5) See "Capitalization" below.

(6) Total debt consists of total short-term borrowings and long-term debt (including current portion).

IFRS

The Company uses IFRS to comply with the reporting requirements of the German Commercial Code (*Handelsgesetzbuch*) and other German laws. The following table summarizes the consolidated financial information and certain other information for our business prepared in accordance with the International Financial Reporting Standards of the International Accounting Standards Board (IASB) as adopted by the European Union ("IFRS") for each of the years 2009 through 2010, as of June 30, 2011 and for the six-month periods ended June 30, 2011 and 2010. For the years presented, we derived the selected financial information from our audited consolidated financial statements prepared in accordance with IFRS and incorporated by reference herein. We derived the selected consolidated financial data as of June 30, 2011 and for the six-month periods ended June 30, 2011 and 2010 from our unaudited consolidated financial statements prepared in accordance with IFRS. We prepared our unaudited consolidated financial statements on a basis substantially consistent with our audited consolidated financial statements. You should read this information together with our consolidated financial statements and the notes to those statements incorporated by reference into this prospectus/offering memorandum.

	For the Six Months Ended June 30,		For the Year Ended December 31,	
	2011	2010	2010	2009
	(In millions except ratios)			
Statement of Operations Data:				
Net revenues	€4,440	€4,392	€9,091	€8,065
Operating income	685	673	1,450	1,258
Net income attributable to FMC-AG & Co. KGaA	€ 348	€ 350	€ 742	€ 636
Other Financial Data:				
EBITDA[(1)]	879	859	1,832	1,590
Depreciation and amortization	194	186	382	332
Net debt[(2)]	4,573	4,256	3,976	3,633
Ratio of EBITDA to interest expense, net	8.4x	8.4x	8.7x	7.4x
Ratio of net debt to EBITDA[(3)]	2.5x	2.5x	2.2x	2.3x
Capital Expenditures	170	171	395	412
Acquisitions and investments	784	219	575	134

	June 30,	December 31,	
	2011	2010	2009
Balance Sheet Data:			
Total Assets	€13,148	€12,819	€11,022
Total equity	5,592	5,740	4,930

(1) EBITDA (operating income plus depreciation and amortization) derived from our operating income determined in accordance with U.S. GAAP is the basis for determining compliance with certain covenants contained in our Amended 2006 Senior Credit Agreement, Euro Notes, EIB loan, and the indentures relating to our Outstanding Senior Notes. You should not consider EBITDA to be an alternative to net earnings determined in accordance with IFRS or to cash flow from operations, investing activities or financing activities. In addition, not all funds depicted by EBITDA are available for management's discretionary use. For example, a substantial portion of such funds are subject to contractual restrictions and functional requirements for debt service, to fund necessary capital expenditures and to meet other commitments from time to time as described in more detail elsewhere in our public filings with the Securities and Exchange Commission.

(2) Net debt includes short-term borrowings (including our A/R Facility), short-term borrowings from related parties, long term debt (including current portion) and trust preferred securities, less cash and cash equivalents.

(3) The ratios of net debt to EBITDA at June 30, 2011 and 2010 are calculated utilizing EBITDA for the twelve-month periods ended June 30, 2011 and 2010, of €1,852 million and €1,673 million, respectively.

For a discussion of some of the significant differences between IFRS and U.S. GAAP that affect the Company, see "Selected Historical Consolidated Financial Data Prepared Under IFRS."

Exchange Rate Information

The summary historical consolidated financial data set forth above under "Summary Historical Consolidated Data and Other Data — U.S. GAAP" are derived from our consolidated financial statements prepared in accordance with U.S. GAAP, for which our reporting currency is the U.S. Dollar. The summary historical consolidated financial data set forth above under "Summary Historical Consolidated Data and Other Data — IFRS" are derived from our consolidated financial statements prepared in accordance with IFRS, for which our reporting currency is the Euro. For information regarding the exchange rate between the U.S. Dollar and the Euro for the preceding five years, for the six months ended June 30, 2011, and the six months preceding the date of this prospectus/offering memorandum, see "Quantitative and Qualitative Disclosures about Market Risk — Management of Foreign Exchange and Interest Rate Risks — Foreign Exchange Risk."

Summary Financial Data for the Issuers

At August 25, 2011, the Dollar Issuer had total assets, consisting of cash and cash equivalents, of $15,000,000 and stockholder's equity of $15,000,000.

At August 12, 2011, the Euro Issuer had total assets of €31,000, consisting of cash and cash equivalents and shareholder's equity of €31,000.

Financial Data for the Guarantors

Separate financial statements of the Guarantors Fresenius Medical Care Holdings, Inc. and Fresenius Medical Care Deutschland GmbH for the financial years 2009 and 2010 and for the six-month periods ending June 30, 2011 and June 30, 2010 are not included in this prospectus/offering memorandum as such Guarantors do not prepare and publish separate financial statements. Our consolidated financial statements, however, contain financial information for our group of companies on a consolidated basis which include Fresenius Medical Care Holdings, Inc. and Fresenius Medical Care Deutschland GmbH as our principal subsidiaries.

RISK FACTORS

Before deciding to invest in the Notes, you should carefully consider each of the following risks and all of the information set forth in this prospectus/offering memorandum as they may impact each of the Issuers and the Guarantors. If any of the following risks and uncertainties develops into actual events, our business, financial condition or results of operations could suffer. In that case, the price of our Notes could decline and you could lose all or part of your investment.

Risks Relating to Our Business

A significant portion of our North American profits are dependent on the services we provide to a minority of our patients who are covered by private insurance.

In recent reviews of dialysis reimbursement, the Medicare Payment Advisory Commission, also known as MedPAC, has noted that Medicare payments for dialysis services are lower than the average costs that providers incur to provide the services. Since Medicaid rates are comparable to those of Medicare and because Medicare only pays us 80% of the Medicare allowable amount (the patient, Medicaid or secondary insurance being responsible for the remaining 20%), the amount we receive from Medicare and Medicaid is less than our average cost per treatment. As a result, the payments we receive from private payors both subsidize the losses we incur on services for Medicare and Medicaid patients and generate a substantial portion of the profits we report. We estimate that Medicare and Medicaid are the primary payors for approximately 80% of the patients to whom we provide care in North America but for 2010, we derived only 53% of our North America Dialysis Care net revenues from Medicare and Medicaid. Therefore, if the private payors who pay for the care of the other 20% of our patients reduce their payments for our services, or if we experience a material shift in our revenue mix toward Medicare or Medicaid reimbursement, then our revenue, cash flow and earnings would materially decrease.

Over the last few years, we have generally been able to implement modest annual price increases for private insurers and managed care organizations, but government reimbursement has remained flat or has been increased at rates below typical consumer price index ("CPI") increases. Reimbursement rates are lower, on average, under the new prospective payment system ("ESRD PPS," the so-called "bundled" payment system) for dialysis services furnished after January 1, 2011 compared to reimbursement rates under the prior system. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Financial Condition and Results of Operations — Overview." There can be no assurance that we can achieve future price increases from private insurers and managed care organizations comparable to those we have historically received. Any reductions in reimbursement from private insurers and managed care organizations could materially and adversely impact our operating results. Any reduction in our ability to attract private pay patients to utilize our dialysis services relative to historical levels could adversely impact our operating results. Any of the following events, among others, could have a material adverse effect on our operating results:

- a portion of our business that is currently reimbursed by private insurers or hospitals may become reimbursed by managed care organizations, which generally have lower rates for our services; or
- a portion of our business that is currently reimbursed by private insurers at rates based on our billed charges may become reimbursed under a contract at lower rates.

We are exposed to product liability, patent infringement and other claims which could result in significant costs and liability which we may not be able to insure on acceptable terms in the future.

Health care companies are typically subject to claims alleging negligence, product liability, breach of warranty, malpractice and other legal theories that may involve large claims and significant defense costs whether or not liability is ultimately imposed. Healthcare products may also be subject to recalls and patent infringement claims which, in addition to monetary penalties, may restrict our ability to sell or use our products. We cannot assure you that such claims will not be asserted against us for example, that significant adverse verdicts will not be reached against us for patent infringements or that large scale recalls of our products will not become necessary. In addition, the laws of some of the countries in which we operate provide legal rights to users of pharmaceutical products that could increase the risk of product liability claims. Product liability and patent infringement claims, other actions for negligence or breach of contract and product recalls or related sanctions could result in significant costs. These costs could have a material adverse effect on our business, financial condition and results of operations. See "Business — Legal Proceedings."

While we have been able to obtain liability insurance in the past to partially cover our business risks, we cannot assure that such insurance will be available in the future either on acceptable terms or at all. In addition, FMCH, our largest subsidiary, is partially self-insured for professional, product and general liability, auto liability and worker's

compensation claims, up to pre-determined levels above which our third-party insurance applies. A successful claim in excess of the limits of our insurance coverage could have a material adverse effect on our business, results of operations and financial condition. Liability claims, regardless of their merit or eventual outcome, also may have a material adverse effect on our business and reputation, which could in turn reduce our sales and profitability.

The Company is vigorously defending certain patent infringement lawsuits. See "Business — Legal Proceedings — Commercial Litigation." While we believe we have valid defenses to these claims, an adverse determination in any of these matters could have a material adverse effect on the Company's business, financial condition and results of operations.

Our growth depends, in part, on our ability to continue to make acquisitions.

The healthcare industry has experienced significant consolidation in recent years, particularly in the dialysis services sector. Our ability to make future acquisitions depends, in part, on our available financial resources and could be limited by restrictions imposed by the United States or other countries' competition laws or under our credit documents. We financed our acquisition of IDC with debt. We recently announced the acquisitions of American Access Holdings, which will be financed using cash from operations and available borrowing capacity, and Liberty Dialysis Holdings, which will be financed from cash from operations and debt. If we make future acquisitions, we may need to borrow additional debt or assume significant liabilities, either of which might increase our financial leverage and cause the prices of our debt securities to decline. In addition, any financing that we might need for future acquisitions might be available to us only on terms that restrict our business. Acquisitions that we complete are also subject to risks relating to, among other matters, integration of the acquired businesses (including combining the acquired company's infrastructure and management information systems with ours, harmonization of its marketing, patient service and logistical procedures with ours and, potentially, reconciling divergent corporate and management cultures), possible non-realization of anticipated synergies from the combination, potential loss of key personnel or customers of the acquired companies, and the risk of assuming unknown liabilities not disclosed by the seller or not uncovered during due diligence. If we are not able to effect acquisitions on reasonable terms, there could be an adverse effect on our business, financial condition and results of operations.

We also compete with other dialysis products and services companies in seeking suitable acquisition targets and the continuing consolidation of dialysis providers and combinations of dialysis providers with dialysis product manufacturers could affect future growth of our product sales. If we are not able to continue to effect acquisitions on reasonable terms, especially in the international area, this could have an adverse effect on our business, financial condition and results of operations.

We face specific risks from international operations.

We operate dialysis clinics in more than 35 countries and sell a range of equipment, products and services to customers in more than 120 countries. Our international operations are subject to a number of risks, including but not limited to the following:

- the economic situation in developing or other countries could deteriorate;
- fluctuations in exchange rates could adversely affect profitability;
- we could face difficulties in enforcing and collecting accounts receivable under some countries' legal systems;
- local regulations could restrict our ability to obtain a direct ownership interest in dialysis clinics or other operations;
- political, social or economic instability, especially in developing and newly industrializing countries, could disrupt our operations;
- some customers and governments could increase their payment cycles, with resulting adverse effects on our cash flow;
- some countries could impose additional or higher taxes or restrict the import of our products;
- we could fail to receive or could lose required licenses, certifications or other regulatory approvals for the operation of subsidiaries or dialysis clinics, sale of equipment, products, or services, or acquisitions;
- civil unrest, turmoil or outbreak of disease in one or more countries in which we have material operations or material product revenue;
- differing labor regulations and difficulty in staffing and managing geographically widespread operations;

- different or less robust regulatory regimes controlling the protection of our intellectual property; and
- transportation delays or interruptions.

International growth and expansion into emerging markets, such as China, Eastern Europe, the Middle East and Africa, could cause us difficulty due to greater regulatory barriers than in the United States or Western Europe, the necessity of adapting to new regulatory systems, and problems related to entering new markets with different economic, social and political systems and conditions. For example, unstable political conditions or civil unrest could negatively impact our operations and sales in a region or our ability to collect receivables or reimbursements or operate or execute projects in a region.

Any one or more of these or other factors could increase our costs, reduce our revenues, or disrupt our operations, with possible material adverse effects on our business, financial condition and results of operations.

If physicians and other referral sources cease referring patients to our dialysis clinics or cease purchasing or prescribing our dialysis products, our revenues would decrease.

Our dialysis services business is dependent upon patients choosing our clinics as the location for their treatments. Patients may select a clinic based, in whole or in part, on the recommendation of their physician. We believe that physicians and other clinicians typically consider a number of factors when recommending a particular dialysis facility to an ESRD patient, including, but not limited to, the quality of care at a clinic, the competency of a clinic's staff, convenient scheduling, and a clinic's location and physical condition. Physicians may change their facility recommendations at any time, which may result in the transfer of our existing patients to competing clinics, including clinics established by the physicians themselves. At most of our clinics, a relatively small number of physicians often account for the referral of all or a significant portion of the patient base. Our dialysis care business also depends on recommendations by hospitals, managed care plans and other healthcare institutions. If a significant number of physicians, hospitals or other healthcare institutions cease referring their patients to our clinics, this would reduce our dialysis care revenue and could materially adversely affect our overall operations.

The decision to purchase or prescribe our dialysis products and other services or competing dialysis products and other services will be made in some instances by medical directors and other referring physicians at our dialysis clinics and by the managing medical personnel and referring physicians at other dialysis clinics, subject to applicable regulatory requirements. A decline in physician recommendations or recommendations from other sources for purchases of our products or ancillary services, or an increase in recommendations for our products covered by the Medicare expanded bundled rate would reduce our dialysis product and other services revenue, and would materially adversely affect our business, financial condition and results of operations.

Our pharmaceutical product business could lose sales to generic drug manufacturers or new branded drugs.

Our branded pharmaceutical product business is subject to significant risk as a result of competition from manufacturers of generic drugs and other new competing medicines or therapies. We are obligated to make certain minimum annual royalty payments under certain of our pharmaceutical product license agreements, irrespective of our annual sales of the licensed products. Either the expiration or loss of patent protection for one of our products, or the "at-risk" launch by a generic manufacturer of a generic version of one of our branded pharmaceutical products or the launch of new branded drugs that compete with one or more of our products, could result in the loss of a major portion of sales of that branded pharmaceutical product in a very short time period, which could materially and adversely affect our business, financial condition and results of operations.

Our competitors could develop superior technology or otherwise impact our sales.

We face numerous competitors in both our dialysis services business and our dialysis products business, some of which may possess substantial financial, marketing or research and development resources. Competition and especially new competitive developments could materially adversely affect the future pricing and sale of our products and services. In particular, technological innovation has historically been a significant competitive factor in the dialysis products business. The introduction of new products by competitors could render one or more of our products or services less competitive or even obsolete.

Global economic conditions may have an adverse effect on our businesses.

There was a material deterioration of the global economy and tightening of the financial markets in 2008 and 2009. Although there was some improvement in the global economy and financial markets in 2010 and 2011, the overall global economic outlook remains uncertain. The recent downgrading of the United States' credit rating by

Standard & Poor's has added to this uncertainty. We depend on the financial markets for access to capital, as do our renal product customers and commercial healthcare insurers. Limited or expensive access to capital could make it more difficult for these customers to do business with us, or to do business generally, which could adversely affect our businesses. The continuation, or worsening, of domestic and global economic conditions could continue to adversely affect our businesses and results of operations.

If we are unable to attract and retain skilled medical, technical and engineering personnel, we may be unable to manage our growth or continue our technological development.

Our continued growth in the provider business will depend upon our ability to attract and retain skilled employees, such as highly skilled nurses and other medical personnel. Competition for those employees is intense and the current nursing shortage has increased our personnel and recruiting costs. Moreover, we believe that future success in the provider business will be significantly dependent on our ability to attract and retain qualified physicians to serve as medical directors of our dialysis clinics. If we are unable to achieve that goal or if doing so requires us to bear increased costs this could adversely impact our growth and results of operations.

Our dialysis products business depends on the development of new products, technologies and treatment concepts to be competitive. Competition is also intense for skilled engineers and other technical research and development personnel. If we are unable to obtain and retain the services of key personnel, the ability of our officers and key employees to manage our growth would suffer and our operations could suffer in other respects. These factors could preclude us from integrating acquired companies into our operations, which could increase our costs and prevent us from realizing synergies from acquisitions. Lack of skilled research and development personnel could impair our technological development, which would increase our costs and impair our reputation for production of technologically advanced products.

Diverging views of fiscal authorities could require us to make additional tax payments.

We are in dispute with the German tax authorities and the U.S. Internal Revenue Service (IRS) on certain tax deductions disallowed in past and current tax audits. We are also subject to ongoing tax audits in the U.S., Germany and other jurisdictions. We have received notices of unfavorable adjustments and disallowances in connection with certain of these audits and we may be subject to additional unfavorable adjustments and disallowances. We are contesting, and in some cases appealing certain of the unfavorable determinations. If our objections, audit appeals or court claims are unsuccessful, we could be required to make additional tax payments, which could have a material adverse impact on our results of operations and operating cash flow in the relevant reporting period. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources" and "Business — Legal Proceedings — Other Litigation and Potential Exposures."

Risks Relating to Litigation and Regulatory Matters

A change in U.S. government reimbursement for dialysis care could materially decrease our revenues and operating profit.

For the six months ended June 30, 2011 and the twelve months ended December 31, 2010, approximately 31% and 32%, respectively, of our consolidated revenues resulted from Medicare and Medicaid reimbursement. Legislative changes or changes in government reimbursement practice may affect the reimbursement rates for the services we provide, as well as the scope of Medicare and Medicaid coverage. A decrease in Medicare or Medicaid reimbursement rates or covered services could have a material adverse effect on our business, financial condition and results of operations. Effective January 1, 2011, Medicare reimbursement is based on a bundled rate which results in lower reimbursement per treatment than under the reimbursement system in effect for dialysis services provided through December 31, 2010. For a discussion of the new ESRD prospective payment system ("ESRD PPS") for Medicare reimbursement of renal dialysis items and services implemented by the Centers for Medicare and Medicaid Services ("CMS") effective January 1, 2011, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Financial Condition and Results of Operations — Overview." Beginning January 1, 2012, the ESRD PPS will include a quality incentive program ("QIP") in which full payment of the Medicare ESRD rate to a dialysis facility will be contingent upon such dialysis facility's achievement of certain minimum performance criteria for anemia management and toxin clearance. Failure to achieve these minimum criteria in any year subjects the facility to up to a 2% reduction in Medicare reimbursement two years later. Reimbursement in 2012 will be dependent in part upon quality achievements in 2010. A material failure by the Company to achieve the minimum client quality standards under the QIP could materially and adversely affect the Company's business, financial condition and results of operations.

A reduction in reimbursement for or a change in the utilization of EPO could materially reduce our revenue and operating profit. An interruption of supply or our inability to obtain satisfactory terms for EPO could reduce our revenues and operating profit.

Reimbursement and revenue from the administration of erythropoietin, or EPO, accounted for approximately 19% of total dialysis care revenue in our North America segment for the year ended December 31, 2010. Synthetic EPO is produced in the U.S. by a single source manufacturer, Amgen Inc., under the brand names Epogen® (epoeitin alfa) and Aranesp® (darbepoetin alfa). Our supply contract with Amgen USA, Inc., a subsidiary of Amgen, Inc. covers the period from October 1, 2006 to December 31, 2011 and is currently under renegotiation. Pricing is based on Amgen's list price and is subject to change within certain parameters. Any of the following developments could materially adversely affect our business, financial condition and results of operations: (i) failure to negotiate a new supply contract for EPO with Amgen or an increase in Amgen's price for EPO, (ii) a reduction of the current overfill amount in EPO vials which we currently use (liquid medications, such as EPO, typically include a small overfill amount to ensure that the fill volume can be extracted from the vial as administered to the patient), or (iii) an interruption of supply of EPO. In addition, under the new ESRD PPS effective January 1, 2011 payment for EPO is included in the bundled rate. Material increases in the utilization of or acquisition costs for EPO or reduction in EPO overfill could materially and adversely affect our business, financial condition and results of operations.

If we do not comply with the many governmental regulations applicable to our business, we could be excluded from government healthcare reimbursement programs or our authority to conduct business could be terminated, either of which would result in a material decrease in our revenue.

Our operations in both our provider business and our products business are subject to extensive governmental regulation in virtually every country in which we operate. We are also subject to other laws of general applicability, including antitrust laws. The applicable regulations, which differ from country to country, cover areas that include:

- the quality, safety and efficacy of medical and pharmaceutical products and supplies;
- the operation of manufacturing facilities, laboratories and dialysis clinics;
- product advertising and other promotion;
- accurate reporting and billing for government and third-party reimbursement; and
- compensation of medical directors and other financial arrangements with physicians and other referral sources.

Failure to comply with one or more of these laws or regulations, may give rise to a number of legal consequences. These include, in particular, monetary and administrative penalties, increased costs for compliance with government orders, complete or partial exclusion from government reimbursement programs or complete or partial curtailment of our authority to conduct business. Any of these consequences could have a material adverse impact on our business, financial condition and results of operations.

In the QIP final rule, issued on December 29, 2010, CMS announced that its monitoring of the ESRD PPS and the QIP would focus, among other things, on changes in care practices, including increases and decreases in utilization of EPO and other injectable ESRD drugs and the use of home modalities for certain groups of beneficiaries with ESRD.

The Company's medical and pharmaceutical products are subject to detailed, rigorous and frequently changing regulation by the FDA, and numerous other national, supranational, federal and state authorities. These regulations include, among other things, regulations regarding manufacturing practices, product labeling, quality control, quality assurance, advertising and post- marketing reporting, including adverse event reports and field alerts due to manufacturing quality concerns. We cannot assure that all necessary regulation approvals for new products or product improvements will be granted on a timely basis or at all. In addition, the Company's facilities and procedures and those of its suppliers are subject to periodic inspection by the FDA and other regulatory authorities. The FDA and comparable regulatory authorities outside the U.S. may suspend, revoke, or adversely amend the authority necessary for manufacture, marketing, or sale of our products and those of our suppliers. The Company and its suppliers must incur expense and spend time and effort to ensure compliance with these complex regulations, and if such compliance is not maintained, they could be subject to significant adverse regulatory actions in the future. These possible regulatory actions could include recalls, warning letters, injunctions, civil penalties, seizures of the Company's products and criminal prosecution as well as dissemination of information to the public about such regulatory actions. These actions could result in, among other things, substantial modifications to the Company's business practices and operations; refunds; a total or partial shutdown of production while the alleged violation is remedied; and withdrawals or suspensions of current products from the market. Any of these events, in combination or alone, could disrupt the

Company's business and have a material adverse effect on the Company's business, financial condition and results of operations.

On July 29, 2011, the Institute of Medicine of the U.S. National Institute of Health issued a report recommending that the FDA establish a new system for the approval of certain medical devices to replace the 510(k) notification system. Under the present system, many medical devices do not require premarketing approval. Instead, the FDA grants marketing clearance for a proposed medical device if data submitted for the device establish that the device is "substantially equivalent" to a legally marketed device that did not itself require pre-marketing approval. The FDA has not issued a detailed response to the report, but has stated that it does not believe that the 510(k) system should be eliminated and that significant changes to the 510(k) approval process would require legislation. Substantially all of the dialysis products that the Company manufactures or distributes in the U.S., other than peritoneal dialysis solutions and renal pharmaceuticals, are marketed on the basis of 510(k) approvals. At the present time, no specific regulatory or legislative changes have been proposed, and the Company cannot predict whether or to what extent the 510(k) process will be modified or replaced or what the effects, if any, of a modified or replacement approval process for medical devices would be on the Company's dialysis products business.

We rely upon the Company's management structure, regulatory and legal resources and the effective operation of our compliance programs to direct, manage and monitor our operations to comply with government regulations. If employees were to deliberately or inadvertently fail to adhere to these regulations, then our authority to conduct business could be terminated and our operations could be significantly curtailed. If we fail to identify in our diligence process and promptly remediate any non-compliant business practices in companies that we acquire, we could be subject to penalties, claims for repayment or other sanctions. Any such terminations or reductions could materially reduce our sales, with a resulting material adverse effect on our business, financial condition and results of operations.

FMCH and its subsidiaries, including RCG (prior to the RCG Acquisition), received subpoenas in 2005 from the U.S. Department of Justice for the Eastern District of Missouri, in connection with a joint civil and criminal investigation. The subpoenas require production of a broad range of documents relating to FMCH's and RCG's operations, with specific attention to documents related to clinical quality programs, business development activities, medical director compensation and physician relationships, joint ventures, and anemia management programs, RCG's Method II home dialysis supply company, pharmaceutical and other services that RCG provides to patients, RCG's relationships to pharmaceutical companies, and RCG's purchase of dialysis equipment from FMCH. The Office of the Inspector General of the U.S. Department of Health and Human Services and the U.S. Attorney's office for the Eastern District of Texas participated in the Eastern District of Missouri's investigation of FMCH's and RCG's utilization of Epogen begun in 2005. On July 17, 2007, the U.S. Attorney's office filed a civil complaint against RCG and FMCH in its capacity as RCG's current corporate parent in United States District Court, Eastern District of Missouri. The complaint seeks monetary damages and penalties with respect to issues arising out of the operation of RCG's Method II supply company through 2005, prior to the date of FMCH's acquisition of RCG. On August 11, 2009, the Missouri District Court granted RCG's motion to transfer venue to the United States District Court for the Middle District of Tennessee (Nashville). On March 22, 2010, the Tennessee District Court entered judgment against defendants for approximately $23 million in damages and interest under the unjust enrichment count of the complaint but denied all relief under the six False Claims Act counts of the complaint. On June 17, 2011, the District Court granted summary judgment against RCG for approximately $82.6 million on one of the False Claims Act counts of the complaint. On June 23, 2011, the Company appealed to the United States Court of Appeals for the Sixth Circuit. Although we cannot provide any assurance of the outcome, the Company believes that RCG's operation of its Method II supply company was in compliance with applicable law, that no relief is due to the United States, that the decisions made by the District Court on March 22, 2010 and June 17, 2011 will be reversed, and that its position in the litigation will ultimately be sustained. See "Business — Legal Proceedings — Other Litigation and Potential Exposures."

We operate in many different jurisdictions and we could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-corruption laws.

The U.S. Foreign Corrupt Practices Act ("FCPA") and similar worldwide anti-corruption laws generally prohibit companies and their intermediaries from making improper payments to public officials for the purpose of obtaining or retaining business. Our internal policies mandate compliance with these anti-corruption laws. We operate many facilities throughout the United States and other parts of the world. Our decentralized system has thousands of persons employed by many affiliated companies, and we rely on our management structure, regulatory and legal resources and effective operation of our compliance program to direct, manage and monitor the activities of these employees. Despite our training, oversight and compliance programs, we cannot assure you that our internal control policies and procedures always will protect us from deliberate, reckless or inadvertent acts of our

employees or agents that contravene the Company's compliance policies or violate applicable laws. Our continued expansion, including in developing countries, could increase the risk of such violations in the future. Violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on our results of operations or financial condition.

If our joint ventures violate the law, our business could be adversely affected.

A number of the dialysis centers we operate are owned by joint ventures in which we hold a controlling interest and one or more hospitals, physicians or physician practice groups hold a minority interest. The physician owners may also provide medical director services and refer patients to those centers or other centers we own and operate. While we have structured our joint ventures to comply with many of the criteria for safe harbor protection under the U.S. Federal Anti-Kickback Statute, our investments in these joint venture arrangements do not satisfy all elements of such safe harbor. While we have established comprehensive compliance policies, procedures and programs to ensure ethical and compliant joint venture business operations, if one or more of our joint ventures were found to be in violation of the Anti-Kickback Statute or the Stark Law, we could be required to restructure or terminate them. We also could be required to repay to Medicare amounts received by the joint ventures pursuant to any prohibited referrals, and we could be subject to criminal and monetary penalties and exclusion from Medicare, Medicaid and other U.S. federal and state healthcare programs. Imposition of any of these penalties could have a material adverse effect on our business, financial condition and results of operations.

Proposals for healthcare reform, or relating to regulatory approvals, and the Budget Control Act of 2011, could decrease our revenues and operating profit.

Many of the countries in which we operate have been considering proposals to modify their current healthcare systems to improve access to healthcare and control costs. We cannot predict whether and when these reform proposals will be adopted in countries in which we operate or what impact they might have on us. Any decrease in spending or other significant changes in state funding in countries in which we operate, particularly significant changes in the U.S. Medicare and Medicaid programs, could reduce our sales and profitability and have a material adverse effect on our business, financial condition and results of operations.

The Patient Protection and Affordable Care Act was enacted in the United States on March 23, 2010 and subsequently amended by the Health Care and Educational Affordability Reconciliation Act (as amended, "ACA"). ACA will implement broad healthcare system reforms, including (i) provisions to facilitate access to affordable health insurance for all Americans, (ii) expansion of the Medicaid program, (iii) an industry fee on pharmaceutical companies starting in 2011 based on sales of brand name pharmaceuticals to government healthcare programs, (iv) a 2.3% excise tax on manufacturers' medical device sales starting in 2013, (v) increases in Medicaid prescription drug rebates effective January 1, 2010, (vi) commercial insurance market reforms that protect consumers, such as bans on lifetime and annual limits, coverage of pre-existing conditions, limits on administrative costs, and limits on waiting periods, (vii) provisions encouraging integrated care, efficiency and coordination among providers and (viii) provisions for reduction of healthcare program waste and fraud. ACA does not modify the dialysis reimbursement provisions of the Medicare Improvements for Patients and Providers Act of 2008, or "MIPPA." ACA's medical device excise tax, Medicaid drug rebate increases and annual pharmaceutical industry fees will adversely impact our product business earnings and cash flows. We expect modest favorable impact to our business from ACA's integrated care and commercial insurance consumer protection provisions. Further changes in the U.S. reforms may be debated by Congress, but whether these deliberations will lead to significant changes in policy is unknown.

On August 2, 2011 the U.S. Budget Control Act of 2011 ("Budget Control Act") was enacted, which raised the United States' debt ceiling and put into effect a series of actions for deficit reduction. In addition, the Budget Control Act created a 12-member Congressional Joint Select Committee on Deficit Reduction that is tasked with proposing additional revenue and spending measures to achieve additional deficit reductions of at least $1.2-$1.5 trillion over ten years, which could include reductions in Medicare and Medicaid. The Joint Congressional Committee is required to make its recommendations to Congress by November 23, 2011 and Congress is required to vote on the recommendations, without amendment, by December 23, 2011. Failure of the Joint Congressional Committee to recommend its targeted savings or Congress to approve the Joint Congressional Committee's recommendation would trigger automatic across the board reductions in spending of $1.2 trillion (or a lesser amount necessary to reach $1.2 trillion if the Joint Congressional Committee recommends and Congress approves a lesser amount). Medicare payments to providers and suppliers would be subject to the triggered reductions, but in any such event, reductions in payments to Medicare providers are capped at 2% annually.

In the current legislative environment, increases in government spending may need to be accompanied by corresponding offsets. For example, the Budget Control Act did not address reductions in physician payments

mandated by the sustainable growth rate ("SGR"), which if implemented for calendar year 2012 would impose a reduction of almost 30% in physician fees. In order to reduce or eliminate SGR physician payment reductions and not adversely affect deficit reduction, Congress would have to reduce other spending. We cannot predict whether these would include other reductions in Medicare or Medicaid spending.

Any significant healthcare reforms that substantially change the financing and regulation of the healthcare industry in countries in which we operate could reduce our sales and profitability and have a material adverse effect on our business, financial condition and results of operations. In addition, there may be legislative or regulatory proposals that could affect FDA procedures or decision-making for approving medical or pharmaceutical products. Such legislation or regulations, if adopted, could result in a delay or denial of regulatory approval for our products. If any of our products do not receive regulatory approval, or there is a delay in obtaining approval, this also could have a material adverse effect on our business, financial condition and results of operations.

Risks Relating to the Notes

Our substantial indebtedness could adversely affect our financial condition, prevent us from fulfilling our obligations under our debt securities or implementing certain elements of our business strategy.

We currently have, and after this offering will continue to have, a substantial amount of indebtedness. The following table shows important credit statistics for our Company. The table sets forth these statistics on a pro forma basis to reflect the completion of this offering and application of the net proceeds of the offering as described in "Use of Proceeds":

	As of June 30, 2011 As adjusted for this Offering
	(USD, in thousands)
Total debt, including current maturities	$7,142,133
Total equity	$7,770,401

Our substantial indebtedness could adversely affect our financial condition which could have important consequences to you. For example, it could:

- make it more difficult for us to satisfy our obligations under our debt securities, including the Notes;
- increase our vulnerability to general adverse economic conditions;
- limit our ability to obtain necessary financing and to fund future working capital, capital expenditures and other general corporate requirements;
- require us to dedicate a substantial portion of our cash flow from operations, as well as the proceeds of certain financings and asset dispositions, to payments on our indebtedness, thereby reducing the availability of our cash flow and such proceeds to fund working capital, capital expenditures and for other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt;
- limit our ability to pursue acquisitions and sell assets; and
- limit our ability to borrow additional funds.

Our ability to make payments on and to refinance our indebtedness, including the Notes, will depend on our ability to generate cash in the future, which is dependent on various factors. These factors include governmental and private insurer reimbursement rates for dialysis treatment, the growth of the dialysis patient population and general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Financial Condition and Results of Operations — Overview."

Restrictive covenants in our debt instruments limit our ability to engage in certain transactions and could diminish our ability to make payments on our indebtedness, including the Notes.

Our Amended 2006 Senior Credit Agreement, indentures for our Outstanding Senior Notes, European Investment Bank ("EIB") Agreements and Euro Notes include covenants that require us to maintain certain financial ratios or meet other financial tests in order to incur indebtedness. Under our Amended 2006 Senior Credit Agreement, we are obligated to maintain a minimum consolidated fixed charge ratio (ratio of EBITDAR —

consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) plus rent — to consolidated fixed charges (interest, rent, scheduled debt maturities, restricted payments, and cash tax payments)) and subject to a maximum consolidated leverage ratio (ratio of consolidated funded debt to EBITDA).

Our Amended 2006 Senior Credit Agreement includes other covenants which, among other things, restrict or have the effect of restricting our ability to dispose of assets, incur debt, pay dividends and other restricted payments, create liens or make capital expenditures, investments or acquisitions. These covenants, as well as other covenants in the EIB Agreements and the indentures for the Notes and the indentures for our Outstanding Senior Notes, which limit our ability to incur debt and enter into sale leaseback transactions, create liens and effect certain mergers, may otherwise limit our activities. The breach of any of the covenants could result in a default and acceleration of the indebtedness under the Amended 2006 Senior Credit Agreement or the indentures, which could, in turn, create additional defaults and acceleration of the indebtedness under the agreements relating to our other long-term indebtedness which would have an adverse effect on our business, financial condition and results of operations.

Despite our substantial indebtedness, we may still be able to incur significantly more debt; this could intensify the risks described above.

Despite our significant indebtedness, we may incur additional indebtedness in the future, provided that such indebtedness does not exceed the limit on senior indebtedness imposed by, or is subordinate to the indebtedness under, our Amended 2006 Senior Credit Agreement and such indebtedness is permitted to be incurred under the indentures governing our Outstanding Senior Notes and the Notes. If additional debt is added to our current substantial debt levels, the related risks that we now face could intensify. For more information on our borrowing ability, see "Description of Certain Indebtedness" and "Description of the Notes."

We obtain substantially all of our income from our subsidiaries, and our holding company structure may limit our ability to benefit from the assets of our subsidiaries.

We are a holding company and, consequently, we derive substantially all of our operating income from our subsidiaries. Each of our subsidiaries is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. Our subsidiaries may not be able, or be permitted, to make distributions to enable us to make payments in respect of our indebtedness, including the Notes.

While the Notes are guaranteed by us and by our principal German subsidiary and our principal U.S. subsidiary, our other subsidiaries will not guarantee the Notes. Certain of our non-guarantor subsidiaries are obligors under our Amended 2006 Senior Credit Agreement and other indebtedness and may incur additional indebtedness in the future. In addition to our senior indebtedness, our non-guarantor subsidiaries have liabilities which would be structurally senior to the Notes and the guarantees. Holders of the Notes will not have any direct claim on the cash flow or assets of our non-guarantor subsidiaries and such subsidiaries will have no obligation, contingent or otherwise, to pay amounts due under the Notes or the Note Guarantees or to make funds available to us or the other guarantors to satisfy those payments.

In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding, our and the other guarantors' right to receive any assets of any of our respective subsidiaries or other affiliates, as well as the right of the holders of the Notes to participate in the distribution of or realize proceeds from those assets, will be structurally subordinated to the claims of creditors of those subsidiaries and affiliates, including their trade creditors and holders of other indebtedness of our subsidiaries (including, in the case of some of our and the guarantors' principal subsidiaries, debt issued under our Amended 2006 Senior Credit Agreement). Accordingly, there might be only a limited amount of assets available to satisfy your claims as a holder of the Notes upon an acceleration of the maturity of the Notes.

For certain combining financial information for the Company, segregated between the issuers of the Outstanding Senior Notes, Fresenius Medical Care AG & Co. KGaA, D-GmbH and FMCH as guarantors, and the Company's non-guarantor subsidiaries, see Note 18, "Supplemental Condensed Combining Information," of the notes to our unaudited consolidated financial statements, and Note 23, "Supplemental Condensed Combining Information," of the notes to our audited consolidated financial statements included in this prospectus/offering memorandum.

We may not be able to make a change of control redemption upon demand.

Upon the occurrence of certain specified change of control events, we will be required to offer to purchase the Notes at a purchase price equal to 101% of their principal amount, plus accrued but unpaid interest. We will also be

required to offer to repurchase certain of our other outstanding obligations, including our Outstanding Senior Notes. We cannot assure you that if an event that requires us to offer to repurchase the Notes occurs, that we will have or have access to, sufficient funds to pay the required purchase price for all of the Notes tendered to us by the holders. Our failure to purchase tendered Notes would constitute a default under the indentures governing the Notes, which, in turn, would constitute a default under our Amended 2006 Senior Credit Agreement. In addition, our Amended 2006 Senior Credit Agreement provides that some changes of control would constitute defaults under our Amended 2006 Senior Credit Agreement.

If we default on our obligations to pay our indebtedness, we may not be able to make payments on the Notes.

If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness (including covenants in the Amended 2006 Senior Credit Agreement, the indentures governing the Notes, our Outstanding Senior Notes, the EIB Loans and our Euro Notes), we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be immediately due and payable, together with accrued and unpaid interest, and the lenders under the 2006 Senior Credit Agreement could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets. If our operating performance declines, we may in the future need to obtain waivers from the required lenders under the Amended 2006 Senior Credit Agreement to avoid being in default. The required lenders may be unwilling to grant any such waiver. If this occurs, we would be in default under the Amended 2006 Senior Credit Agreement and the lenders could exercise their rights as described above.

U.S. federal and state laws allow courts, under specific circumstances, to void guarantees and to require you to return payments received from guarantors.

Although holders of the Notes offered hereby will be direct creditors of the guarantors by virtue of the guarantees, existing or future creditors of any guarantor could avoid or subordinate that guarantor's guarantee under U.S. federal bankruptcy laws or under applicable state fraudulent conveyance laws if they were successful in establishing that:

- the guarantee was incurred with fraudulent intent; or
- the guarantor did not receive fair consideration or reasonably equivalent value for issuing its guarantee and
  - — was insolvent at the time of the guarantee;
  - — was rendered insolvent by reason of the guarantee;
  - — was engaged in a business or transaction for which its assets constituted unreasonably small capital to carry on its business; or
  - — intended to incur, or believed that it would incur, debt beyond its ability to pay such debt as it matured.

The measures of insolvency for purposes of determining whether a fraudulent conveyance occurred vary depending upon the laws of the relevant jurisdiction and upon the valuation assumptions and methodology applied by the court. Generally, however, a company would be considered insolvent for purposes of the foregoing if:

- the sum of the company's debts, including contingent, unliquidated and unmatured liabilities, is greater than all of such company's property at a fair valuation; or
- if the present fair saleable value of the company's assets is less than the amount that will be required to pay the probable liability on its existing debts as they become absolute and matured.

We cannot assure you as to what standard a court would apply in order to determine whether a guarantor was "insolvent" as of the date its guarantee was issued, and we cannot assure you that, regardless of the method of valuation, a court would not determine that any guarantors were insolvent on that date. The subsidiary guarantees could be subject to the claim that, since the guarantees were incurred for our benefit, and only indirectly for the benefit of the other guarantors, the obligations of the guarantors thereunder were incurred for less than reasonably equivalent value or fair consideration.

The guarantee entered into by FMCH will contain a provision intended to limit FMCH's liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer. However, this provision may not be effective to protect that guarantee from being voided under fraudulent transfer law,

or may reduce FMCH's obligation to an amount that effectively makes its guarantee worthless. In a recent federal bankruptcy case in Florida, a provision of this type was found to be ineffective to validate the guarantees.

German insolvency laws may preclude the recovery of payments due under the guarantees.

Insolvency proceedings with regard to the Company or Fresenius Medical Care Deutschland GmbH would most likely be based on and governed by the insolvency laws of Germany, the jurisdiction under which they are organized and in which all of their assets are located. The provisions of such insolvency laws differ substantially from U.S. bankruptcy laws and may in many instances be less favorable to holders of the Notes than comparable provisions of U.S. law.

In particular, an insolvency administrator (*Insolvenzverwalter)* of the Company or Fresenius Medical Care Deutschland GmbH may avoid (*anfechten*) transactions which are detrimental to insolvency creditors and which were effected prior to the commencement of insolvency proceedings. Such transactions can include the payment of any amounts to the holders of the Notes as well as provision of security for their benefit. The administrator's right to avoid transactions under the German Insolvency Code (*Insolvenzordnung*) can, depending on the circumstances, extend to transactions during a period of up to ten-years prior to the petition for commencement of insolvency proceedings. In the event such transactions were successfully avoided, the holders of the Notes would be under an obligation to repay the amounts received or to waive the security provided (as the case may be). In addition, before the opening of insolvency proceedings, a creditor who has obtained an enforcement order has the right to avoid certain transactions, such as the payment of debt and the granting of security pursuant to the German Code on Avoidance (*Anfechtungsgesetz).* In particular, a transaction (which term includes the provision of security or the payment of debt) may be avoided in the following cases:

- the transaction was entered into by the debtor (i.e. the Company or Fresenius Medical Care Deutschland GmbH) and is directly detrimental to its insolvency creditors if the transaction was effected (i) during the three-month period prior to the petition for commencement of insolvency proceedings over the assets of the debtor and the debtor was unable to make payments when due at the time of the transaction and the beneficiary of the transaction (i.e. the holders of the Notes) had positive knowledge thereof at such time, or (ii) after a petition for the commencement of insolvency proceedings and the beneficiary of the transaction had knowledge of either the debtor's inability to make payments when due or of the petition for commencement of insolvency proceedings at the time of the transaction;
- the transaction was entered into during the ten-year period prior to the petition for the commencement of insolvency proceedings with the debtor's actual intent to disadvantage creditors, provided that the beneficiary of such transaction had positive knowledge of the debtor's intent at the time of the transaction;
- the transaction granting an insolvency creditor security (including a guarantor) or satisfaction to which such creditor had no right or no right to claim in such manner or at such time it was entered into and such transaction took place (i) within the month prior to the petition for commencement of insolvency proceedings; (ii) within the second or third month preceding such petition and the debtor was unable to make payments when due at the time of such transaction; or (iii) within the second and third month prior to the petition for commencement of insolvency proceedings and the creditor had positive knowledge at the time of the transaction that it was detrimental to the creditors of the debtor; or
- the transaction granting an insolvency creditor security or satisfaction to which such creditor had a right and such transaction took place (i) within the three-month period prior to the petition for the commencement of insolvency proceedings and the debtor was unable to make payments when due at the time of the transaction and the beneficiary of the transaction had positive knowledge thereof at such time, or (ii) following a petition for the commencement of insolvency proceedings and the creditor had positive knowledge of either the debtor's inability to make payments when due or of the petition for commencement of insolvency proceedings at the time of the transaction.

Generally, the Company or Fresenius Medical Care Deutschland GmbH would be considered unable to make payments when due if they are not able to meet at least 90% of their due financial obligations within a period of three weeks. If their security were avoided or held unenforceable for any other reason, the holders of the Notes would cease to have any claim in respect of such security. Any amounts obtained from a transaction that has been avoided would have to be repaid. In addition, the guarantee entered into by Fresenius Medical Care Deutschland GmbH will contain provisions intended to limit the maximum amount payable thereunder in circumstances that could otherwise give rise to the managing directors' personal liability under German law, including German Federal Supreme Court decisions, and be effectively subordinated to the claims of the guarantor's third-party creditors as a result of limitations applicable to the guarantee.

Where the voidability of a transaction depends on the beneficiary's knowledge of certain circumstances, it is possible that the beneficiary (i.e. the holders of the Notes) will be deemed to have knowledge of aspects that are known to a third party. For example, it is likely that noteholders will be deemed to have knowledge of these circumstances that are known to the Trustee.

The Issuers will have no assets other than intercompany receivables and no source of income other than payments due from us and our subsidiaries.

Each Issuer has been organized for the purpose of:

- issuing and selling the Notes to be issued by it, Additional Notes (as defined in "Description of the Notes — Additional Notes"), and additional debt securities to the extent permitted by the applicable Indenture;
- advancing the proceeds of the Notes issued back to us and our subsidiaries;
- becoming a guarantor under our Amended 2006 Senior Credit Agreement or any refinancing thereof; and
- engaging in only those other activities necessary, convenient or incidental thereto.

Each Issuer will advance or distribute to us and our subsidiaries the proceeds of the Notes it issues. Therefore, an Issuer's only assets will be intercompany receivables that will be created when it advances or distributes such proceeds and the proceeds of the equity contribution it receives to us and our subsidiaries. An Issuer's ability to make interest and other payments on the Notes it issues will be wholly dependent upon us and our subsidiaries making payments on the intercompany obligations that we owe to that Issuer as and when required which is, in turn, subject to the risks and other matters described in this prospectus/offering memorandum.

FMC-AG & Co. KGaA is a holding company for our group of companies, and FMCH, one of the subsidiary guarantors of the Notes, functions exclusively as a holding company for our North American operations. They have no material amount of independent operations and derive substantially all of their consolidated revenues from their operating subsidiaries. Consequently, FMC-AG & Co. KGaA's and FMCH's cash flows and their ability to meet their cash requirements, including their respective obligations under their guarantees of the Notes and their guarantees of other financings, are dependent upon the profitability and cash flow of their subsidiaries and payments by such subsidiaries to them in the form of loans, dividends, fees, or otherwise, as well as their own credit arrangements (including our Amended 2006 Senior Credit Agreement and our accounts receivable financing facility).

There are restrictions on your ability to transfer or resell the Notes without registration under applicable U.S. securities laws.

The Notes are being offered and sold pursuant to exemptions from registration under U.S. and applicable state securities laws. Therefore, unless they are registered under such laws, you may transfer or resell the Notes in compliance with U.S. and state securities laws only to persons outside the U.S. in offshore transactions pursuant to Regulation S under the Securities Act or in a transaction exempt from the registration requirements of U.S. and applicable state securities laws, and you may be required to bear the risk of your investment for an indefinite period of time. See "Transfer Restrictions." We have not agreed to or otherwise undertaken to register the Notes under the Securities Act or state securities laws, and we have no intention to do so.

There is presently no active trading market for the Notes.

Although we have applied to admit the Notes to listing on the official list of the Luxembourg Stock Exchange and to admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange, there can be no assurance regarding the future development of a market for the Notes or the ability of holders of the Notes to sell their Notes or the price at which such holders may be able to sell their Notes. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including:

- prevailing interest rates;
- our operating results; and
- the market for similar securities.

Certain of the initial purchasers have advised the Issuers that they currently intend to make a market in the Notes as permitted by applicable laws and regulations; however, the initial purchasers are not obligated to do so, and any such market-making activities with respect to the Notes may be discontinued at any time without notice. Therefore, there can be no assurance as to the liquidity of any trading market for the Notes or that an active trading market for the Notes will develop.

You may face foreign exchange risks by investing in the Notes.

The Dollar-denominated Notes will be denominated and payable in U.S. Dollars and the Euro-denominated Notes will be denominated and payable in Euros. An investment in the Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the Euro relative to the U.S. Dollar or the U.S. Dollar relative to the Euro because of economic, political and other factors over which we have no control. Depreciation of the Euro against the U.S. Dollar could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to you on a U.S. Dollar basis.

For information regarding historical exchange rates between the Euro and the U.S. Dollar for the preceding five years, for the six months ended June 30, 2011 and the six months preceding the date of this prospectus/offering memorandum, and the exchange rates used in preparing the consolidated financial statements included in this prospectus/offering memorandum, see "Quantitative and Qualitative Disclosures about Market Risk — Management of Foreign Exchange and Interest Rate Risks — Foreign Exchange Risk."

Issues relating to the Guarantors FMCH and D-GmbH

As FMCH and D-GmbH are part of our group of companies, the risks described above under "Risks Relating to Our Business" and "Risks Relating to Litigation and Regulatory Matters" also apply to them with regard to their respective businesses.

Separate financial statements of FMCH and D-GmbH for the financial years 2009 and 2010 and for the six-month periods ending June 30, 2011 and June 30, 2010 are not included in this prospectus/offering memorandum as FMCH and D-GmbH do not prepare and publish separate financial statements. Our consolidated financial statements, however, contain financial information for our group of companies on a consolidated basis which include FMCH and D-GmbH as the principal subsidiaries of Fresenius Medical Care AG & Co. KGaA. In addition, the footnotes to our financial statements contain certain combining financial information for Fresenius Medical Care AG & Co. KGaA and the other Guarantors. See Note 18, "Supplemental Condensed Combining Information," of the notes to our unaudited consolidated financial statements, and Note 23, "Supplemental Condensed Combining Information," of the notes to our audited consolidated financial statements included in this prospectus/offering memorandum.

THE ISSUERS

Dollar Issuer

The Dollar Issuer is a wholly owned subsidiary of Fresenius Medical Care AG & Co. KGaA. The Dollar Issuer was incorporated under the General Corporation Law of the State of Delaware on August 22, 2011, with the identification number 5021129.

Under Article III of the Dollar Issuer's certificate of incorporation, the business or purposes to be conducted by it are to "engage in any lawful financing act or activity, and any other acts related thereto or in furtherance thereof, for which corporations may be organized and incorporated under the General Corporation Law of the State of Delaware". Without limiting the generality of the foregoing, each of the following activities, agreements and undertakings specified below is expressly stated to be in furtherance of the purpose of the Dollar Issuer:

- incurring, issuing and selling debt securities, including the Dollar-denominated Notes, Additional Dollar-denominated Notes and additional debt securities to the extent permitted by the Indenture governing the Dollar-denominated Notes and other indentures to which it may be a party (see "Description of the Notes — Additional Notes," "— Certain Covenants — Limitation on Incurrence of Indebtedness" and "— Ownership of the Issuer");
- advancing the proceeds of the Dollar-denominated Notes to us and our subsidiaries;
- becoming a guarantor under our Amended 2006 Senior Credit Agreement or any refinancing thereof; and
- engaging in any lawful act or activity and exercising any lawful power necessary, incidental or convenient to enable the Dollar Issuer to carry out the foregoing purposes.

As a result of its purpose as described above, the Dollar Issuer does not compete in any markets and cannot make a statement regarding its competitive position in any markets. A change of the activities of the Dollar Issuer as described in this prospectus/offering memorandum is currently not expected.

As of August 22, 2011, the Dollar Issuer had an authorized share capital of 1,000 shares, par value $0.01 per share. The Dollar Issuer has issued 100 shares of common stock for aggregate consideration of $15.0 million. The outstanding shares of the Dollar Issuer are fully paid and non-assessable.

The Dollar Issuer will advance or distribute the proceeds of the Dollar-denominated Notes to Fresenius Medical Care AG & Co. KGaA and/or its subsidiaries on the issue date of the Notes. Therefore, the only assets of the Dollar Issuer will be the intercompany receivables that will be created when the Dollar Issuer advances or distributes the proceeds from the Dollar-denominated Notes and the equity contribution it receives to us and our subsidiaries, and other intercompany receivables created or acquired in connection with any additional indebtedness of the Dollar Issuer. The Dollar Issuer's ability to make interest and other payments on the Dollar-denominated Notes and any other obligations it may create or incur is wholly dependent upon us and our subsidiaries making payments on the intercompany obligations that we owe to the Dollar Issuer as and when required which is, in turn, subject to the risks and other matters described in this prospectus/offering memorandum.

The Dollar Issuer's executive offices are located at 920 Winter Street, Waltham, Massachusetts, 02451-1457 USA, and its telephone number is +1 (781) 699-9000. Its registered office is located c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, County of New Castle, Delaware, 19801.

The current directors of the Dollar Issuer are Mr. Rice Powell, Mr. Ronald Kuerbitz and Dr. Angelo Mößlang. The directors can be contacted at the executive offices of the Dollar Issuer. Mr. Powell is the deputy chairman of the management board of the general partner of FMC AG & Co. KGaA and is Chief Executive Officer of Fresenius Medical Care North America. Mr. Kuerbitz is Executive Vice President, Chief Administrative Officer and General Counsel of Fresenius Medical Care North America. Dr. Mößlang is Chief Financial Officer of Fresenius Medical Care North America. There are no conflicts of interest between the private interests of the directors and other duties of the directors and their duties vis-à-vis the Dollar Issuer.

As there is no general federal corporation law in the United States, the law of the state of incorporation of a corporation establishes the framework for its corporate governance. The Dollar Issuer's certificate of incorporation is consistent with the General Corporation Law of the State of Delaware. The shares of the Dollar Issuer are not listed or traded on any stock exchange.

The Dollar Issuer has not entered into any contracts outside the ordinary course of business which could result in any member of the Fresenius Medical Care group of companies being under an obligation or entitlement that is material to the Dollar Issuer's ability to meets its obligations in respect of the Dollar-denominated Notes.

The financial year of the Dollar Issuer starts on January 1 and ends on December 31 of each year. The first financial year of the Dollar Issuer will end on December 31, 2011.

The certificate of incorporation and by-laws of the Dollar Issuer as well as the complete documentation relating to the issue of the Dollar-denominated Notes referred to in this prospectus/offering memorandum are available and can be obtained free of charge by any interested person at the executive office of the Dollar Issuer during normal business hours.

The Dollar Issuer has appointed KPMG LLP, 60 South Street, Boston, Massachusetts, USA, 02111, as its independent auditors. KPMG LLP is registered with the U.S. Public Company Accounting Oversight Board and is a member of American Institute of Certified Public Accountants. The Dollar Issuer does not have an audit committee.

The annual financial statements of the Dollar Issuer will be available when published. The balance sheet of the Dollar Issuer at August 25, 2011, the related statements of changes in equity and cash flows for the period from August 22, 2011 (date of inception) to August 25, 2011, and the audit report of KPMG LLP thereon are included in this prospectus/offering memorandum. No other financial statements of the Dollar Issuer have been published as of the date of this prospectus/offering memorandum. The Dollar Issuer does not prepare consolidated financial statements.

Since the day of its incorporation, the Dollar Issuer has not held any participations in other undertakings and has not issued any convertible debt securities, exchangeable debt securities or securities with warrants attached. The Dollar Issuer does not currently own any interest in real estate.

Financial notices concerning the Dollar Issuer and intended for holders of the Dollar-denominated Notes will be published on the website of the Luxembourg Stock Exchange www.bourse.lu.

Euro Issuer

The Euro Issuer, a wholly owned subsidiary of Fresenius Medical Care AG & Co. KGaA, is a corporation (*société anonyme*) organized and existing under the laws of Luxembourg. The Euro Issuer was incorporated for an unlimited duration on August 12, 2011. The issuer's subscribed capital amounts of €31,000 represented by 310 ordinary shares with a nominal value of €100 each, which have been entirely paid up.

Pursuant to article 4 of the articles of association of the Euro Issuer it has been organized for the purposes of:

- incurring, issuing and selling debt securities, including the Euro-denominated Notes, Additional Euro-denominated Notes and additional debt securities of the Euro Issuer to the extent permitted by the Indenture governing the Euro-denominated Notes and other indentures to which it may be a party (see "Description of the Notes — Additional Notes," "— Certain Covenants — Limitation on Incurrence of Indebtedness" and " — Ownership of the Issuer");
- advancing the proceeds of the Euro-denominated Notes to us and our subsidiaries;
- becoming a guarantor under our Amended 2006 Senior Credit Agreement or any refinancing thereof; and
- engaging in only those other activities necessary, convenient or incidental thereto.

As a result of its purpose as described above, the Euro Issuer does not compete in any markets and cannot make a statement regarding its competitive position in any markets. A change of the activities of the Euro Issuer as described in this prospectus/offering memorandum is currently not expected.

The Euro Issuer will advance or distribute the proceeds of the Euro-denominated Notes to Fresenius Medical Care AG & Co. KGaA and/or our subsidiaries on the issue date of the Notes. Therefore, the only assets of the Euro Issuer will be the intercompany receivables that will be created when the Euro Issuer advances or distributes the proceeds from the Euro-denominated Notes and the equity contribution it receives to us and our subsidiaries, and other intercompany receivables created or acquired in connection with any additional indebtedness of the Euro Issuer. The Euro Issuer's ability to make interest and other payments on the Euro-denominated Notes and any other obligations it may create or incur is wholly dependent upon us and our subsidiaries making payments on the intercompany obligations that we owe to the Euro Issuer as and when required which is, in turn, subject to the risks and other matters described in this prospectus/offering memorandum.

The Euro Issuer is registered with the Luxembourg Trade and Companies Register (R.C.S. Luxembourg) under B 162959. The articles of association of the Euro Issuer have been published in the official gazette of Luxembourg, Mémorial C — Recueil des Sociétés et Associations, on August 23, 2011.

The registered office of the Euro Issuer and its place of business is 28-30, Val St-André, L-1128 Luxembourg, tel. +352 26 33 75 901. The directors of the Euro Issuer and their respective business addresses are Dr. Andrea Stopper, Via Cantonale 23C, CH-6928 Manno, Switzerland; Mrs. Gabriele Dux, L-7241 Béreldange, 204, route de Luxembourg. Luxembourg; and Mr. Khaled Bahi, F-94832 Fresnes, 47, avenue des Pépinières, France. The principal activity of Dr. Stopper outside the Euro Issuer is as Vice Chairman of Fresenius Medical Care International Management GmbH, of Ms. Dux is as a director of FMC Finance VII, S.A. and of FMC Finance VI S.A. and part-time Finance and Accounting Manager of FMC Finance II S.à.r.l. Mr. Bahi is as Chief Financial Officer of Fresenius Medical Care France and NephroCare France. The Euro Issuer does not have a supervisory board. The current directors of the Euro Issuer can be

contacted at the address of the registered office of the Euro Issuer. There are no conflicts of interest between the private interests of the directors and other duties of the directors and their duties vis-à-vis the Euro Issuer.

The Euro Issuer has appointed KPMG S.à.r.l., having its registered office in L-2520 Luxembourg, 31, Allée Scheffer (Luxembourg) registered under R.C.S. Luxembourg B 103.590 as the auditor of the Euro Issuer. The Euro Issuer does not have an audit committee. KPMG S.à.r.l. is a member of the Luxembourg Institute of Registered Auditors (Institut des réviseurs d'entreprises).

The financial year of the Euro Issuer starts on January 1 and ends on December 31 of each year. The first financial year of the Euro Issuer will end on December 31, 2011.

The statutory documents of the Euro Issuer as well as documentation described under "General Information — Listing of the Notes" relating to the issue of the Euro-denominated Notes referred to in this prospectus/offering memorandum are available and can be obtained free of charge by any interested person at the registered office of the Euro Issuer or at the specified office of the listing agent in Luxembourg during normal business hours.

The Euro Issuer complies with the laws and regulations of Luxembourg regarding corporate governance. As the Euro Issuer is not an exchange-listed company, the Corporate Governance Code of the Luxembourg Stock Exchange ("Les dix Principes de Gouvernance d'entreprise de la Bourse de Luxembourg", as amended) is not applicable to it. At the date of this prospectus/offering memorandum there are no loans granted or guarantees provided by the Euro Issuer to any director. No director has entered into any transaction on behalf of the Euro Issuer which is unusual in the nature of its conditions or is or was significant to the business of the Euro Issuer since its incorporation.

The Euro Issuer did not enter into any contracts outside the ordinary course of business which could result in any member of the Fresenius Medical Care group of companies being under an obligation or entitlement that is material to the Euro Issuer's ability to meets its obligations in respect of the Euro-denominated Notes.

The financial statements of the Euro Issuer will be available when published. The balance sheet of the Euro Issuer at August 12, 2011 and the audit report of KPMG S.à.r.l. thereon are included in this prospectus/offering memorandum. No other financial statements of the Issuer have been published as of the date of the prospectus/offering memorandum. The Euro Issuer does not hold any participations in other undertakings. The Euro Issuer does not prepare consolidated financial statements.

Since the day of its incorporation, the Euro Issuer has not held any participations in other undertakings and has not issued any convertible debt securities, exchangeable debt securities or securities with warrants attached. The Euro Issuer does not currently own any interest in real estate.

Financial notices concerning the Euro Issuer and intended for holders of the Euro-denominated Notes will be published on the website of the Luxembourg Stock Exchange www.bourse.lu.

USE OF PROCEEDS

The aggregate net proceeds from the sale of $400 million principal amount of Dollar-denominated Notes at 98.623% and €400 million principal amount of Euro-denominated Notes at 98.623% will be approximately $933.2 million (based on an exchange rate of €1 = $1.4044 on September 8, 2011), after the original issue discount of approximately $13.2 million and payment of fees and estimated expenses in the total amount of approximately $15.3 million. We intend to use the net proceeds of this offering for acquisitions, to refinance indebtedness outstanding under the revolving credit facility of our Amended 2006 Senior Credit Agreement and under our A/R Facility, and for general corporate purposes. Certain of the initial purchasers and affiliates of the initial purchasers may receive a portion of the net proceeds from this offering in their capacities as agents and/or lenders under our Amended 2006 Senior Credit Agreement or as agents under our A/R Facility. See "Plan of Distribution and Offer of the Notes." For information regarding our Amended 2006 Senior Credit Agreement, our A/R Facility and other outstanding indebtedness, see "Description of Certain Indebtedness."

CAPITALIZATION

The following table presents the unaudited consolidated capitalization of Fresenius Medical Care AG & Co. KGaA as of June 30, 2011 and as adjusted to reflect the offering and our application of the net proceeds to reduce the balance outstanding on our revolving loan indebtedness under our Amended 2006 Senior Credit Agreement and under our A/R Facility. See "Use of Proceeds."

You should read the following table in conjunction with "Use of Proceeds," "Selected Historical Consolidated Financial Data Prepared Under U.S. GAAP and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Description of Certain Indebtedness" and our financial statements and related notes thereto. Except as noted below, Euro-denominated and other non-Dollar-denominated indebtedness has been translated into U.S. Dollars at the exchange rates of June 30, 2011.

	June 30, 2011	As adjusted for the Offering
	(In thousands)	
Cash and cash equivalents	$ 449,253	$ 449,253
A/R Facility	640,000	376,170
Other short-term borrowings	120,957	120,957
Short-term borrowings from related parties	161,363	161,363
Total short-term debt	$ 922,320	658,490
Amended 2006 Senior Credit Agreement — Revolving Credit Facility[1]	669,397	$ —
Amended 2006 Senior Credit Agreement — Term Loan A	1,275,000	1,275,000
Amended 2006 Senior Credit Agreement — Term Loan B	1,529,691	1,529,691
Dollar-denominated Notes offered hereby	—	400,000
Euro-denominated Notes offered hereby[2]	—	561,760
6⅞% Senior Notes	494,675	494,675
5.50% Senior Notes	357,549	357,549
5.75% Senior Notes	644,145	644,145
5.25% Senior Notes	433,590	433,590
Euro Notes	289,060	289,060
EIB Agreements	366,960	366,960
Capital lease obligations	15,652	15,652
Other	115,561	115,561
Total debt	7,113,600	7,142,133
Total net debt[3]	$ 6,664,347	$ 6,692,880
Noncontrolling interests subject to put provisions	306,723	306,723
Noncontrolling interests not subject to put provisions	150,602	150,602
Total FMC-AG & Co. KGaA shareholders' equity	7,770,401	7,770,401
Total Capitalization[4]	$15,790,579	$15,819,112

(1) For information regarding amounts available under the Revolving Credit Facility of our 2006 Amended Credit Agreement, see Note 6 of the notes to our audited consolidated financial statements included in this prospectus/offering memorandum.

(2) The aggregate principal amount of the Euro-denominated Notes has been determined using the exchange rate described above in "Use of Proceeds."

(3) Net debt includes total debt less cash and cash equivalents.

(4) Total Capitalization includes cash and cash equivalents, total debt, Noncontrolling Interest and total FMC-AG & Co. KGaA shareholders' equity.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA PREPARED UNDER U.S. GAAP AND OTHER DATA

The following table summarizes the consolidated financial information and certain other information for our business for each of the years 2006 through 2010, as of June 30, 2011 and for the six-month periods ended June 30, 2011 and 2010. For each of the years presented, we derived the historical financial information from our consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). We derived the historical consolidated financial data as of June 30, 2011 and for the six-month periods ended June 30, 2011 and 2010 from our unaudited consolidated financial statements prepared in accordance with U.S. GAAP. We prepared our unaudited consolidated financial statements on a basis substantially consistent with our audited consolidated financial statements. You should read this information together with our consolidated financial statements and the notes to those statements appearing elsewhere in this prospectus/offering memorandum and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." For information regarding the exchange rate between the U.S. Dollar and the Euro for the preceding five years, for the six months ended June 30, 2011 and 2010, and the six months preceding the date of this prospectus/offering memorandum, see "Quantitative and Qualitative Disclosures about Market Risk — Management of Foreign Exchange and Interest Rate Risks — Foreign Exchange Risk."

	For the Six Months Ended June 30,		Year Ended December 31,				
	2011	2010	2010	2009	2008	2007	2006[a]
			(In millions except ratios and operating data)				
Statement of Operations Data:							
Net revenues	$ 6,230	$ 5,828	$ 12,053	$ 11,247	$ 10,612	$ 9,720	$ 8,499
Cost of revenues	4,073	3,852	7,908	7,415	6,983	6,364	5,621
Gross profit	2,157	1,976	4,145	3,832	3,629	3,356	2,878
Selling, general and administrative	1,166	1,043	2,124	1,982	1,877	1,709	1,549
Gain on sale of dialysis clinics	—	—	—	—	—	—	(40)
Research and development	53	45	97	94	80	67	51
Income from equity method investees	(17)	(4)	—	—	—	—	—
Operating income	955	892	1,924	1,756	1,672	1,580	1,318
Interest expense, net	146	135	280	300	336	371	351
Income before income taxes	809	757	1,644	1,456	1,336	1,209	967
Net income	536	500	1,066	965	860	755	563
Less: Net income attributable to noncontrolling interests	(55)	(41)	(87)	(74)	(42)	(38)	(26)
Net income attributable to FMC-AG & Co. KGaA	$ 481	$ 459	$ 979	$ 891	$ 818	$ 717	$ 537
Other Financial Data:							
EBITDA[1]	1,227	1,137	2,427	2,213	2,088	1,944	1,627
Depreciation and amortization	272	246	503	457	416	363	309
Net debt[2]	6,664	5,253	5,357	5,267	5,516	5,398	5,420
Net debt excluding trust preferred securities	6,664	4,661	4,731	4,611	4,875	4,064	4,166
Capital expenditures	238	227	524	574	687	573	463
Ratio of earnings to fixed charges[3]	4.9x	5.2x	5.5x	4.8x	4.2x	3.7x	3.3x
Ratio of EBITDA to interest expense, net	8.4x	8.4x	8.7x	7.4x	6.2x	5.2x	4.6x
Ratio of net debt to EBITDA[4]	2.6x	2.3x	2.2x	2.4x	2.6x	2.8x	3.3x
Ratio of net debt excluding trust preferred securities to EBITDA[4]	2.6x	2.0x	1.9x	2.1x	2.3x	2.1x	2.6x
Pro Forma Data:							
Net debt adjusted for offering[5]	6,693						
Ratio of adjusted net debt to EBITDA	2.7x						
Operating Data:							
No. of treatments	16,559,315	15,258,148	31,670,702	29,425,758	27,866,573	26,442,421	23,739,733
No. of patients	225,909	202,414	214,648	195,651	184,086	173,863	163,517
No. of clinics	2,838	2,599	2,757	2,553	2,388	2,238	2,108
Average revenue/treatment (U.S.)	$ 348	$ 356	$ 356	$ 347	$ 330	$ 327	$ 321

	June 30,	December 31,				
	2011	2010	2009	2008	2007	2006
				(In millions)		
Balance Sheet Data:						
Total debt[6]	$ 7,114	$ 5,880	$ 5,568	$ 5,738	$ 5,642	$ 5,579
Total assets	19,053	17,095	15,821	14,920	14,170	13,045
Total equity	7,921	7,804	7,030	6,123	5,681	4,945

(a) The operations of RCG and related financing costs to acquire RCG are included in the statement of operations and other data commencing April 1, 2006.

(1) EBITDA (operating income plus depreciation and amortization) is the basis for determining compliance with certain covenants contained in our 2006 Senior Credit Agreement, Euro Notes, EIB loan, and the indentures relating to our Outstanding Senior Notes. You should not consider EBITDA to be an alternative to net earnings determined in accordance with U.S. GAAP or to cash flow from operations, investing activities or financing activities. In addition, not all funds depicted by EBITDA are available for management's discretionary use. For example, a substantial portion of such funds are subject to contractual restrictions and functional requirements for debt service, to fund necessary capital expenditures and to meet other commitments from time to time as described in more detail elsewhere in our public filings with the Securities and Exchange Commission. For a reconciliation of cash flow provided by operating activities to EBITDA, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Debt Covenant Disclosure — EBITDA."

(2) Net debt includes short-term borrowings (including our A/R Facility), short-term borrowings from related parties, long-term debt (including current portion) and trust preferred securities, less cash and cash equivalents.

(3) In calculating the ratio of earnings to fixed charges, earnings consist of income before taxes plus fixed charges. Fixed charges consist of interest expense and amortization of deferred financing fees, plus an interest factor for operating leases calculated using the Company's weighted average cost of capital.

(4) The ratios of net debt to EBITDA at June 30, 2011 and 2010 and net debt excluding trust preferred securities to EBITDA at June 30, 2010 are calculated utilizing EBITDA for the twelve-month periods ended June 30, 2011 and 2010, of $2,517 million and $2,321 million, respectively.

(5) See "Capitalization" above.

(6) Total debt consists of total short-term borrowings and long-term debt (including current portion).

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA PREPARED UNDER IFRS

The Company uses IFRS to comply with the reporting requirements of the German Commercial Code (*Handelsgesetzbuch*) and other German laws. The following table summarizes the consolidated financial information and certain other information for our business for each of the years 2009 and 2010, as of June 30, 2011 and for the six-month periods ended June 30, 2011 and 2010. For the years presented, we derived the selected financial information from our consolidated financial statements prepared in accordance with IFRS. We derived the selected consolidated financial data as of June 30, 2011 and for the six-month periods ended June 30, 2011 and 2010 from our unaudited consolidated financial statements prepared in accordance with IFRS. We prepared our unaudited consolidated financial statements on a basis substantially consistent with our audited consolidated financial statements. You should read this information together with our consolidated financial statements and the notes to those statements incorporated by reference into this prospectus/offering memorandum. For information regarding the exchange rate between the U.S. Dollar and the Euro for the preceding five years, for the six months ended June 30, 2011 and 2010, and the six months preceding the date of this prospectus/offering memorandum, see "Quantitative and Qualitative Disclosures about Market Risk — Management of Foreign Exchange and Interest Rate Risks — Foreign Exchange Risk."

	For the Six Months Ended June 30,		For the Year Ended December 31,	
	2011	2010	2010	2009
	(In millions except ratios)			
Statement of Operations Data:				
Net revenues	€4,440	€4,392	€9,091	€8,065
Operating income	685	673	1,450	1,258
Net income attributable to FMC-AG & Co. KGaA	€ 348	€ 350	€ 742	€ 636
Other Financial Data:				
EBITDA[(1)]	879	859	1,832	1,590
Depreciation and amortization	194	186	382	332
Net debt[(2)]	4,573	4,256	3,976	3,633
Ratio of EBITDA to interest expense, net	8.4x	8.4x	8.7x	7.4x
Ratio of net debt to EBITDA[(3)]	2.5x	2.5x	2.2x	2.3x
Capital Expenditures	170	171	395	412
Acquisitions and investments	784	219	575	134

	June 30, 2011	December 31, 2010	December 31, 2009
Balance Sheet Data:			
Total Assets	€13,148	€12,819	€11,022
Total equity	5,592	5,740	4,930

(1) EBITDA (operating income plus depreciation and amortization) derived from our operating income determined in accordance with U.S. GAAP is the basis for determining compliance with certain covenants contained in our Amended 2006 Senior Credit Agreement, Euro Notes, EIB loan, and the indentures relating to our Outstanding Senior Notes. You should not consider EBITDA to be an alternative to net earnings determined in accordance with IFRS or to cash flow from operations, investing activities or financing activities. In addition, not all funds depicted by EBITDA are available for management's discretionary use. For example, a substantial portion of such funds are subject to contractual restrictions and functional requirements for debt service, to fund necessary capital expenditures and to meet other commitments from time to time as described in more detail elsewhere in our public filings with the Securities and Exchange Commission.

(2) Net debt includes short-term borrowings (including our A/R Facility), short-term borrowings from related parties, long term debt (including current portion) and trust preferred securities, less cash and cash equivalents.

(3) The ratios of net debt to EBITDA at June 30, 2011 and 2010 are calculated utilizing EBITDA for the twelve-month periods ended June 30, 2011 and 2010, of €1,852 million and €1,673 million, respectively.

Financial statements and other financial information prepared in accordance with U.S. GAAP are not comparable to, and could differ from, financial statements and other financial information prepared in accordance with IFRS. The following represents a summary of certain of the significant differences between U.S. GAAP and IFRS as they affect determination of our consolidated net income. The summary has been prepared to assist a reader in understanding the nature of the differences between U.S. GAAP and IFRS as they relate to our Company. This summary does not provide a description of all of the significant differences between U.S. GAAP and IFRS.

Differences between U.S. GAAP and IFRS that could impact our financial statements will most likely result from differences in the accounting treatment under U.S. GAAP and IFRS relating to (1) recognition of the gains resulting from operating sale and leaseback transactions, (2) accounting requirements for deferred taxes related to

stock options, (3) amortization of actuarial losses of employee benefit plans and (4) capitalization of development cost and the subsequent amortization of these costs. Each of these items is discussed below. This list is not intended as a complete discussion of the differences between U.S. GAAP and IFRS; it addresses only the differences that could have an impact on our financial statements.

1) Recognition of gains resulting from operating sale and leaseback transactions

We sell assets to leasing companies and lease them back under operating lease agreements. Under U.S. GAAP, the gain from the sale is deferred over the term of the lease whereas IFRS requires an immediate recognition of the gain. If the selling price is higher than the fair value, this difference is also deferred under IFRS.

2) Different accounting requirements for deferred taxes on stock options

Under U.S. GAAP, deferred taxes on compensation expense for stock options are based on the fair value of stock options. Under IFRS, deferred taxes on stock options are based on the intrinsic value of stock options. The resulting difference between deferred tax expense, deferred tax assets and additional paid in capital under IFRS and U.S. GAAP is usually completely offset at the date of the exercise of stock options and the associated receipt of tax benefits.

3) Amortization of actuarial losses of employee benefit plans

When IAS 19, Employee Benefits, was adopted for the first time, all unrecognized actuarial losses were recognized. The subsequent accounting treatment for these losses according to IFRS is the same as under U.S. GAAP in that these losses are recognized only in part in profit and loss if they exceed a certain limit. In subsequent accounting periods, the unrecognized actuarial losses under IFRS are lower than under US GAAP. As a result, the expense recognized under IFRS for the amortization of these losses is lower than the expense recognized for amortization of these losses under U.S. GAAP.

4) Capitalization of development costs if specific requirements are fulfilled

Costs for the development of new products or technologies are capitalized in accordance with IFRS whereas U.S. GAAP does not allow capitalization. Subsequent to initial measurement under IFRS, the costs for development of successful products or technologies are amortized over the useful life while the costs for development of unsuccessful products or technologies are written off.

We consider the differences between our net income determined in accordance with U.S. GAAP and our net income determined in accordance with IFRS to be immaterial for each of the six month periods ended June 30, 2011 and 2010 and for each of the years ended December 31, 2010 and 2009.

SELECTED FINANCIAL DATA RELATING TO THE ISSUERS

At August 25, 2011, the Dollar Issuer had total assets, consisting of cash and cash equivalents, of $15,000,000 and stockholder's equity of $15,000,000.

At August 12, 2011, the Euro Issuer had total assets of €31,000, consisting of cash and cash equivalents and shareholder's equity of €31,000.

Financial Data for the Guarantors

Separate financial statements of the Guarantors Fresenius Medical Care Holdings, Inc. and Fresenius Medical Care Deutschland GmbH for the financial years 2009 and 2010 and for the six-month periods ending June 30, 2011 and June 30, 2010 are not included in this prospectus/offering memorandum as such Guarantors do not prepare and publish separate financial statements. Our consolidated financial statements, however, contain financial information for our group of companies on a consolidated basis which include Fresenius Medical Care Holdings, Inc. and Fresenius Medical Care Deutschland GmbH as our principal subsidiaries.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of the results of operations of Fresenius Medical Care AG & Co. KGaA and its subsidiaries in conjunction with our historical consolidated financial statements and related notes contained elsewhere in this prospectus/offering memorandum. Some of the statements contained below, including those concerning future revenue, costs and capital expenditures and possible changes in our industry and competitive and financial conditions include forward-looking statements. We made these forward-looking statements based on the expectations and beliefs of the management of the Company's General Partner concerning future events which may affect us, but we cannot assure that such events will occur or that the results will be as anticipated. Because such statements involve risks and uncertainties, actual results may differ materially from the results which the forward-looking statements express or imply. Such statements include the matters and are subject to the uncertainties that we described in the discussion in this prospectus/offering memorandum entitled "Introduction — Forward-Looking Statements." See also "Risk Factors."

Our business is also subject to other risks and uncertainties that we describe from time to time in our public filings. Developments in any of these areas could cause our results to differ materially from the results that we or others have projected or may project.

Critical Accounting Policies

The Company's reported financial condition and results of operations are sensitive to accounting methods, assumptions and estimates that are the basis for our financial statements. The critical accounting policies, the judgments made in the creation and application of these policies, and the sensitivities of reported results to changes in accounting policies, assumptions and estimates are factors to be considered along with the Company's financial statements, and the discussion below in "Results of Operations."

Recoverability of Goodwill and Intangible Assets

The growth of our business through acquisitions has created a significant amount of intangible assets, including goodwill, trade names and management contracts. At June 30, 2011, the carrying amount of goodwill amounted to $8,902 million and non-amortizable intangible assets amounted to $220 million representing in total 48% of our total assets. At December 31, 2010, the carrying amount of goodwill amounted to $8,140 million and non-amortizable intangible assets amounted to $215 million representing in total 49% of our total assets.

In accordance with current accounting standards, we perform an impairment test of goodwill and non-amortizable intangible assets at least once a year for each reporting unit, or if we become aware of events that occur or if circumstances change that would indicate the carrying value might be impaired. See also Note 1f) in the Notes to our audited consolidated financial statements.

To comply with the provisions of the current accounting standards for the impairment testing, the fair value of the reporting unit is compared to the reporting unit's carrying amount. We estimate the fair value of each reporting unit using estimated future cash flows for the unit discounted by a weighted average cost of capital ("WACC") specific to that reporting unit. Estimating the discounted future cash flows involves significant assumptions, especially regarding future reimbursement rates and sales prices, treatments and sales volumes and costs. In determining discounted cash flows, the Company utilizes for every reporting unit, its three-year budget, projections for years 4 to 10 and a corresponding growth rate for all remaining years. Projections for up to ten years are possible due to the stability of the Company's business which, due to the non-discretionary nature of the healthcare services we provide, the need for products utilized to provide such services and the availability of government reimbursement for a substantial portion of our services, has been largely independent from the economic cycle. The Company's weighted average cost of capital consisted of a basic rate of 6.38% for 2010. This basic rate is then adjusted by a country specific risk rate within each reporting unit.

If the fair value of the reporting unit is less than its carrying value, a second step is performed which compares the fair value of the reporting unit's goodwill to the carrying value of its goodwill. If the fair value of the goodwill is less than its carrying value, the difference is recorded as an impairment.

A prolonged downturn in the healthcare industry with lower than expected increases in reimbursement rates and/or higher than expected costs for providing healthcare services and for procuring and selling products could adversely affect our estimated future cash flows. Future adverse changes in a reporting unit's economic environment could affect the discount rate. A decrease in our estimated future cash flows and/or a decline in a reporting unit's economic environment could result in impairment charges to goodwill and other intangible assets which could materially and adversely affect our future financial position and operating results.

Legal Contingencies

We are party to litigation and subject to investigations relating to a number of matters as described in "Business — Legal Proceedings." The outcome of these matters may have a material effect on our financial position, results of operations or cash flows.

We regularly analyze current information including, as applicable, our defenses and we provide accruals for probable contingent losses including the estimated legal expenses to resolve the matters. We use the resources of our internal legal department as well as external lawyers for the assessment. In making the decision regarding the need for loss accrual, we consider the degree of probability of an unfavorable outcome and our ability to make a reasonable estimate of the amount of loss.

The filing of a suit or formal assertion of a claim or assessment, or the disclosure of any such suit or assertion, does not automatically indicate that accrual of a loss may be appropriate.

Accounts Receivable and Allowance for Doubtful Accounts

Trade accounts receivable are a significant asset of ours and the allowance for doubtful accounts is a significant estimate made by management. Trade accounts receivable were $2,947 million, $2,573 million and $2,286 million at June 30, 2011, December 31, 2010 and 2009, respectively, net of allowances for doubtful accounts of $284 million, $277 million and $266 million at June 30, 2011, December 31, 2010 and 2009, respectively. Approximately half of our receivables relates to business in our North America segment.

Dialysis care revenues are recognized and billed at amounts estimated to be receivable under reimbursement arrangements with third party payors. Medicare and Medicaid programs are billed at pre-determined net realizable rates per treatment that are established by statute or regulation. Revenues for non-governmental payors where we have contracts or letters of agreement in place are recognized at the prevailing contract rates. The remaining non-governmental payors are billed at our standard rates for services and, in our North America segment, a contractual adjustment is recorded to recognize revenues based on historic reimbursement experience with those payors for which contracted rates are not predetermined. The contractual adjustment and the allowance for doubtful accounts are reviewed quarterly for their adequacy. No material changes in estimates were recorded for the contractual allowance in the periods presented.

The allowance for doubtful accounts is based on local payment and collection experience. We sell dialysis products directly or through distributors in over 120 countries and dialysis services in more than 35 countries through owned or managed clinics. Most payors are government institutions or government-sponsored programs with significant variations between the countries and even between payors within one country in local payment and collection practices. Specifically, public health institutions in a number of countries outside the U.S. require a significant amount of time until payment is made. Payment differences are mainly due to the timing of the funding by the local, state or federal government to the agency that is sponsoring the program that purchases our services or products. The collection of accounts receivable from product sales to dialysis clinics is affected by the same underlying causes, since these buyers of our products are reimbursed as well by government institutions or government sponsored programs.

In our U.S. operations, the collection process is usually initiated 30 days after service is provided or upon the expiration of the time provided by contract. For Medicare and Medicaid, once the services are approved for payment, the collection process begins upon the expiration of a period of time based upon experience with Medicare and Medicaid. In all cases where co-payment is required the collection process usually begins within 30 days after service has been provided. In those cases where claims are approved for amounts less than anticipated or if claims are denied, the collection process usually begins upon notice of approval of the lesser amounts or upon denial of the claim. The collection process can be confined to internal efforts, including the accounting and sales staffs and, where appropriate, local management staff. If appropriate, external collection agencies may be engaged.

For our international operations, a significant number of payors are government entities whose payments are often determined by local laws and regulations. Depending on local facts and circumstances, the period of time to collect can be quite lengthy. In those instances where there are commercial payors, the same type of collection process is initiated as in the U.S.

Due to the number of our subsidiaries and different countries that we operate in, our policy of determining when a valuation allowance is required considers the appropriate local facts and circumstances that apply to an account. While payment and collection practices vary significantly between countries and even agencies within one country, government payors usually represent low credit risks. Accordingly, the length of time to collect does not, in and of itself, indicate an increased credit risk and it is our policy to determine when receivables should be classified

as bad debt on a local basis taking into account local practices. In all instances, local review of accounts receivable is performed on a regular basis, generally monthly. When all efforts to collect a receivable, including the use of outside sources where required and allowed, have been exhausted, and after appropriate management review, a receivable deemed to be uncollectible is considered a bad debt and written off.

Estimates for the allowances for doubtful accounts receivable from the dialysis service business are mainly based on local payment and past collection history. Specifically, the allowances for the North American operations are based on an analysis of collection experience, recognizing the differences between payors and aging of accounts receivable. From time to time, accounts receivable are reviewed for changes from the historic collection experience to ensure the appropriateness of the allowances. The allowances in the International segment and the products business are also based on estimates and consider various factors, including aging, creditor and past collection history. Write offs are taken on a claim by claim basis when the collection efforts are exhausted. Due to the fact that a large portion of our reimbursement is provided by public health care organizations and private insurers, we expect that most of our accounts receivables will be collectable, albeit potentially more slowly in the International segment in the immediate future, particularly in countries which continue to be severely affected by the global financial crisis. See "Liquidity and Capital Resources — Operations," below, for a discussion of unfavorable days sales outstanding developments in 2010. A significant change in our collection experience, a deterioration in the aging of receivables and collection difficulties could require that we increase our estimate of the allowance for doubtful accounts. Any such additional bad debt charges could materially and adversely affect our future operating results.

If, in addition to our existing allowances, 1% of the gross amount of our trade accounts receivable as of December 31, 2010 were uncollectible through either a change in our estimated contractual adjustment or as bad debt, our operating income for 2010 would have been reduced by approximately 1.5%.

The following tables show the portion and aging of trade accounts receivable of major debtors or debtor groups at December 31, 2010 and 2009. No single debtor other than U.S. Medicaid and Medicare accounted for more than 5% of total trade accounts receivable in either year. Trade accounts receivable in the International segment are for a large part due from government or government-sponsored organizations that are established in the various countries within which we operate. Amounts pending approval from third party payors represent less than 3% at December 31, 2010.

Aging of Net Trade Accounts Receivable by Major Payor Groups:

	At December 31, 2010						
	current	overdue by up to 3 months	overdue more than 3 months up to 6 months	overdue more than 6 months up to 1 year	overdue by more than 1 year	Total	% of net trade A/R
				(In millions)			
U.S. Medicare and Medicaid Programs	$ 372	$ 85	$ 41	$ 28	$ 20	$ 546	21
U.S. Commercial Payors	270	152	48	39	22	531	21
U.S. Hospitals	88	28	3	2	3	124	5
Self-Pay of U.S. patients	—	3	3	1	—	7	—
Other North America	1	1	—	—	—	2	—
International product customers and dialysis payors	777	227	116	112	131	1,363	53
Total	$1,508	$496	$211	$182	$176	$2,573	100

	At December 31, 2009						
	current	overdue by up to 3 months	overdue more than 3 months up to 6 months	overdue more than 6 months up to 1 year	overdue by more than 1 year	Total	% of net trade A/R
				(In millions)			
U.S. Medicare and Medicaid Programs	$ 287	$ 74	$ 32	$ 22	$ 22	$ 437	19
U.S. Commercial Payors	256	140	52	40	30	518	23
U.S. Hospitals	88	19	3	2	2	114	5
Self-Pay of U.S. patients	2	6	6	3	1	18	1
Other North America	2	1	—	—	—	3	—
International product customers and dialysis payors	699	232	106	86	73	1,196	52
Total	$1,334	$472	$199	$153	$128	$2,286	100

Self-Insurance Programs

Under the insurance programs for professional, product and general liability, auto liability and worker's compensation claims, FMCH, our largest subsidiary, is partially self-insured for professional liability claims. For all other coverages we assume responsibility for incurred claims up to predetermined amounts above which third party insurance applies. Reported liabilities for the year represent estimated future payments of the anticipated expense for claims incurred (both reported and incurred but not reported) based on historical experience and existing claim activity. This experience includes both the rate of claims incidence (number) and claim severity (cost) and is combined with individual claim expectations to estimate the reported amounts.

Financial Condition and Results of Operations

Overview

We are engaged primarily in providing dialysis services and manufacturing and distributing products and equipment for the treatment of end-stage renal disease ("ESRD"). In the U.S., we also perform clinical laboratory testing. We estimate that providing dialysis services and distributing dialysis products and equipment represents an over $69 billion worldwide market with expected annual worldwide market growth of around 4%. Patient growth results from factors such as the aging population and increased life expectancies; shortage of donor organs for kidney transplants, increasing incidence and better treatment of and survival of patients with diabetes and hypertension, which frequently precede the onset of ESRD; improvements in treatment quality, which prolong patient life; and improving standards of living in developing countries, which make life-saving dialysis treatment available. Key to continued growth in revenue is our ability to attract new patients in order to increase the number of treatments performed each year. For that reason, we believe the number of treatments performed each year is a strong indicator of continued revenue growth and success. In addition, the reimbursement and ancillary services utilization environment significantly influences our business. In the past we experienced and, after the implementation of the new case-mix adjusted bundled prospective payment system ("ESRD PPS") in the U.S., also expect in the future generally stable reimbursements for dialysis services. This includes the balancing of unfavorable reimbursement changes in certain countries with favorable changes in other countries. The majority of treatments are paid for by governmental institutions such as Medicare in the United States. As a consequence of the pressure to decrease healthcare costs, reimbursement rate increases have historically been limited. Our ability to influence the pricing of our services is limited.

A majority of our U.S. dialysis services is paid for by the Medicare program. Medicare payments for dialysis services provided before January 1, 2011 were based on a composite rate, which included a drug add-on adjustment, case-mix adjustments, and a regional wage index adjustment. The drug add-on adjustment was established under the Medicare Prescription Drug, Improvement and Modernization Act of 2003 ("MMA") to account for differences in Medicare reimbursement for separately billable pharmaceuticals pre-MMA and the new average sales price reimbursement system established by the MMA.

Until January 1, 2011 certain other items and services that we furnish at our dialysis centers were included in the composite rate and were eligible for separate Medicare reimbursement. The most significant of these items are drugs or biologicals, such as the erythropoietin-stimulating agents EPO and Aranesp ("ESAs"), vitamin D analogs, and iron, which were reimbursed at 106% of the average sales price as reported to CMS by the manufacturer. Products and support services furnished to ESRD patients receiving dialysis treatment at home were also reimbursed separately under a reimbursement structure comparable to the in-center composite rate.

With the enactment of MIPPA in 2008, Congress mandated the development of an expanded ESRD bundled payment system for services furnished on or after January 1, 2011. Under the ESRD PPS, CMS reimburses dialysis facilities with a single payment for each dialysis treatment, inclusive of (i) all items and services included in the composite rate, (ii) oral vitamin D analogues, oral levocarnitine (an amino acid derivative) and all ESAs and other pharmaceuticals (other than vaccines) furnished to ESRD patients that were previously reimbursed separately under Part B of the Medicare program, (iii) most diagnostic laboratory tests and (iv) other items and services furnished to individuals for the treatment of ESRD. ESRD-related drugs with only an oral form will be reimbursed under the ESRD PPS starting in January 2014 with an adjusted payment amount to be determined by the Secretary of Health and Human Services to reflect the additional cost to dialysis facilities of providing these medications. The initial ESRD PPS base reimbursement rate is set at $229.63 per dialysis treatment (representing 98% of the estimated 2011 Medicare program costs of dialysis care as calculated under the prior reimbursement system). The base ESRD PPS payment is subject to case mix adjustments that take into account individual patient characteristics (e.g., age, body surface area, body mass, time on dialysis) and certain co-morbidities. The base payment is also adjusted for (i) certain high cost patient outliers due to unusual variations in medically necessary care, (ii) disparately high costs incurred by low volume facilities relative to other facilities, (iii) provision of home dialysis training, (iv) wage-

related costs in the geographic area in which the provider is located and (v) transition adjustments to ensure a budget-neutral transition to the new reimbursement system (the "Transition Adjusters"). For 2011, CMS initially implemented a negative 3.1% adjustment to the base payment to ensure a budget-neutral transition, based on CMS's assumption that only 43% of dialysis facilities would fully opt into the ESRD PPS in 2011. This adjustment was subsequently eliminated effective April 1, 2011 for the remainder of 2011 because CMS had underestimated the number of providers that would opt out of the transition payments. No other Transition Adjusters are scheduled for 2011. CMS has proposed elimination of the Transition Adjuster for 2012.

Beginning in 2012, the ESRD PPS payment amount will be subject to annual adjustment based on increases in the costs of a "market basket" of certain healthcare items and services less a productivity adjustment. CMS has proposed a 1.8% market basket increase for 2012. In addition, the ESRD PPS's pay-for-performance standards, also known as the quality improvement program or QIP, focusing in the first year on anemia management and dialysis adequacy, will be fully implemented effective January 1, 2012. Dialysis facilities that fail to achieve the established quality standards will have payments reduced by up to 2%, based on performance in 2010 as an initial performance period.

The ESRD PPS will be phased in over four years with full implementation for all dialysis facilities on January 1, 2014. However, providers could elect in November 2010 to become fully subject to the new system starting in January 2011. Nearly all of our U.S. dialysis facilities have elected to be fully subject to the ESRD PPS effective January 1, 2011.

The ESRD PPS has resulted in lower reimbursement rates on average. Our strategy to mitigate the impact of the ESRD PPS includes three broad measures. First, we worked with other providers, CMS and the U.S. Congress toward favorably revising the calculation of the Transition Adjuster for 2011. Effective April 1, 2011 CMS eliminated the Transition Adjuster for the remainder of the year. Second, we are working with medical directors and treating physicians to make protocol changes used in treating patients and are negotiating pharmaceutical acquisition cost savings. Finally, we are seeking to achieve greater efficiencies and better patient outcomes by introducing new initiatives to improve patient care upon initiation of dialysis, increase the percentage of patients using home therapies and achieve additional cost reductions in our clinics.

The Patient Protection and Affordable Care Act was enacted in the United States on March 23, 2010 and subsequently amended by the Health Care and Educational Affordability Reconciliation Act (as amended, "ACA"). ACA will implement broad healthcare system reforms, including (i) provisions to facilitate access to affordable health insurance for all Americans, (ii) expansion of the Medicaid program, (iii) an industry fee on pharmaceutical companies starting in 2011 based on sales of brand name pharmaceuticals to government healthcare programs, (iv) a 2.3% excise tax on manufacturers' medical device sales starting in 2013, (v) increases in Medicaid prescription drug rebates effective January 1, 2010, (vi) commercial insurance market reforms that protect consumers, such as bans on lifetime and annual limits, coverage of pre-existing conditions, limits on administrative costs, and limits on waiting periods, (vii) provisions encouraging integrated care, efficiency and coordination among providers and (viii) provisions for reduction of healthcare program waste and fraud. ACA's medical device excise tax, Medicaid drug rebate increases and annual pharmaceutical industry fees will adversely impact our product business earnings and cash flows. We expect modest favorable impact from ACA's integrated care and commercial insurance consumer protection provisions.

Effective February 15, 2011, the Department of Veterans Affairs ("VA") adopted payment rules which reduce its payment rates for non-contracted dialysis services to coincide with those of the Medicare program. As a result of the enactment of these new rules, we expect to experience variability in our aggregated VA reimbursement rates for contracted and non-contracted services. In addition, we may also experience reductions in the volume of VA patients treated in our facilities.

We have identified three operating segments, North America, International, and Asia-Pacific. For reporting purposes, we have aggregated the International and Asia-Pacific segments as "International." We aggregated these segments due to their similar economic characteristics. These characteristics include same services provided and same products sold, same type patient population, similar methods of distribution of products and services and similar economic environments. Our general partner's Management Board member responsible for the profitability and cash flow of each segment's various businesses supervises the management of each operating segment. The accounting policies of the operating segments are the same as those we apply in preparing our consolidated financial statements under accounting principles generally accepted in the United States ("U.S. GAAP"). Our management evaluates each segment using a measure that reflects all of the segment's controllable revenues and expenses.

With respect to the performance of our business operations, our management believes the most appropriate measure in this regard is operating income, which measures our source of earnings. Financing is a corporate function which segments do not control. Therefore, we do not include interest expense relating to financing as a segment

measurement. We also regard income taxes to be outside the segments' control. Similarly, we do not allocate "corporate costs," which relate primarily to certain headquarters overhead charges, including accounting and finance, professional services, etc. because we believe that these costs are also not within the control of the individual segments. As of January 1, 2011, production of products, production asset management, quality management and procurement is centrally managed in corporate by Global Manufacturing Operations. This is a change from prior periods, when these services were managed within the regions. The business segment information in the following table has been adjusted accordingly. In addition, certain acquisitions and intangible assets are not allocated to a segment but are accounted for as "corporate." Accordingly, all of these items are excluded from our analysis of segment results and are discussed below in the discussion of our consolidated results of operations.

RESULTS OF OPERATIONS

The following table summarizes our financial performance and certain operating results by segment for the periods indicated. Inter-segment sales primarily reflect sales of medical equipment and supplies. We prepared the information using a management approach, consistent with the basis and manner in which our management internally disaggregates financial information to assist in making internal operating decisions and evaluating management performance.

	For the six months ended June 30,		For the years ended December 31,		
	2011	2010	2010	2009	2008
			(In millions)		
Total revenue					
North America	$4,009	$3,988	$ 8,135	$ 7,615	$ 7,007
International	2,217	1,842	3,923	3,635	3,606
Corporate	8	—	—	—	1
Totals	6,234	5,830	12,058	11,250	10,614
Inter-segment revenue					
North America	4	2	5	3	2
International	—	—	—	—	—
Totals	4	2	5	3	2
Total net revenue					
North America	4,005	3,986	8,130	7,612	7,005
International	2,217	1,842	3,923	3,635	3,606
Corporate	8	—	—	—	1
Totals	6,230	5,828	12,053	11,247	10,612
Amortization and depreciation					
North America	135	127	254	233	209
International	83	70	149	129	119
Corporate	54	49	100	95	88
Totals	272	246	503	457	416
Operating income					
North America	661	640	1,386	1,250	1,168
International	374	324	678	637	616
Corporate	(80)	(72)	(140)	(131)	(112)
Totals	955	892	1,924	1,756	1,672
Interest income	26	14	25	21	25
Interest expense	(172)	(149)	(305)	(321)	(361)
Income tax expense	(273)	(257)	(578)	(491)	(476)
Net income	536	500	1,066	965	860
Less: Net income attributable to Noncontrolling interest	(55)	(41)	(87)	(74)	(42)
Net Income attributable to FMC-AG & Co. KGaA	$ 481	$ 459	$ 979	$ 891	$ 818

Six months ended June 30, 2011 compared to six months ended June 30, 2010

Consolidated Financials

	Key Indicators for Consolidated Financial Statements			
	For the six months ended June 30,		Change in %	
	2011	2010	as reported	at constant exchange rates
Number of treatments	16,559,315	15,258,148	9%	
Same market treatment growth in %	4.1%	4.3%		
Revenue in $ million	6,230	5,828	7%	5%
Gross profit as a % of revenue	34.6%	33.9%		
Selling, general and administrative costs as a % of revenue	18.7%	17.9%		
Net income attributable to FMC- AG & Co. KGaA in $ million	481	459	5%	

Treatments increased by 9% for the six months ended June 30, 2011 as compared to the same period in 2010. Growth from acquisitions contributed 5% and same market treatment growth contributed 4%.

Net revenue increased by 7% (5% at constant exchange rates) for the six months ended June 30, 2011 over the comparable period in 2010 due to growth in both dialysis care and dialysis products revenues.

Dialysis care revenue increased by 6% to $4,647 million (5% at constant exchange rates) in the six-month period ended June 30, 2011 from $4,395 million in the same period of 2010, mainly due to growth in same market treatments (4%), contributions from acquisitions (3%) and the positive effect from exchange rate fluctuations (1%), partially offset by decreases in revenue per treatment (2%).

Dialysis product revenue increased by 10% to $1,584 million (increased by 6% at constant exchange rates) from $1,433 million in the same period of 2010, driven by increased sales of peritoneal dialysis, mainly as a result of the acquisition of the Gambro peritoneal dialysis business, and hemodialysis products, especially of dialyzers, products for acute care treatments and solutions and concentrates as well as bloodlines, partially offset by lower sales of renal pharmaceuticals.

The increase in gross profit margin mostly reflects an increase in gross profit margin in North America. The increase in North America was due to the cost savings in pharmaceuticals mainly driven by lower EPO usage in the first six months of 2011 as compared to the same period in 2010, partially offset by the effect of a lower revenue rate attributable to the new ESRD PPS and higher personnel expenses.

SG&A expenses increased to $1,166 million in the six-month period ended June 30, 2011 from $1,043 million in the same period of 2010. SG&A expenses as a percentage of sales increased to 18.7% in the first six months of 2011 from 17.9% in the same period of 2010 as a result of an increase in both North America and in the International segment as well as higher Corporate costs. The increase in North America was a result of a lower revenue rate due to the ESRD PPS, higher freight and distribution expenses as a result of increased fuel costs and freight volume, partially offset by lower provisions for doubtful accounts. The increase in the International segment was mainly due to foreign exchange effects and higher acquisition related costs partially offset by the one-time revaluation in the first quarter of 2010 of the balance sheet of our operations in Venezuela as a result of the devaluation of the Venezuelan bolivar driven by hyperinflation. Bad debt expense for the six-month period ended June 30, 2011 was $110 million as compared to $116 million for the same period of 2010, representing 1.8% and 2.0% of sales for the six-month periods ended June 30, 2011 and 2010.

Research and development ("R&D") expenses increased to $53 million in the six-month period ended June 30, 2011 as compared to $44 million in the same period in 2010.

Income from equity method investees increased to $16 million for the six months ended June 30, 2011 from $4 million for the same period of 2010 due to the income from the Vifor renal pharmaceuticals joint venture.

Operating income increased to $955 million in the six-month period ended June 30, 2011 from $892 million for the same period in 2010. Operating income margin remained constant at 15.3% for the six-month period ended June 30, 2011 as compared to the same period in 2010 as a result of the increase in gross profit margin as noted above and the increase in income from equity method investees as a percentage of revenue offset by the increased SG&A expenses as a percentage of revenue as noted above.

Interest expense increased by 15% to $172 million for the six months ended June 30, 2011 from $149 million for the same period in 2010 mainly as a result of increased debt. Interest income increased to $26 million for the six months ended June 30, 2011 from $14 million for the same period in 2010 as a result of interest on subordinated notes issued to us by a third party in the first quarter of 2011, see Note 5, "Other Assets/Notes Receivable" in our Consolidated Financial Statements included in this prospectus/offering memorandum.

Income tax expense increased to $273 million for the six-month period ended June 30, 2011 from $257 million for the same period in 2010. The effective tax rate decreased to 33.8% from 33.9% for the same period of 2010, as a result of higher tax free income from equity method investments and an increase in net income attributable to non-taxable noncontrolling interests in North America. In addition, the first quarter of 2010 included the effect of non deductible losses in Venezuela as a result of inflationary accounting. This was partially offset by the release in the second quarter of 2010 of a $10 million valuation allowance on deferred taxes for net operating losses due to changes in activities of the respective entities.

Net income attributable to FMC-AG & Co. KGaA for the six months ended June 30, 2011 increased to $481 million from $459 million for the same period in 2010 as a result of the combined effects of the items discussed above.

The following discussions pertain to our business segments and the measures we use to manage these segments.

North America Segment

	Key Indicators for North America Segment		
	For the six months ended June 30,		
	2011	2010	Change in %
Number of treatments	10,621,160	10,223,675	4%
Same market treatment growth in %	3.5%	4.2%	
Revenue in $ million	4,005	3,986	0%
Depreciation and amortization in $ million	135	127	6%
Operating income in $ million	661	640	3%
Operating income margin in %	16.5%	16.1%	

Revenue

Treatments increased by 4% for the six months ended June 30, 2011 as compared to the same period in 2010 mostly due to same market growth (3%) and contributions from acquisitions (1%). Average North America revenue per treatment was $340 for the six months ended June 30, 2011 and $348 in the same period in 2010. In the U.S., the average revenue per treatment was $348 for the six months ended June 30, 2011 and $356 for the same period in 2010. The decrease was mainly attributable to the effect of the implementation of the ESRD PPS.

Net revenue for the North America segment for the first six months of 2011 increased as a result of an increase in dialysis care revenue by 1% to $3,610 million from $3,578 million in the same period of 2010 partially offset by a decrease in dialysis product revenue by 3% to $395 million from $408 million in the first six months of 2010.

The dialysis care revenue increase was driven by same market treatment growth (3%) and contributions from acquisitions (1%), partially offset by decreased revenue per treatment (2%) and the effect of closed or sold clinics (1%).

The dialysis product revenue decrease was driven by lower sales of renal pharmaceuticals, principally as a result of a lower average selling price for Venofer®, partially offset by increased sales of hemodialysis and peritoneal dialysis products.

Operating Income

Operating income increased to $661 million for the six-month period ended June 30, 2011 from $640 million for the same period in 2010. Operating income margin increased to 16.5% for the six months ended June 30, 2011 from 16.1% for the same period in 2010, primarily due to a decrease in cost per treatment in the U.S. to $285 for the first six months of 2011 from $294 in the same period of 2010 as a result of lower costs for renal pharmaceuticals, higher income from equity method investees due to income from the Vifor joint venture and lower bad debt

expense. This was mostly offset by the effects of the ESRD PPS, higher personnel expenses and higher freight and distribution costs as a result of increases in fuel costs and freight volume. Cost per treatment for North America decreased to $279 for the first six months of 2011 from $288 in the same period of 2010.

International Segment

	Key Indicators for International Segment			
	For the six months ended June 30,		Change in %	
	2011	2010	as reported	at constant exchange rates
Number of treatments	5,938,155	5,034,473	18%	
Same market treatment growth in %	5.4%	4.3%		
Revenue in $ million	2,217	1,842	20%	14%
Depreciation and amortization in $ million	83	70	19%	
Operating income in $ million	374	324	15%	
Operating income margin in %	16.9%	17.6%		

Revenue

Treatments increased by 18% in the six months ended June 30, 2011 over the same period in 2010 mainly due to contributions from acquisitions (13%) and same market growth (5%). Average revenue per treatment for the six months ended June 30, 2011 increased to $175 in comparison with $162 for the same period of 2010 due to the increased reimbursement rates and changes in the country mix ($4) as well as the strengthening of local currencies against the U.S. dollar ($9).

Net revenues for the International segment for the six-month period ended June 30, 2011 increased by 20% (14% increase at constant exchange rates) as compared to the same period in 2010 as a result of increases in both dialysis care and dialysis product revenues. Organic growth during the period was 7%, acquisitions during the period contributed 7%, and the positive effect of exchange rate fluctuations contributed 6%.

Including the effects of acquisitions, European region revenue increased 16% (10% increase at constant exchange rates), Latin America region revenue increased 19% (14% increase at constant exchange rates), and Asia-Pacific region revenue increased 37% (28% increase at constant exchange rates).

Total dialysis care revenue for the International segment increased during the first six months of 2011 by 27% (20% increase at constant exchange rates) to $1,037 million from $817 million in the same period of 2010. This increase is a result of contributions from acquisitions (11%) and same market treatment growth (5%), as well as increases in revenue per treatment (4%) and the positive effect of exchange rate fluctuations (7%).

Total dialysis product revenue for the six-month period ended June 30, 2011 increased by 15% (9% increase at constant exchange rates) to $1,181 million from $1,025 million in the same period of 2010. The increase in product revenue was driven by increased sales of peritoneal dialysis, mainly as a result of the acquisition of the Gambro peritoneal dialysis business, and hemodialysis products, especially of dialyzers, products for acute care treatments and solutions and concentrates as well as bloodlines and machines. Exchange rate fluctuations contributed 6%.

Operating Income

Operating income increased by 15% to $374 million for the six-month period ended June 30, 2011 from $324 million for the same period in 2010. Operating income margin decreased to 16.9% for the six-month period ended June 30, 2011 from 17.6% for the same period in 2010 due to unfavorable foreign exchange effects and acquisition-related costs, partially offset by the negative impact in the first quarter of 2010 of the devaluation of the Venezuelan bolivar.

The discussion of the results of operations of our International segment for the six-month period ended June 30, 2011, does not include any effects of the Euromedic acquisition, which we completed effective June 30, 2011.

Year ended December 31, 2010 compared to year ended December 31, 2009

Highlights

Revenues increased by 7% to $12,053 million (7% at constant rates) mainly due to organic growth of 6%.

Operating income (EBIT) increased 10%.

Net Income increased by 10%.

Consolidated Financials

	Key Indicators for Consolidated Financials			
			Change in %	
	2010	2009	as reported	at constant exchange rates
Number of treatments	31,670,702	29,425,758	8%	
Same market treatment growth in %	4.6%	4.1%		
Revenue in $ million	12,053	11,247	7%	7%
Gross profit in % of revenue	34.4%	34.1%		
Selling, general and administrative costs in % of revenue	17.6%	17.6%		
Net income attributable to FMC-AG & Co. KGaA in $ million	979	891	10%	

Treatments increased by 8% for the year ended December 31, 2010 as compared to the same period in 2009. Same market treatment growth contributed 5% and growth from acquisitions contributed 4%, partially offset by the effect of closed or sold clinics of 1%.

At December 31, 2010, we owned, operated or managed (excluding those managed but not consolidated in the U.S.) 2,757 clinics compared to 2,553 clinics at December 31, 2009. During 2010, we acquired 168 clinics, opened 90 clinics and combined or closed 54 clinics. The number of patients treated in clinics that we own, operate or manage (excluding patients of clinics managed but not consolidated in the U.S.) increased by 10% to 214,648 at December 31, 2010 from 195,651 at December 31, 2009. Including 30 clinics managed but not consolidated in the U.S., the total number of patients was 216,286.

Net revenue increased by 7% (7% at constant exchange rates) for the year ended December 31, 2010 over the comparable period in 2009 due to growth in both dialysis care and dialysis products revenues.

Dialysis care revenue grew by 9% to $9,070 million (9% at constant exchange rates) for the year ended December 31, 2010 from $8,350 million in the same period of 2009, mainly due to growth in same market treatments (5%), contributions from acquisitions (3%) and increases in revenue per treatment (2%), partially offset by the effect of closed or sold clinics (1%).

Dialysis product revenue increased by 3% to $2,983 million (3% at constant exchange rates) from $2,897 million in the same period of 2009, driven by increased sales of hemodialysis products, especially of dialyzers, solutions and concentrates and bloodlines as well as products for acute care treatments and dialysis machines, partially offset by lower sales of renal pharmaceuticals.

The increase in gross profit margin reflects an increase in gross profit margin in North America, partially offset by a decrease in the International segment. The increase in North America was due to increased revenue per treatment and favorable costs for pharmaceuticals. The decrease in International was due to the positive effect of an inventory adjustment during the same period of 2009 and lower gross profit margins of recently acquired clinics, partially offset by favorable foreign exchange effects in Europe and Asia-Pacific as well as growth in the product business in China.

SG&A expenses increased to $2,124 million in the year ended December 31, 2010 from $1,982 million in the same period of 2009. SG&A expenses as a percentage of sales remained unchanged at 17.6% for the year ended December 31, 2010 in comparison with the same period of 2009 as a result of an increase in North America offset by a decrease in the International segment. The increase in North America was due to higher personnel expenses and donations to U.S. ESRD patient assistance charities, partially offset by economies of scale. The decrease in the International segment was mainly due to economies of scale and the effect of stronger growth in the dialysis care business, which has lower SG&A margins, partially offset by the one-time revaluation of the balance sheet of our operations in Venezuela as a result of the devaluation of the Venezuelan bolivar driven by hyperinflation. Bad debt expense for the year ended December 31, 2010 was $218 million as compared to $210 million for the same period of 2009, representing 1.8% and 1.9% of sales for the years ended December 31, 2010 and 2009, respectively.

R&D expenses increased to $97 million in the year ended December 31, 2010 as compared to $94 million in the same period in 2009.

Operating income increased to $1,924 million in the year ended December 31, 2010 from $1,756 million for the same period in 2009. Operating income margin increased to 16.0% for the year ended December 31, 2010 from 15.6% for the same period in 2009 as a result of the increase in gross profit margin as noted above.

Interest expense decreased by 5% to $305 million for the year ended December 31, 2010 from $321 million for the same period in 2009 mainly as a result of decreased short-term interest rates.

Income tax expense increased to $578 million for the year ended December 31, 2010 from $491 million for the same period in 2009. The effective tax rate increased to 35.2% from 33.7% for the same period of 2009, mainly due to higher unrecognized tax benefits, lower tax effects related to internal financing and the effect of non deductible losses in Venezuela as a result of inflation accounting. This was partially offset by the release of a valuation allowance in 2010 on deferred taxes for net operating losses due to changes in activities of the respective entities.

Net income attributable to FMC-AG & Co. KGaA for the year ended December 31, 2010 increased to $979 million from $891 million for the same period in 2009 as a result of the combined effects of the items discussed above.

We employed 73,452 people (full-time equivalents) as of December 31, 2010 compared to 67,988 as of December 31, 2009, an increase of 8.0% primarily due to overall growth in our business and acquisitions.

The following discussions pertain to our business segments and the measures we use to manage these segments.

North America Segment

	Key Indicators for North America Segment		
	2010	2009	Change in %
Number of treatments	20,850,242	19,867,465	5%
Same market treatment growth in %	4.3%	3.5%	
Revenue in $ million	8,130	7,612	7%
Depreciation and amortization in $ million	287	265	8%
Operating income in $ million	1,386	1,250	11%
Operating income margin in %	17.0%	16.4%	

Revenue

Treatments increased by 5% for the year ended December 31, 2010 as compared to the same period in 2009 mostly due to same market growth (4%) and contributions from acquisitions (2%), partially offset by the effect of closed or sold clinics (1%). At December 31, 2010, 137,689 patients (a 4% increase over the same period in the prior year) were being treated in the 1,823 clinics that we own or operate in the North America segment, compared to 132,262 patients treated in 1,784 clinics at December 31, 2009. Average North America revenue per treatment was $349 for the year ended December 31, 2010 and $341 in the same period in 2009. In the U.S., the average revenue per treatment was $356 for the year ended December 31, 2010 and $347 for the same period in 2009. The increase was mainly attributable to increased commercial payor revenue and improvements in the payor mix. In addition, there was an increase of 1% to the 2010 Medicare composite rate.

Net revenue for the North America segment for the year ended December 31, 2010 increased as a result of increases in dialysis care revenue by 7% to $7,303 million from $6,794 million in the same period of 2009 and in dialysis product revenue by 1% to $827 million from $818 million in the year ended December 31, 2009.

The dialysis care revenue increase was driven by same market treatment growth (4%), increased revenue per treatment (3%) and contributions from acquisitions (1%), partially offset by the effect of closed or sold clinics (1%). The administration of EPO represented approximately 19% and 21% of total North America dialysis care revenue for the year ended December 31, 2010 and 2009, respectively.

The dialysis product revenue increase was driven mostly by increased sales of bloodlines, solutions and concentrates as well as dialysis machines, partially offset by lower sales of renal pharmaceuticals.

Operating Income

Operating income increased to $1,386 million for the year ended December 31, 2010 from $1,250 million for the same period in 2009. Operating income margin increased to 17.0% for the year ended December 31, 2010 from 16.4% for the same period in 2009, primarily due to higher revenue per treatment and favorable costs for pharmaceuticals, partially offset by an increase in cost per treatment to $285 for the year ended December 31, 2010

from $283 in the same period of 2009 due to higher personnel expenses and donations to U.S. ESRD patient assistance charities.

International Segment

	Key Indicators for International Segment			
			Change in %	
	2010	2009	as reported	at constant exchange rates
Number of treatments	10,820,460	9,558,293	13%	
Same market treatment growth in %	5.1%	5.3%		
Revenue in $ million	3,923	3,635	8%	8%
Depreciation and amortization in $ million	207	183	13%	
Operating income in $ million	678	637	6%	
Operating income margin in %	17.3%	17.5%		

Revenue

Treatments increased by 13% in the year ended December 31, 2010 over the same period in 2009 mainly due to contributions from acquisitions (9%) and same market growth (5%), partially offset by the effect of closed or sold clinics (1%). As of December 31, 2010, 76,959 patients (a 21% increase over the same period of the prior year) were being treated at 934 clinics that we own, operate or manage in the International segment compared to 63,389 patients treated at 769 clinics at December 31, 2009. Average revenue per treatment for the year ended December 31, 2010 remained constant at $163 in comparison with the same period of 2009.

Net revenues for the International segment for the year ended December 31, 2010 increased by 8% (8% increase at constant exchange rates) as compared to the same period in 2009 as a result of increases in both dialysis care and dialysis product revenues. Organic growth during the period was 5% and acquisitions during the period contributed 4%, partially offset by the effect of closed or sold clinics of 1%.

Including the effects of acquisitions, European region revenue increased 3% (6% increase at constant exchange rates), Latin America region revenue increased 16% (9% increase at constant exchange rates), and Asia-Pacific region revenue increased 22% (15% increase at constant exchange rates).

Total dialysis care revenue for the International segment increased during the year ended December 31, 2010 by 14% (13% increase at constant exchange rates) to $1,767 million from $1,556 million in the same period of 2009. This increase is a result of increase in contributions from acquisitions (8%), same market treatment growth (5%), the positive impact of increases in revenue per treatment (1%) and the positive effect of exchange rate fluctuations (1%), partially offset by the effect of closed or sold clinics (1%).

Total dialysis product revenue for the year ended December 31, 2010 increased by 4% (4% increase at constant exchange rates) to $2,156 million from $2,079 million in the same period of 2009. The increase in product revenue was driven by increased sales of dialyzers, hemodialysis solutions and concentrates, dialysis machines, bloodlines and products for acute care treatments, partially offset by lower sales of pharmaceuticals.

Operating Income

Operating income increased by 6% to $678 million for the year ended December 31, 2010 from $637 million for the same period in 2009. Operating income margin decreased to 17.3% for the year ended December 31, 2010 from 17.5% for the same period in 2009 due to the positive effect of an inventory adjustment in the same period in 2009 and lower margins of recently acquired clinics as well as the one-time revaluation of the balance sheet of our operations in Venezuela which was required as a result of the devaluation of the local currency driven by hyperinflation, partially offset by economies of scale, foreign exchange gains in Europe and Asia-Pacific and growth in the dialysis products business in China.

Year ended December 31, 2009 compared to year ended December 31, 2008

Highlights

Revenues increased by 6% to $11,247 million (9% at constant rates) mainly due to organic growth at 8% and acquisitions at 1%.

Operating income (EBIT) increased 5%.

Net Income increased by 9%.

Consolidated Financials

	Key Indicators for Consolidated Financials			
			Change in %	
	2009	2008	as reported	at constant exchange rates
Number of treatments	29,425,758	27,866,573	6%	
Same market treatment growth in %	4.1%	4.5%		
Revenue in $ million	11,247	10,612	6%	9%
Gross profit in % of revenue	34.1%	34.2%		
Selling, general and administrative costs in % of revenue	17.6%	17.7%		
Net income attributable to FMC-AG & Co. KGaA in $ million	891	818	9%	

We provided 29,425,758 treatments during the year ended December 31, 2009, an increase of 6% over the same period in 2008. Same market treatment growth contributed 4% and growth from acquisitions contributed 2%.

At December 31, 2009, we owned, operated or managed (excluding those managed but not consolidated in the U.S.) 2,553 clinics compared to 2,388 clinics at December 31, 2008. During 2009, we acquired 73 clinics, opened 118 clinics and combined or closed 26 clinics. The number of patients treated in clinics that we own, operate or manage (excluding patients of clinics managed but not consolidated in the U.S.) increased by 6% to 195,651 at December 31, 2009 from 184,086 at December 31, 2008. Including 30 clinics managed but not consolidated in the U.S., the total number of patients was 197,358.

Net revenue increased by 6% (9% at constant exchange rates) for the year ended December 31, 2009 over the comparable period in 2008 due to growth in both dialysis care and dialysis products revenues.

Dialysis care revenue grew by 8% to $8,350 million (10% at constant exchange rates) in 2009 mainly due to growth in same market treatments (4%), revenue per treatment (5%) and acquisitions (1%), partially offset by exchange rate fluctuations (2%).

Dialysis product revenue increased by 1% to $2,897 million (increased by 6% at constant exchange rates) in the same period driven by pharmaceutical sales, especially of the newly licensed intravenous iron products and increased sales of dialyzers, bloodlines, solutions and concentrates, as well as sales of products for acute care treatments. These increases were partially offset by decreased sales of our phosphate binding drug PhosLo® following a competitor's launch of a generic version of the drug in the U.S. in October 2008 and lower sales of hemodialysis machines.

The slight decrease in gross profit margin reflects a decrease in gross profit margin in North America, partially offset by an increase in the International segment. North America was impacted by cost increases for pharmaceuticals as well as lower margin contribution from our pharmaceutical business due to a competitor's launch of a generic version of PhosLo® in the U.S. in October 2008, increased depreciation related to recently acquired computer equipment and recently installed leasehold improvements and higher personnel costs, partially offset by increased revenue rates. The increase in International was due to the positive effect of an inventory adjustment in the first quarter of 2009, lower production costs caused by lower prices for certain raw material and energy as well as economies of scale, partially offset by unfavorable foreign exchange transaction effects related to the purchase of products produced in Europe and Japan due to the appreciation of the Euro and the Yen against local currencies.

SG&A expenses increased to $1,982 million in 2009 from $1,876 million in the same period of 2008. SG&A costs as a percentage of sales decreased slightly to 17.6% in 2009 from 17.7% in the same period of 2008. The slight decrease was due to a decrease in North America driven by economies of scale and lower bad debt expenses partially offset by higher personnel expenses. Bad debt expense for the year ended December 31, 2009 was $210 million as compared to $214 million in 2008, representing 1.9% of sales for the year ended December 31, 2009, as compared to 2.0% for the same period in 2008.

R&D expenses increased to $94 million in 2009 from $80 million for the same period in 2008 due to additional programs in the field of hemodialysis equipment and extracorporeal critical care therapies.

Operating income increased to $1,756 million in 2009 from $1,672 million for the same period in 2008. Operating income margin decreased to 15.6% in 2009 as compared to 15.8% for the same period in 2008 due to the

decreased gross profit margin as noted above partially offset by decreased SG&A expenses as a percentage of sales as described above.

Interest expense decreased by 11% to $321 million in 2009 from $361 million for the same period in 2008 as a result of decreased short-term interest rates.

Income tax expense increased to $491 million for the year ended December 31, 2009 from $476 million for the same period in 2008 as a result of higher earnings in 2009. The effective tax rate for 2009 decreased to 33.7% from 35.6% in 2008 mainly as a result of an increase in non-taxable noncontrolling interests in North America in 2009.

Net income attributable to FMC-AG & Co. KGaA for 2009 increased to $891 million from $818 million for the same period in 2008 as a result of the combined effects of the items discussed above.

We employed 67,988 people (full-time equivalents) as of December 31, 2009 compared to 64,666 as of December 31, 2008, an increase of 5.1% primarily due to overall growth in our business.

The following discussions pertain to our business segments and the measures we use to manage these segments.

North America Segment

	Key Indicators for North America Segment		
	2009	2008	Change in %
Number of treatments	19,867,465	19,146,084	4%
Same market treatment growth in %	3.5%	2.9%	
Revenue in $ million	7,612	7,005	9%
Depreciation and amortization in $ million	265	238	11%
Operating income in $ million	1,250	1,168	7%
Operating income margin in %	16.4%	16.7%	

Revenue

Treatments increased by 4% for the year ended December 31, 2009 as compared to the same period in 2008 mostly due to same market growth (4%) and acquisitions (1%), partially offset by the effect of one less dialysis day of 1%. At December 31, 2009, 132,262 patients (a 5% increase over the same period in the prior year) were being treated in the 1,784 clinics that we own or operate in the North America segment, compared to 125,857 patients treated in 1,686 clinics at December 31, 2008. Average North America revenue per treatment was $341 for the year ended December 31, 2009 and $326 in the same period in 2008. In the U.S., average revenue per treatment was $347 for the year ended December 31, 2009 and $330 for the same period in 2008. The increase was mainly attributable to a revenue per treatment increase, including increased commercial payor revenue, increased utilization of pharmaceuticals, including EPO, Medicare reimbursement increases for pharmaceuticals (ASP+6%) and the 1% 2009 Medicare composite rate increase.

Net revenue for the North America segment for 2009 increased as a result of increases in dialysis care revenue by 9% to $6,794 million from $6,247 million in the same period of 2008 and in dialysis product revenue by 8% to $818 million from $758 million in 2008.

The dialysis care revenue increase was driven by same market treatment growth (4%), increased revenue per treatment (4%) and acquisitions (1%). The administration of EPO represented approximately 21% of total North America dialysis care revenue for the year ended December 31, 2009 and 20% for the year ended December 31, 2008.

The dialysis product revenue increase was driven mostly by a higher pharmaceutical sales, especially of the newly licensed intravenous iron products, partially offset by lower PhosLo® revenues as a result of a competitor's launch of a generic version of PhosLo® in the United States in October 2008.

Operating Income

Operating income increased to $1,250 million for the year ended December 31, 2009 from $1,168 million for the same period in 2008. Operating income margin decreased to 16.4% in 2009 from 16.7% in 2008 due to increased costs for pharmaceuticals, lower margin contribution from our pharmaceutical business due to a competitor's launch of a generic version of PhosLo® in October 2008, higher personnel costs and increased depreciation related to recently acquired computer equipment and recently installed leasehold improvements,

partially offset by increased revenue per treatment as described above and decreased bad debt expense. Cost per treatment increased to $283 in 2009 from $273 in 2008.

International Segment

	Key Indicators for International Segment			
			Change in %	
	2009	2008	as reported	at constant exchange rates
Number of treatments	9,558,293	8,720,489	10%	
Same market treatment growth in %	5.3%	8.6%		
Revenue in $ million	3,635	3,606	1%	9%
Depreciation and amortization in $ million	183	171	8%	
Operating income in $ million	637	616	3%	
Operating income margin in %	17.5%	17.1%		

Revenue

Treatments increased by 10% in 2009 over 2008 mainly due to same market growth (5%) and acquisitions (5%). As of December 31, 2009, 63,389 patients (a 9% increase over the same period of the prior year) were being treated at 769 clinics that we own, operate or manage in the International segment compared to 58,229 patients treated at 702 clinics at December 31, 2008. Average revenue per treatment decreased to $163 from $171 due to the weakening of local currencies against the U.S. dollar ($15) partially offset by increased reimbursement rates and changes in country mix ($7).

Net revenues for the International segment for the year ended December 31, 2009 increased by 1% as compared to the same period in 2008 as a result of an increase in dialysis care revenue partially offset by a decrease in dialysis product revenue. Organic growth during the period of 8% and a contribution from acquisitions of approximately 2% were partially offset by a negative impact of exchange rate fluctuations of 8% as well as the effect of closed or sold clinics of 1%.

Including the effects of acquisitions, European region revenue decreased 1% (8% increase at constant exchange rates), Latin America region revenue increased 5% (16% increase at constant exchange rates), and Asia-Pacific region revenue increased 6% (8% increase at constant exchange rates).

Total dialysis care revenue for the International segment increased during 2009 by 4% (14% increase at constant exchange rates) to $1,556 million from $1,490 million in the same period of 2008. This increase is a result of increases in revenue per treatment of 6%, same market growth of 5% and a 4% increase in contributions from acquisitions, partially offset by of the negative impact of exchange rate fluctuations of approximately 10% as well as the effect of one less dialysis day of 1%.

Total dialysis product revenue for 2009 decreased by 2% (6% increase at constant exchange rates) to $2,079 million. Increased pharmaceutical sales especially related to newly licensed intraveneous iron products, and increased sales of dialyzers, bloodlines, hemodialysis solutions and concentrates as well as sales of products for acute care treatment were more than offset by the negative impact of exchange rate fluctuations (8%) and lower sales of hemodialysis machines.

Operating Income

Operating income increased by 3% to $637 million. Operating income margin increased to 17.5% for the year ended December 31, 2009 from 17.1% for the same period in 2008 due to lower production costs as a result of lower prices for certain raw material and energy, economies of scale and the positive effect of an inventory adjustment in the first quarter of 2009, partially offset by unfavorable foreign currency transaction effects related to the purchase of products produced in Europe and Japan due to the appreciation of the Euro and Yen against local currencies.

Liquidity and Capital Resources

Our primary sources of liquidity have historically been cash from operations, cash from borrowings from third parties and related parties, as well as cash from issuance of equity and debt securities. We require this capital primarily to finance working capital needs, to fund acquisitions and develop free-standing renal dialysis centers, to purchase equipment for existing or new renal dialysis centers and production sites, to repay debt and to pay dividends.

At June 30, 2011 and December 31, 2010, we had cash and cash equivalents of $449 million and $523 million, respectively. For information regarding utilization and availability under our Amended 2006 Senior Credit Agreement, see Note 7, "Long-term Debt and Capital Lease Obligations" in our unaudited Consolidated Financial Statements included in this prospectus/offering memorandum.

Operations

In the first six months of 2011 and 2010, we generated cash flows from operations of $487 million and $643 million, respectively, and in 2010, 2009 and 2008, we generated cash flows from operations of $1,368 million, $1,339 million and $1,016 million, respectively. Cash from operations is impacted by the profitability of our business, the development of our working capital, principally receivables, and cash outflows that occur due to a number of singular specific items (especially payments in relation to disallowed tax deductions and legal proceedings). The decrease in the first six months of 2011 versus 2010 was mainly a result of unfavorable days sales outstanding ("DSO") development in 2011 as compared to 2010 for the reasons discussed below, an increase in days of inventory on hand and a cash outflow from hedging related to intercompany financing. The increase in the full year 2010 versus the full year 2009 was mainly a result of improvements in elements of working capital, including decreased levels of inventory, and increased earnings, partially offset by higher income tax payments. In addition, there was unfavorable DSO development in 2010 as compared to 2009.

The profitability of our business depends significantly on reimbursement rates. Approximately 75% of our revenues are generated by providing dialysis treatment, a major portion of which is reimbursed by either public health care organizations or private insurers. For the six-month period ended June 30, 2011 and the year ended December 31, 2010, approximately 31% and 32%, respectively, of our consolidated revenues were attributable to U.S. federal health care benefit programs, such as Medicare and Medicaid reimbursement. Legislative changes could affect Medicare reimbursement rates for a significant portion of the services we provide, as well as the scope of Medicare coverage. A decrease in reimbursement rates or the scope of coverage could have a material adverse effect on our business, financial condition and results of operations and thus on our capacity to generate cash flow. In the past we experienced and, after the implementation of the new ESRD PPS in the U.S., also expect in the future generally stable reimbursements for our dialysis services. This includes the balancing of unfavorable reimbursement changes in certain countries with favorable changes in other countries. See "Overview" above for a discussion of recent Medicare reimbursement rate changes including provisions for implementation of a "bundled rate" for dialysis services provided after January 1, 2011. See the discussion of the operations of our North America segment under "Results of Operations," above, for information regarding the effects of the new ESRD PPS on our average revenue per treatment in the U.S.

Our working capital, which we define as current assets less current liabilities, was $1,828 million at June 30, 2011 which increased from $1,363 million at December 31, 2010 and decreased from $2,118 million at December 31, 2009. The net increase from December 31, 2010 to June 30, 2011 was mainly as a result of the repayment of our Trust Preferred Securities at maturity on June 15, 2011 (see Note 11 of the Notes to our unaudited Consolidated Financial Statements) and increases in accounts receivable, prepaid expenses and inventories as well as currency translation effects, partially offset by the reclassification of a portion of Term Loan B from noncurrent to current liabilities, increases in short-term borrowings from related parties, accrued expenses, short-term borrowings and accounts payable as well as a decrease in cash. The decrease from December 31, 2009 to December 31, 2010 was mainly a result of the reclassification of the Trust Preferred Securities into short-term debt, increased short-term borrowings under the accounts receivable facility, an increase in accrued expenses and other current liabilities and the recognition of the current portion of long-term debt related to acquisitions, partially offset by an increase in cash and cash equivalents, trade accounts receivable and prepaid expenses and other current assets. Due to the maturity of our Trust Preferred Securities on June 15, 2011, $626 million ($656 million at December 31, 2009 exchange rates) was reclassified as short-term debt during the second quarter of 2010. Our ratio of current assets to current liabilities was 1.5 at June 30, 2011.

We intend to continue to address our current cash and financing requirements by the generation of cash from operations, our existing and future credit agreements, and the issue of debt securities. We have sufficient financial resources, consisting of only partly drawn credit facilities and our accounts receivable facility to meet our needs for the foreseeable future. In addition, when funds are required for acquisitions, such as those described below under "Subsequent Events — Acquisitions," or to meet other needs, we expect to successfully complete long-term financing arrangements, such as the issuance of $1,062 million and €250 million in senior notes in February 2011 and January 2010, respectively, see "Financing" below. We aim to preserve financial resources with a minimum of $300 million to $500 million of committed and unutilized credit facilities.

Cash from operations depends on the collection of accounts receivable. Customers and governments generally have different payment cycles. A lengthening of their payment cycles could have a material adverse effect on our capacity to generate cash flow. In addition, we could face difficulties in enforcing and collecting accounts receivable under some countries' legal systems. Accounts receivable balances at June 30, 2011, December 31, 2010 and December 31, 2009, net of valuation allowances, represented DSO of approximately 82, 76 and 72, respectively.

DSO by segment is calculated by dividing the segment's accounts receivable, as converted to U.S. Dollars using the average exchange rate for the period presented, less any value added tax included in the receivables, by the average daily sales of the last twelve months for that segment, as converted to U.S. Dollars using the average exchange rate for the period. Receivables and sales are adjusted for amounts related to significant acquisitions made during the periods presented. The development of DSO by operating segment is shown in the table below:

	June 30, 2011	December 31, 2010	December 31, 2009
North America days sales outstanding	59	54	52
International days sales outstanding	121	116	110
FMC AG & Co. KGaA average days sales outstanding	82	76	72

DSO performance in the North America segment continued to be strong between December 31, 2009 and December 31, 2010 but increased between December 31, 2010 and June 30, 2011 as a result of delays in the processing of bills related to adapting our billing systems to the new ESRD PPS and due to delays in the coordination of insurance coverage between the U.S. federal and state governments. DSO for the International Segment increased between December 31, 2010 and June 30, 2011, reflecting slight payment delays, particularly in countries with budget deficits. The increase in DSO for the International segment from December 31, 2009 to December 31, 2010 mainly reflects average payment delays, mostly in Europe, by government and private entities most recently impacted by the worldwide financial crises. Due to the fact that a large portion of our reimbursement is provided by public health care organizations and private insurers, we expect that most of our accounts receivables will be collectable, albeit potentially more slowly in the International segment in the immediate future, particularly in countries which continue to be severely affected by the global financial crisis. Interest and income tax payments also have a significant impact on our cash from operations.

There are a number of tax and other items we have identified that will or could impact our cash flows from operations in the immediate future as follows:

We filed claims for refunds contesting the Internal Revenue Service's ("IRS") disallowance of FMCH's civil settlement payment deductions taken by Fresenius Medical Care Holdings, Inc. ("FMCH") in prior year tax returns. As a result of a settlement agreement with the IRS, we received a partial refund in September 2008 of $37 million, inclusive of interest and preserved our right to pursue claims in the United States Courts for refunds of all other disallowed deductions. On December 22, 2008, we filed a complaint for complete refund in the United States District Court for the District of Massachusetts, styled as Fresenius Medical Care Holdings, Inc. v. United States. On June 24, 2010, the court denied FMCH's motion for summary judgment and the litigation is proceeding towards trial.

The IRS tax audits of FMCH for the years 2002 through 2006 have been completed. The IRS has disallowed all deductions taken during these audit periods related to intercompany mandatorily redeemable preferred shares. We have protested the disallowed deductions and will avail ourselves of all remedies. An adverse determination with respect to the disallowed deductions related to intercompany mandatorily redeemable preferred shares could have a material adverse effect on our results of operations and liquidity. In addition, the IRS proposed other adjustments which have been recognized in our financial statements.

For the tax year 1997, we recognized an impairment of one of our subsidiaries which the German tax authorities disallowed in 2003 at the conclusion of its audit for the years 1996 and 1997. We have filed a complaint with the appropriate German court to challenge the tax authority's decision. In January 2011, we reached an agreement with the tax authorities, estimated to be slightly more favorable than the tax benefit recognized previously. The additional benefit is expected to be recognized in 2011.

We are subject to ongoing and future tax audits in the U.S., Germany and other jurisdictions. We have received notices of unfavorable adjustments and disallowances in connection with certain of the audits, including those described above. We are contesting, including appealing, certain of these unfavorable determinations. If our objections and any final audit appeals are unsuccessful, we could be required to make additional tax payments, including payments to state tax authorities reflecting the adjustments made in our federal tax returns in the

U.S. With respect to other potential adjustments and disallowances of tax matters currently under review, where tentative agreement has been reached, we do not anticipate that an unfavorable ruling could have a material impact on our results of operations. We are not currently able to determine the timing of these potential additional tax payments.

W.R. Grace & Co. and certain of its subsidiaries filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code (the "Grace Chapter 11 Proceedings") on April 2, 2001. The settlement agreement with the asbestos creditors committees on behalf of the W.R. Grace & Co. bankruptcy estate (see Note 11 of the Notes to Consolidated Financial Statements, "Commitments and Contingencies — Legal Proceedings — Commercial Litigation") provides for payment by the Company of $115 million upon approval of the settlement agreement by the U.S. District Court, which has occurred, and confirmation of a W.R. Grace & Co. bankruptcy reorganization plan that includes the settlement. In January and February 2011, the U.S. Bankruptcy Court entered orders confirming the joint plan of reorganization. These confirmation orders are pending before the U.S. District Court. The $115 million obligation was included in the special charge we recorded in 2001 to address 1996 merger-related legal matters. See Note 11 "Commitments and Contingencies — Legal Proceedings — Accrued Special Charge for Litigation" in our Consolidated Financial Statements. The payment obligation is not interest-bearing.

If the potential additional tax payments discussed above and the Grace Chapter 11 Proceedings settlement payment were to occur contemporaneously, there could be a material adverse impact on our operating cash flow in the relevant reporting period. Nonetheless, we anticipate that cash from operations and, if required, our senior credit agreement and other sources of liquidity will be sufficient to satisfy all such obligations if and when they come due.

Investing

We used net cash of $1,353 million and $501 million in investing activities in the six-month periods ended June 30, 2011 and 2010, respectively, and net cash of $1,125 million, $698 million and $891 million in investing activities in 2010, 2009 and 2008, respectively.

Capital expenditures for property, plant and equipment, net of disposals were $231 million and $218 million in the first six months of 2011 and 2010, respectively. In the first six months of 2011, capital expenditures were $104 million in the North America segment, $72 million for the International segment and $55 million at Corporate. Capital expenditures in the first six months of 2010 were $94 million in the North America segment, $69 million for the International segment and $55 million at Corporate. The majority of our capital expenditures was used for maintaining and modernizing our existing clinics, equipping new clinics, maintenance and expansion of production facilities primarily in North America and Germany and capitalization of machines provided to our customers, primarily in the International segment. Capital expenditures were approximately 4% and 4% of total revenue in the first six months of 2011 and 2010, respectively. We expect a similar level of investments in these areas for 2012. Approximately $100 million of our capital expenditures projected for the balance of 2011 and 2012 represent projects, mainly for the expansion of our production facilities and our clinic network, that are individually in excess of $10 million each and that have been firmly committed to by our Management Board.

Capital expenditures for property, plant and equipment, net of disposals were $507 million in 2010, $562 million in 2009 and $673 million in 2008. In 2010, capital expenditures were $286 million in the North America segment and $221 million for the International segment. Capital expenditures in 2009 were $295 million in the North America segment and $267 million for the International segment. In 2008, capital expenditures were $384 million in the North America segment and $289 for the International segment. The majority of our capital expenditures was used for maintaining existing clinics, equipping new clinics, maintenance and expansion of production facilities primarily in North America and Germany and capitalization of machines provided to our customers, primarily in the International segment. Capital expenditures were approximately 4%, 5% and 6% of total revenue for 2010, 2009 and 2008, respectively.

We invested approximately $1,122 million cash in the first six months of 2011, primarily through the acquisition of International Dialysis Centers ("IDC"), the dialysis service business of Euromedic International (see Note 2, "Acquisitions," in the notes to our unaudited Consolidated Financial Statements included herein), loans provided to Renal Advantage Partners LLC, the parent company of Renal Advantage, Inc., a provider of dialysis services which we have agreed to acquire in 2012 as part of our acquisition of Liberty Dialysis Holdings, Inc. (see Note 5, "Other Assets/Notes Receivable" in our unaudited Consolidated Financial Statements included herein and "Subsequent Events — Acquisitions" below) and investments in majority owned joint ventures ($358 million in the North America segment, $759 million in the International segment and $5 million at Corporate), as compared to $158 million cash in the same period of 2010 ($50 million in the North America segment, $102 million in the International segment and $6 million at Corporate). In addition, we invested $133 million (€100 million) in short-term investments with banks during the first six months of 2010. There were no divestitures in the first six months of

2011. We received $8 million in conjunction with divestitures in the first six months of 2010. Remaining investments for 2011 include the pending acquisition of American Access Care Holdings for approximately $385 million, which was announced on August 2, 2011, and is subject to anti-trust clearance under the U.S. Hart-Scott-Rodino Act (see "Subsequent Events — Acquisitions" below).

We invested approximately $632 million cash in 2010, primarily for acquisitions of dialysis clinics, the formation of a new renal pharmaceutical company with Galenica, Ltd. (subject to final anti-trust approval in certain regions), the acquisition of licenses, and the acquisition of Gambro's peritoneal dialysis business outside the United States ($237 million in the North America segment, $373 million in the International segment and $22 million at Corporate), as compared to $188 million cash in 2009 ($124 million in the North America segment and $64 million in the International segment) and $227 million cash in 2008 ($113 million in the North America segment, $57 million in the International segment and $57 million at Corporate). In addition, we invested €100 million ($133 million at September 30, 2010) in short-term investments with banks during 2010, which were divested during the fourth quarter of 2010. We also received $14 million, $2 million and $59 million in conjunction with divestitures in 2010, 2009 and 2008, respectively. In 2008, we granted a loan of $50 million to Fresenius SE, our parent, which they repaid on April 30, 2009.

We anticipate capital expenditures of approximately 5% of revenues and expect to make acquisitions of approximately $1.9 billion in 2011, including the €529 million acquisition of International Dialysis Centers, the dialysis service business of Euromedic International, which we completed effective June 30, 2011 and our pending acquisition of American Access Care Holdings, LLC ("AAC") for $385 million, which we announced on August 2, 2011. See the notes to our Unaudited Consolidated Financial Statements included herein.

Financing

Net cash provided by financing was $742 million and $170 million in the six month periods ended June 30, 2011 and 2010, respectively. Net cash used was $15 million in 2010 compared to net cash used in financing of $558 million and $156 million in 2009 and 2008, respectively.

In the six-month period ended June 30, 2011, cash was provided by the issuance of $1,062 million in senior notes in February 2011, drawings under our revolving credit facility, short-term borrowings and short-term borrowings from related parties and drawings under the A/R Facility, partially offset by the repayment of the Trust Preferred Securities, repayment of long-term debt and the payment of dividends. For further information on the issuance of $1,062 million of senior notes in 2011, see below. In the first six months of 2010, cash was mainly provided by borrowings under our revolving credit facility, our issuance of €250 million of 5.50% Senior Notes in January 2010 and drawings under the accounts receivable facility.

In 2010, cash was used to reduce borrowings under our credit facilities and to pay dividends. This was partially offset by the issuance of 5.5% Senior Notes in January 2010, drawings under our accounts receivable facility and other short term borrowings. In 2009, cash was mainly used for the repayment of the current portion of long-term debt including the Euro Notes in the amount of $279 million (€200 million) that were due and repaid on July 27, 2009, reducing the amount outstanding under our accounts receivable securitization facility ("A/R Facility"), and the payment of dividends partially offset by the issuance of long-term debt and borrowings under other existing long-term debt facilities. In 2008, cash was mainly used for redemption of Trust Preferred Securities ($678 million), the payment of dividends ($252 million) and the payment in November 2008 of the remaining financial liability relating to the 2007 RSI Acquisition ($56 million); we raised cash from our A/R Facility and other existing long-term credit facilities.

For additional discussion of our 2010 and 2011 acquisitions and investments, see "— Our Strategy and Competitive Strengths — Growth Paths — Path 2 — Acquisitions" and "— Path 3 — Horizontal Expansion."

The following table summarizes the Company's available sources of liquidity at December 31, 2010:

Available Sources of Liquidity in millions	Total	Expiration per period of 1 Year	Expiration per period of 2-5 Years
Accounts receivable facility[(a)]	$ 190	$190	$ —
Amended 2006 Senior Credit Agreement	997	—	997
Other Unused Lines of Credit	234	234	—
	$1,421	$424	$997

(a) Subject to availability of sufficient accounts receivable meeting funding criteria.

The amount of guarantees and other commercial commitments at December 31, 2010 is not significant.

At December 31, 2010, we had short-term borrowings and other financial liabilities, excluding the current portion of long-term debt, of $671 million.

The following table summarizes, as of December 31, 2010, our obligations and commitments to make future payments under our long-term debt, trust preferred securities and other long-term obligations, and our commitments and obligations under lines of credit and letters of credit.

Contractual Obligations and Commitments in millions	Total	Payments due by period of 1 Year	2-5 Years	Over 5 Years
Trust Preferred Securities[(a)]	$ 650	$ 650	$ —	$ —
Long Term Debt[(b)(c)]	5,142	435	3,770	937
Capital Lease Obligations	16	5	8	3
Operating Leases	2,796	490	1,396	910
Unconditional Purchase Obligations	2,164	374	1,071	719
Other Long-term Obligations	33	24	9	—
Letters of Credit	122	—	122	—
	$10,923	$1,978	$6,376	$2,569

(a) We redeemed the entire outstanding amount of our Trust Preferred Securities on June 15, 2011.

(b) Includes expected interest payments which are based upon the principal repayment schedules and fixed interest rates or estimated variable interest rates considering the applicable interest rates (e.g. Libor, Prime), the applicable margins, and the effects of related interest rate swaps.

(c) Excludes our 5.75% Senior Notes and 5.25% Senior Notes issued on February 3, 2011.

Our obligations under the Amended 2006 Senior Credit Agreement are secured by pledges of capital stock of certain material subsidiaries, including FMCH and D-GmbH, in favor of the lenders. Our Amended 2006 Senior Credit Agreement, EIB agreements, Euro Notes and Outstanding Senior Notes include covenants that require us to maintain certain financial ratios or meet other financial tests. Under our Amended 2006 Senior Credit Agreement, we are obligated to maintain a minimum consolidated fixed charge ratio (ratio of consolidated EBITDAR (sum of EBITDA plus Rent expense under operation leases) to Consolidated Fixed Charges as these terms are defined in the 2006 Senior Credit Agreement) and a maximum consolidated leverage ratio (ratio of consolidated funded debt to consolidated EBITDA as these terms are defined in the Amended 2006 Senior Credit Agreement). Other covenants in one or more of each of these agreements restrict or have the effect of restricting our ability to dispose of assets, incur debt, pay dividends and make other restricted payments, create liens or engage in sale-lease backs.

The breach of any of the covenants in any of the instruments or agreements governing our long-term debt — the Amended 2006 Senior Credit Agreement, the EIB agreements, the Euro Notes or the Outstanding Senior Notes — could, in turn, create additional defaults under one or more of the other instruments or agreements. In default, the outstanding balance under the Amended 2006 Senior Credit Agreement becomes due at the option of the lenders under that agreement, and the "cross default" provisions in our other long-term debt permit the lenders to accelerate the maturity of the debt upon such a default as well. As of June 30, 2011, we are in compliance with all covenants under the Amended 2006 Senior Credit Agreement and our other financing agreements. For information regarding our Amended 2006 Senior Credit Agreement, EIB agreements, Euro Notes and Outstanding Senior Notes, see "Description of Certain Indebtedness" and Note 9 of the Notes to our audited Consolidated Financial Statements, "Long-Term Debt and Capital Lease Obligations" included in this prospectus/offering memorandum.

Although we are not immune from the global financial crisis, we believe that we are well positioned to continue to grow our business while meeting our financial obligations as they come due. Our business is generally not cyclical. A substantial portion of our accounts receivable are generated by governmental payers. While payment and collection practices vary significantly between countries and even between agencies within one country, government payors usually represent low credit risks. However, limited or expensive access to capital could make it more difficult for our customers to do business with us, or to do business generally, which could adversely affect our business by causing our customers to reduce or delay their purchases of our dialysis products. See "Results of Operations" above. If the current conditions in the credit and equity markets continue, or worsen, they could also increase our financing costs and limit our financial flexibility.

On May 13, 2011, we paid a dividend with respect to 2010 of €0.65 per ordinary share (for 2009 paid in 2010: €0.61) and €0.67 per preference share (for 2009 paid in 2010: €0.63). The total dividend payment was €197 million ($281 million) compared to €183 million ($232 million) in 2011 with respect to 2010.

On February 3, 2011, Fresenius Medical Care US Finance, Inc. and FMC Finance VII S.A., each a wholly owned subsidiary of Fresenius Medical Care AG & Co. KGaA, issued $650 million of 5.75% Senior Notes and €300 million (approximately $412 million at the date of issuance) of 5.25% Senior Notes, respectively. The 5.75% Senior Notes had an issue price of 99.060% and a yield to maturity of 5.875%. The 5.25% Senior Notes were issued at par. Both the 5.75% Senior Notes and the 5.25% Senior Notes are due February 15, 2021. Net proceeds were used to repay indebtedness outstanding under our A/R Facility and the revolving credit facility of the Amended 2006 Senior Credit Agreement, for acquisitions, including payments under our recent acquisition of International Dialysis Centers announced on January 4, 2011, and for general corporate purposes to support our renal dialysis products and services business. Both the 5.75% Senior Notes and the 5.25% Senior Notes are guaranteed on a senior basis jointly and severally by Fresenius Medical Care AG & Co. KGaA, FMCH and Fresenius Medical Care Deutschland GmbH ("D-GmbH").

On September 29, 2010, we amended and extended the 2006 Senior Credit Agreement (as amended to-date and as it may be further modified or amended, our "Amended 2006 Senior Credit Agreement"). The significant changes of the September 2010 amendments are as follows:

- The $1,000 million revolving credit facility has been increased to $1,200 million and is now due and payable on March 31, 2013, an extension from the original due date of March 31, 2011.
- The Term Loan A facility was increased by $50 million to $1,365 million and its maturity extended from March 31, 2011 to March 31, 2013, and will be repaid in quarterly payments of $30 million which started on December 31, 2010, with the remaining balance due and payable in full on March 31, 2013.
- The Term Loan B Facility was amended to delete the early repayment requirement for the Term Loan B, which stipulated that Term Loan B was subject to early retirement if the Trust Preferred Securities due June 15, 2011 were not paid, refinanced or extended prior to March 1, 2011, has been removed.
- The definition of the Company's Consolidated Leverage Ratio, which is used to determine the applicable margin, was amended to allow for the reduction of up to $250 million (increased from $30 million) of cash and cash equivalents from Consolidated Funded Debt, as defined in the initial 2006 Senior Credit Agreement. The applicable margin is then added to LIBOR to determine the interest rate for the appropriate period. In addition, the Amended 2006 Senior Credit Agreement includes increases in certain types of permitted borrowings outside of the Amended 2006 Senior Credit Agreement and provides further flexibility for certain types of investments.
- The limitation on dividends and other restricted payments ($300 million for dividends in 2010 under the 2006 Senior Credit Agreement) has been set for up to $330 million in 2011 and increases by $30 million each year through 2013.

For additional information regarding our Amended 2006 Senior Credit Agreement, see "Description of Certain Indebtedness — Amended 2006 Senior Credit Agreement."

On August 9, 2011, we renewed our A/R Facility and increased available borrowings under the facility from $700 million to $800 million.

On February 17, 2010, a €50 million ($67 million at December 31, 2010) loan was disbursed from our 2009 agreement with the European Investment Bank ("EIB"). The loan is due in 2014. In addition, on March 15, 2010, we drew down the remaining $80.8 million available on our 2005 revolving credit agreement with the EIB, maturing in 2013. Both loans bear variable interest rates which are based on EURIBOR or LIBOR, as applicable, plus an applicable margin. These interest rates change every three months.

On January 20, 2010, our wholly owned subsidiary, FMC Finance VI S.A., issued €250 million ($353.3 million at date of issuance) aggregate principal amount of 5.50% Senior Notes at an issue price of 98.6636% of the principal amount. The 5.50% Senior Notes had a yield to maturity of 5.75% and are due July 15, 2016. Proceeds were used to repay short-term indebtedness and for general corporate purposes. The 5.50% Senior Notes are guaranteed on a senior basis jointly and severally by Fresenius Medical Care AG & Co. KGaA, FMCH and D-GmbH.

Subsequent Events — Acquisitions

Liberty Dialysis

On August 2, 2011, we announced our plans to acquire 100% of Liberty Dialysis Holdings, Inc, the owner of all of the business of Liberty Dialysis and owner of a 51% stake in Renal Advantage, Inc. FMCH currently owns a 49% stake in Renal Advantage, Inc. The total investment for Fresenius Medical Care including the assumption of incremental debt will be approximately $1.7 billion. The transaction remains subject to clearance under the Hart —

Scott — Rodino Antitrust Improvements Act and other customary closing conditions and is expected to close in early 2012. On completion, the acquired operations would add approximately 260 dialysis outpatient dialysis clinics to Fresenius Medical Care's network in the U.S. and are expected to add approximately $1 billion in annual revenue before the anticipated divestiture of some centers as a condition precedent to the closing of the transaction. The transaction will be financed from cash flow from operations and debt. We may require an amendment to our 2006 Amended Senior Credit Agreement in order to incur the required debt and consummate the acquisition. Based on preliminary contacts with our bank group, we expect to obtain any necessary amendments on a timely basis. We expect that the acquisition will be accretive to earnings in the first year after closing of the transaction.

American Access Care

On August 2, 2011, we announced our plans to acquire the U.S. based company American Access Care Holdings, LLC ("AAC") for $385 million. AAC operates 28 freestanding out-patient interventional radiology centers throughout 12 states in the U.S. primarily dedicated to the vascular access needs of dialysis patients. The transaction remains subject to clearance under the Hart — Scott — Rodino Antitrust Improvements Act and other customary closing conditions and is expected to close in the fourth quarter of 2011. On completion, the acquired operations are expected to add approximately $175 million in annual revenue and are expected to be accretive to earnings in the first year after closing of the transaction. The transaction will be financed from cash flow from operations and available borrowing capacity.

Debt covenant disclosure — EBITDA

EBITDA (earnings before interest, tax, depreciation and amortization expenses) was approximately $1,227 million, 19.7% of revenues, for the six-month period ended June 30, 2011, and $1,137 million, 19.5% of revenues, for the same period of 2010. For the years ended December 31, 2010, 2009 and 2008, EBITDA was $2,427 million, 20.1% of revenues, $2,213 million, 19.7% of revenues and $2,088 million, 19.7% of revenues, respectively. EBITDA is the basis for determining compliance with certain covenants contained in our Amended 2006 Senior Credit Agreement, Euro Notes, EIB, and the indentures relating to the Notes and our Outstanding Senior Notes. You should not consider EBITDA to be an alternative to net earnings determined in accordance with U.S. GAAP or IFRS or to cash flow from operations, investing activities or financing activities. In addition, not all funds depicted by EBITDA are available for management's discretionary use. For example, a substantial portion of such funds are subject to contractual restrictions and functional requirements for debt service, to fund necessary capital expenditures and to meet other commitments from time to time as described in more detail elsewhere in this prospectus/offering memorandum. EBITDA, as calculated, may not be comparable to similarly titled measures reported by other companies. A reconciliation of EBITDA to cash flow provided by operating activities, which we believe to be the most directly comparable U.S. GAAP financial measure, is calculated as follows:

Reconciliation of measures for consolidated totals

	For the six months ended June 30,	
	2011	2010
	(In millions)	
Total EBITDA	$1,227	$1,137
Interest expense (net of interest income)	(146)	(136)
Income tax expense, net	(273)	(257)
Change in deferred taxes, net	53	(1)
Changes in operating assets and liabilities	(388)	(112)
Stock compensation expense	15	14
Other items, net	(1)	(2)
Net cash provided by operating activities	$ 487	643

	For the years ended December 31,		
	2010	2009	2008
	(In millions)		
Total EBITDA	$2,427	$2,213	$2,088
Interest expense (net of interest income)	(280)	(300)	(337)
Income tax expense, net	(578)	(490)	(476)
Change in deferred taxes, net	15	22	133
Changes in operating assets and liabilities	(237)	(140)	(403)
Stock Compensation expense	28	34	32
Other items, net	(7)	—	(21)
Net cash provided by operating activities	$1,368	$1,339	$1,016

Balance Sheet Structure

Total assets as of June 30, 2011 increased to $19.1 billion compared to $17.1 billion at December 31, 2010. Current assets as a percent of total assets increased to 31% at June 30, 2011 from 30% at December 31, 2010. The equity ratio, the ratio of our equity divided by total liabilities and shareholders' equity, decreased to 42% at June 30, 2011 from 44% at December 31, 2010.

Recently Issued and Implemented Accounting Standards

In May 2011, the Financial Accounting Standards Board ("FASB") issued *Accounting Standards Update 2011-04* ("ASU 2011-04"), *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. ASU 2011-04 is an update of Accounting Standards Codification Topic 820, *Fair Value Measurement.* The amendments in ASU 2011-04 result in common fair value measurement and disclosure requirements in U.S. GAAP and IFRSs. These amendments include clarifications of the application of highest and best use and valuation premise concepts, the measurement of the fair value of an instrument classified in a reporting entity's shareholders' equity, and disclosures about fair value measurements. ASU 2011-04 also changes the measurement and disclosure requirements related to measuring the fair value of financial instruments that are managed within a portfolio, the application of premiums and discounts in a fair value measurement, and additional disclosure about fair value measurements.

The disclosures required under ASU 2011-04 are effective for interim and annual reporting periods beginning on or after December 15, 2011. Early application by public entities is not permitted. We will apply the guidance under ASU 2011-04 beginning January 1, 2012.

In June 2011, the FASB issued *Accounting Standards Update 2011-05* ("ASU 2011-05"), *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*. The amendments in ASU 2011-05 require that all nonowner changes in stockholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but continuous statements. In the two statement approach, the first statement should present total net income and its components followed consecutively by a second statement presenting total other comprehensive income, the components of other comprehensive income and total of comprehensive income.

The disclosures required under ASU 2011-05 are retrospective and are effective for fiscal years, and interim periods within those years, beginning after December 15, 2011, with early adoption permitted. As we currently present two separate but continuous statements of net income and comprehensive income, we are already in compliance with the amended guidance issued in ASU 2011-05.

In July 2011, the FASB issued *Accounting Standards Update 2011-06* ("ASU 2011-06"), *Other Expenses (Topic 720): Fees Paid to the Federal Government by Health Insurers*. The amendments in ASU 2011-06 address how health insurers should recognize and classify their income statement fees mandated by the Health Care and Educational Affordability Reconciliation Act. The amendments require that the liability for the fee be estimated and recorded in full once the entity provides qualifying health insurance in the applicable calendar year in which the fee is payable with a corresponding deferred cost that is amortized to expense using a straight-line allocation method unless a another method better allocates the fee over the entire calendar year for which it is payable. In addition, the amendments state that this fee does not meet the definition of an acquisition cost.

The disclosures required under ASU 2011-06 are effective for calendar years beginning after December 31, 2013, when the fee initially becomes effective. We will apply the guidance under ASU 2011-06 beginning January 1, 2014.

In July 2011, the FASB issued *Accounting Standards Update 2011-07* ("ASU 2011-07"), *Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts and the Allowance for Doubtful Accounts for Certain Health Care Entities* in order to provide financial statement users with greater transparency about a health care entity's net patient service revenue and the related allowance for doubtful accounts. The amendments require health care entities that recognize significant amounts of patient service revenue at the time the services are rendered even though they do not assess the patient's ability to pay to present the provision for bad debts related to patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts) on their statement of operations. The provision for bad debts must be reclassified from an operating expense to a deduction from patient service revenue. Additionally, these health care entities are required to provide enhanced disclosures about their policies for recognizing revenue and assessing bad debts. The amendments also require disclosures of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts.

For public entities, the disclosures required under ASU 2011-07 are effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2011, with early adoption permitted. The amendments to the presentation of the provision for bad debts related to patient service revenue in the statement of operations should be applied retrospectively to all prior periods presented. We are currently evaluating the impact of ASU 2011-07 on our operations.

For recently issued and implemented accounting standards, see Note 1 of the Notes to our audited Consolidated Financial Statements "The Company, Basis of Presentation, Health Care Reform and Summary of Significant Accounting Policies — Summary of Significant Accounting Policies — t) Recent Pronouncements".

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

Our businesses operate in highly competitive markets and are subject to changes in business, economic and competitive conditions. Our business is subject to:

- changes in reimbursement rates;
- intense competition;
- foreign exchange rate and interest rate fluctuations;
- varying degrees of acceptance of new product introductions;
- technological developments in our industry;
- uncertainties in litigation or investigative proceedings and regulatory developments in the health care sector; and
- the availability of financing.

Our business is also subject to other risks and uncertainties that we describe from time to time in our public filings. See "Risk Factors." Developments in any of these areas could cause our results to differ materially from the results that we or others have projected or may project.

Reimbursement Rates

We obtained approximately 31% and 32%, respectively, of our worldwide revenue for the six months ended June 30, 2011 and the year ended December 31, 2010 from sources subject to regulations under U.S. government health care programs. In the past, U.S. budget deficit reduction and health care reform measures have changed the reimbursement rates under these programs, including the Medicare composite rate, the reimbursement rate for EPO, and the reimbursement rates for other dialysis and non-dialysis related services and products, as well as other material aspects of these programs, and they may change in the future. Effective January 1, 2011, the Medicare reimbursement rate for dialysis services is determined on the basis of a case-mix adjusted "blended" prospective payment system for ESRD dialysis facilities. See "Business — Regulatory and Legal Matters — Reimbursement" and "— Health Care Reform."

We also obtain a significant portion of our net revenues from reimbursement by non-government payors. Historically, these payors' reimbursement rates generally have been higher than government program rates in their respective countries. However, non-governmental payors are imposing cost containment measures that are creating significant downward pressure on reimbursement levels that we receive for our services and products.

Inflation

The effects of inflation during the periods covered by the consolidated financial statements have not been significant to our results of operations. However, a major portion of our net revenues from dialysis care are subject to reimbursement rates regulated by governmental authorities, and a significant portion of other revenues, especially revenues from the U.S., is received from customers whose revenues are subject to these regulated reimbursement rates. Non-governmental payors are also exerting downward pressure on reimbursement rates. Increased operation costs that are subject to inflation, such as labor and supply costs, may not be recoverable through price increases in the absence of a compensating increase in reimbursement rates payable to us and our customers, and could materially adversely affect our business, financial condition and results of operations.

Management of Foreign Exchange and Interest Rate Risks

We are primarily exposed to market risk from changes in foreign exchange rates and changes in interest rates. In order to manage the risks from these foreign exchange rate and interest rate fluctuations, we enter into various hedging transactions, as authorized by the Management Board of the general partner, with banks which generally have ratings in the "A" Category or better. We do not use financial instruments for trading or other speculative purposes.

Fresenius SE, as provided for under a service agreement, conducts financial instrument activity for us and its other subsidiaries under the control of a single centralized department. Fresenius SE has established guidelines, that we have agreed to, for risk assessment procedures and controls for the use of financial instruments. They include a clear segregation of duties with regard to execution on one side and administration, accounting and controlling on the other.

Foreign Exchange Risk

We conduct our business on a global basis in various currencies, although our operations are located principally in the United States and Germany. For financial reporting purposes, we have chosen the U.S. dollar as our reporting currency. Therefore, changes in the rate of exchange between the U.S. dollar and the local currencies in which the financial statements of our international operations are maintained, affect our results of operations and financial position as reported in our consolidated financial statements. We have consolidated the balance sheets of our non-U.S. dollar denominated operations into U.S. dollars at the exchange rates prevailing at the balance sheet date. Revenues and expenses are translated at the average exchange rates for the period.

Our exposure to market risk for changes in foreign exchange rates relates to transactions such as sales and purchases. We have significant amounts of sales of products invoiced in euro from our European manufacturing facilities to our other international operations. This exposes our subsidiaries to fluctuations in the rate of exchange between the euro and the currency in which their local operations are conducted. For the purpose of hedging existing and foreseeable foreign exchange transaction exposures we enter into foreign exchange forward contracts and, on a small scale, foreign exchange options. Our policy, which has been consistently followed, is that foreign exchange rate derivatives be used only for purposes of hedging foreign currency exposures. We have not used such instruments for purposes other than hedging.

In connection with intercompany loans in foreign currency, we normally use foreign exchange swaps thus assuring that no foreign exchange risks arise from those loans.

The Company is exposed to potential losses in the event of non-performance by counterparties to financial instruments. We do not expect any counterparty to fail to meet its obligations. The current credit exposure of foreign exchange derivatives is represented by the fair value of those contracts with a positive fair value at the reporting date. The table below provides information about our foreign exchange forward contracts at December 31, 2010. The information is provided in U.S. dollar equivalent amounts. The table presents the notional amounts by year of maturity, the fair values of the contracts, which show the unrealized net gain (loss) on existing contracts as of December 31, 2010, and the credit risk inherent to those contracts with positive market values as of December 31, 2010. All contracts expire within 59 months after the reporting date.

Foreign Currency Risk Management

December 31, 2010
(USD in millions)
Nominal amount

	2011	2012	2013	2014	2015	Total	Fair value	Credit risk
Purchase of EUR against US$	$ 725	20	—	—	—	$ 745	$(42)	$ 3
Sale of EUR against US$	421	—	—	—	—	421	(5)	—
Purchase of EUR against others	781	102	33	31	29	976	(19)	3
Sale of EUR against others	249	89	60	31	29	458	1	1
Others	33	1	—	—	—	34	—	1
Total	$2,209	212	93	62	58	$2,634	$(65)	$ 8

Our reporting currency for our financial statements prepared in accordance with U.S. GAAP included in this prospectus/offering memorandum and the financial statements that we file with our periodic reports filed with the Securities Exchange Commission is the U.S. Dollar. The reporting currency for our financial statements prepared in accordance IFRS incorporated by reference in this prospectus/offering memorandum and the financial statements that we file in accordance with German law is the Euro. A summary of the high and low exchange rates for the euro to U.S. dollars and the average exchange rates for the last five years, for the six months ended June 30, and for each of the months in the six-month period preceding the date of this offering memorandum is set forth below. The European Central Bank ("ECB") determines such rates ("Reference Rates") based on the regular daily averaging of rates between central banks within and outside the European banking system. The ECB normally publishes the Reference Rates daily at 2:15 p.m. (CET). In preparing our consolidated financial statements and in converting certain U.S. dollar amounts in this prospectus/offering memorandum, we have used the Year's Average Reference Rate of $1.3259 or Year's Close Reference Rate of $1.3362 per €1.00. In preparing our unaudited consolidated financial statements included in this prospectus/offering memorandum, we have used the Average Reference Rate for the six months ended June 30, 2011 of $1.4032 or the closing Reference Rate as of June 30, 2011 of $1.4453 per €1.00.

Six Months Ended June 30	Six Months High	Six Months Low	Six Months Average	Six Months Close
2010 US$ per EUR	1.4563	1.1942	1.3285	1.2271
2011 US$ per EUR	1.4882	1.2903	1.4032	1.4453

Month	High	Low	Average	Close
August 2011	1.4487	1.4143	1.4343	1.4450
July 2011	1.4500	1.3975	1.4264	1.4260
June 2011	1.4652	1.4088	1.4388	1.4453
May 2011	1.4882	1.4020	1.4349	1.4385
April 2011	1.4860	1.4141	1.4442	1.4860
March 2011	1.4211	1.3773	1.3999	1.4207

Year ending December 31,	Year's High	Year's Low	Year's Average	Year's Close
2006 US$ per EUR	1.3331	1.1826	1.2558	1.3170
2007 US$ per EUR	1.4874	1.2893	1.3705	1.4721
2008 US$ per EUR	1.5990	1.2460	1.4713	1.3917
2009 US$ per EUR	1.5120	1.2555	1.3948	1.4406
2010 US$ per EUR	1.4563	1.1942	1.3259	1.3362

The Reference Rate on August 31, 2011 was $1.4450 per €1.00.

Foreign Exchange Sensitivity Analysis

In order to estimate and quantify the transaction risks from foreign currencies, the Company considers the cash flows reasonably expected for the three months following the reporting date as the relevant assessment basis for a sensitivity analysis. For this analysis, the Company assumes that all foreign exchange rates in which the Company

had unhedged positions as of the reporting date would be negatively impacted by 10%. By multiplying the calculated unhedged risk positions with this factor, the maximum possible negative impact of the foreign exchange transaction risks on the Company's results of operations would be $13 million.

Interest Rate Risk

We are exposed to changes in interest rates that affect our variable-rate borrowings. We enter into debt obligations including accounts receivable securitizations to support our general corporate purposes such as capital expenditures and working capital needs. Consequently, we enter into derivatives, particularly interest rate swaps to protect interest rate exposures arising from borrowings at floating rates by effectively swapping them into fixed rates.

These interest rate derivatives are designated as cash flow hedges. The majority of these interest rate swap agreements effectively convert the major part of payments based on variable interest rates applicable to the Company's Amended 2006 Senior Credit Agreement, denominated in U.S. dollars, into payments at a fixed rate. The remaining interest rate swaps have been entered into in anticipation of future debt issuances.

Swap agreements in notional amounts of $3,175 million expire at various dates in 2011 and 2012 and bear an average interest rate of 4.26%. Interest payable and interest receivable under the swap agreements are accrued and recorded as an adjustment to interest expense at each reporting date. At December 31, 2010, the negative fair value of these agreements is $125 million.

The table below presents principal amounts and related weighted average interest rates by year of maturity for interest rate swaps and for our significant debt obligations.

Interest Rate Exposure

December 31, 2010
(In millions)

	2011	2012	2013	2014	2015	Thereafter	Totals	Fair Value Dec. 31, 2010
FLOATING RATE US$ DEBT								
Principal payments on Senior Credit Agreement	$ 217	1,262	1,475				$ 2,954	$2,938
Variable interest rate = 1.77%								
Accounts receivable securitization programs	$ 510						$ 510	$ 510
Variable interest rate = 0.33%								
EIB loans	$		165				$ 165	$ 165
Variable interest rate = 0.43%								
FLOATING RATE € DEBT								
Euro Notes 2009/2012	$	160					$ 160	$ 162
Variable interest rate = 6.253%								
Euro Notes 2009/2014	$	5	5	31			$ 41	$ 41
Variable interest rate = 6.753%								
EIB loan	$			187			$ 187	$ 187
Variable interest rate = 1.8176%								
FIXED RATE US$ DEBT								
Company obligated mandatorily redeemable preferred securities of subsidiaries								
Fresenius Medical Care Capital Trusts								
Fixed interest rate = 7.875%/issued in 2001	$ 225						$ 225	$ 229
Senior Notes 2007/2017; fixed interest rate = 6.875%	$					494	$ 494	$ 531
FIXED RATE € DEBT								
Company obligated mandatorily redeemable preferred securities of subsidiaries								
Fresenius Medical Care Capital Trusts								
Fixed interest rate = 7.375%/issued in 2001	$ 401						$ 401	$ 415
Euro Notes 2009/2012	$	47					$ 47	$ 52
Fixed interest rate = 7.4065%								
Euro Notes 2009/2014	$	2	2	15			$ 19	$ 22
Fixed interest rate = 8.3835%								
Senior Notes 2010/2016	$					330	$ 330	$ 349
Fixed interest rate = 5.50%								
INTEREST RATE DERIVATIVES								
US$ Payer Swaps Notional amount	$ 1,650	1,525					$ 3,175	$ (125)
Average fixed pay rate = 4.26%	4.08%	4.45%					4.26%	
Receive rate = 3-month $LIBOR								

All variable interest rates depicted above are as of December 31, 2010

Interest Rate Sensitivity Analysis

For purposes of analyzing the impact of changes in the relevant reference interest rates on the Company's results of operations, the Company calculates the portion of financial debt which bears variable interest and which has not been hedged by means of interest rate swaps or options against rising interest rates. For this particular part of its liabilities, the Company assumes an increase in the reference rates of 50 basis points compared to the actual rates as of reporting date. The corresponding additional annual interest expense is then compared to the Company's net income. This analysis shows that an increase of 50 basis points in the relevant reference rates would have an effect of less than 1% on the consolidated net income of the Company.

BUSINESS

Our Business

Based on publicly reported sales and number of patients treated, we are the world's largest kidney dialysis company, operating in both the field of dialysis products and the field of dialysis services. See "Renal Industry Overview" below, for a description of our internal information data gathering tool. Our dialysis business is vertically integrated, providing dialysis treatment at our own dialysis clinics and supplying these clinics with a broad range of products. In addition, we sell dialysis products to other dialysis service providers. At June 30, 2011, we provided dialysis treatment to 225,909 patients in 2,838 clinics worldwide located in more than 35 countries. In the U.S. we also perform clinical laboratory testing and provide inpatient dialysis services and other services under contract to hospitals. In the six months ended June 30, 2011, we provided approximately 16.6 million dialysis treatments, an increase of approximately 9% over the comparable period of 2010, and in 2010, we provided approximately 31.7 million dialysis treatments, an increase of approximately 8% compared to 2009. We also develop and manufacture a full range of equipment, systems and disposable products, which we sell to customers in more than 120 countries. For the year ended December 31, 2010, we had net revenues of $12.1 billion, a 7% increase (7% in constant currency) over 2009 revenues and EBITDA of $2.4 billion. For the twelve months ended June 30, 2011, we had net revenues of $12.5 billion and EBITDA of $2.5 billion. We derived 67% of our revenues for the twelve months ended December 31, 2010 from our North America operations and 33% from our International operations, which include our operations in Europe (21%), Latin America (5%) and Asia-Pacific (7%).

We use the insight we gain when treating patients in developing new and improved products. We believe that our size, our activities in both dialysis care and dialysis products and our concentration in specific geographic areas allow us to operate more cost-effectively than many of our competitors.

The following table summarizes net revenues for our North America segment and our International segment as well as our major categories of activity for the six-month periods ended June 30, 2011 and 2010 and the three years ended December 31, 2010, 2009 and 2008.

	For the six months ended June 30,				
	2011	2010	2010	2009	2008
			(In millions)		
North America					
Dialysis Care	$3,610	$3,578	$7,303	$6,794	$6,247
Dialysis Products	395	408	827	818	758
	4,005	3,986	8,130	7,612	7,005
International					
Dialysis Care	$1,037	$ 817	$1,767	$1,556	$1,490
Dialysis Products	1,180	1,025	2,156	2,079	2,117
	2,217	1,842	3,923	3,635	3,607

Renal Industry Overview

We offer life-maintaining and life-saving dialysis services and products in a market which is characterized by favorable demographic development. As a global market leader in dialysis products and dialysis services, Fresenius Medical Care considers it important to possess accurate and current information on the status and development of the global, regional and national markets.

To obtain and manage this information, Fresenius Medical Care created an internal information tool called Market & Competitor Survey (the "MCS"). The MCS is used within the Company as a tool to collect, analyze and communicate current, accurate and essential information on the dialysis market, developing trends, the market position of Fresenius Medical Care and those of its competitors. Country — by — country surveys are performed at the end of each calendar year which focus on the total number of patients treated for ESRD, the treatment modality selected, products used, treatment location and the structure of ESRD patient care providers. The survey has been refined over the years to facilitate access to more detailed information and to reflect changes in the development of therapies and products as well as changes to the structure of our competitive environment. The questionnaires are distributed to professionals in the field of dialysis who are in a position to provide ESRD-relevant country specific information themselves or who can coordinate appropriate input from contacts with the relevant know-how in each country. The surveys are then centrally validated and checked for consistency by cross-referencing them with the

most recent sources of national ESRD information (e.g. registry data or publications if available) and with the results of surveys performed in previous years. All information received is consolidated at a global and regional level and analyzed and reported together with publicly available information published by our competitors.

Except as otherwise specified below, all patient and market data in this prospectus/offering memorandum have been derived using our MCS.

End-Stage Renal Disease

ESRD is the stage of advanced chronic kidney disease characterized by the irreversible loss of kidney function and requiring regular dialysis treatment or kidney transplantation to sustain life. A normally functioning human kidney removes waste products and excess water from the blood, which prevents toxin buildup, water overload and the eventual poisoning of the body. Most patients suffering from ESRD must rely on dialysis, which is the removal of toxic waste products and excess fluids from the body by artificial means. A number of conditions — diabetes, hypertension, glomerulonephritis and inherited diseases — can cause chronic kidney disease. The majority of all people with ESRD acquire the disease as a complication of one or more of these primary conditions.

There are currently only two methods for treating ESRD: dialysis and kidney transplantation. Scarcity of compatible kidneys limits transplants. Therefore, most patients suffering from ESRD rely on dialysis.

We estimate that at the end of 2010, there were approximately 2.622 million ESRD patients worldwide, of which approximately 593,000 kidney patients were living with a transplanted kidney. For many years the number of donated organs worldwide has continued to be significantly lower than the number of patients on transplant waiting lists. Consequently, less than one quarter of the global ESRD population lives with a donor organ and the remainder receive renal replacement therapy in the form of dialysis. Despite ongoing efforts by many regional initiatives to increase awareness of and willingness for kidney donation, the distribution of patients between the various treatment modes has remained nearly unchanged over the past ten years. In both the U.S. and Germany, approximately 30% of all ESRD patients live with a functioning kidney transplant and approximately 70% require dialysis.

There are two major dialysis methods commonly used today, hemodialysis ("HD") and peritoneal dialysis ("PD"). These are described below under "Dialysis Treatment Options for ESRD." Of the estimated 2.029 million dialysis patients treated in 2010, approximately 1.810 million received HD and about 219,000 received PD. Generally, an ESRD patient's physician, in consultation with the patient, chooses the patient treatment method, which is based on the patient's medical conditions and needs.

The number of dialysis patients grew by approximately 7% worldwide in 2010. The present annual patient growth rate in North America, the largest dialysis market, is approximately 5% per year, while in many developing countries we see annual growth rates of 10% or more. We believe that worldwide growth will continue at around 6% per year. At the end of 2010, there were approximately 494,000 patients in North America (including Mexico), approximately 322,000 dialysis patients in the 27 countries of the European Union (E.U.), approximately 250,000 patients in Europe (excluding the E.U. countries), the Middle East and Africa, approximately 215,000 patients in Latin America (excluding Mexico), and approximately 748,000 patients in Asia-Pacific (including 299,000 patients in Japan).

Dialysis patient growth rates vary significantly from region to region. A below average increase in the number of patients is experienced in the U.S. and Japan, as well as Western and Central Europe, where patients with terminal kidney failure have had readily available access to treatment, usually dialysis, for many years. In contrast, growth rates in the economically weaker regions were above average, reaching double digit figures in some cases. This indicates that accessibility to treatment is still somewhat limited in these countries, but is gradually improving.

We estimate that about 20% of worldwide patients are treated in the U.S., around 16% in E.U. and approximately 15% in Japan. The remaining 49% of all dialysis patients are distributed throughout approximately 120 countries in different geographical regions.

We believe that the continuing growth in the number of dialysis patients is principally attributable to:

- increased general life expectancy and the overall aging of the general population;
- shortage of donor organs for kidney transplants;
- improved dialysis technology that makes life-prolonging dialysis available to a larger patient population;
- improvements in global standards of living, resulting in greater access to treatment in developing countries; and
- increased incidence of hypertension, diabetes and other illnesses that lead to ESRD and better treatment and survival of patients with these diseases.

Dialysis Treatment Options for ESRD

Hemodialysis. Hemodialysis removes toxins and excess fluids from the blood in a process in which the blood flows outside the body through plastic tubes known as bloodlines into a specially designed filter, called a dialyzer.

The dialyzer separates waste products and excess water from the blood. Dialysis solution flowing through the dialyzer carries away the waste products and excess water, and supplements the blood with solutes which must be added due to renal failure. The treated blood is returned to the patient. The hemodialysis machine pumps blood, adds anti-coagulants, regulates the purification process and controls the mixing of dialysis solution and the rate of its flow through the system. This machine can also monitor and record the patient's vital signs.

Hemodialysis patients generally receive treatment three times per week, typically for three to five hours per treatment. The majority of hemodialysis patients receive treatment at outpatient dialysis clinics, such as ours, where hemodialysis treatments are performed with the assistance of a nurse or dialysis technician under the general supervision of a physician.

Patients can receive hemodialysis treatment at a clinic run by (1) a public center (government or government subsidiary owned/run), (2) a healthcare organization (non-profit organizations for public benefit purposes), (3) a private center (owned or run by individual doctors or a group of doctors) or (4) a company-owned clinic, including multi-clinic providers (owned or run by a company such as Fresenius Medical Care). There were approximately 5,600 Medicare-certified ESRD treatment clinics in the U.S. in 2010 with only around 1% of patients receiving care in public centers. In 2010, there were approximately 5,200 dialysis clinics in the E.U. treating dialysis patients. In the E.U., approximately 45% of dialysis patients received care through public centers, approximately 13% through centers owned by healthcare organizations, approximately 21% through private centers and approximately 21% through company-owned clinics, such as ours. In Latin America, private centers and company-owned clinics predominated, caring for over 83% of all dialysis patients. In Japan, nephrologists (doctors who specialize in the treatment of renal patients) cared for around 80% of the population in their private centers.

Among company-owned clinics, the two largest providers are Fresenius Medical Care, caring for approximately 215,000 patients and DaVita, caring for approximately 125,000 patients at the end of 2010. All other company-owned clinics care for less than 20,000 patients each.

Of the approximately 2.029 million patients who received dialysis care in 2010, more than 89% were treated with hemodialysis. Hemodialysis patients represented about 93% of all dialysis patients in the U.S., approximately 96% of all dialysis patients in Japan, and, 91% in the E.U. and 85% in the rest of the world. Within the 15 largest dialysis countries (measured by number of patients) that account for approximately 75% of the world dialysis population, hemodialysis is the predominant treatment method in all countries, except Mexico. Based on these data, it is clear that hemodialysis is the dominant therapy method worldwide.

Peritoneal Dialysis. Peritoneal dialysis removes toxins from the blood using the peritoneum, the membrane lining covering the internal organs located in the abdominal area, as a filter. Most peritoneal dialysis patients administer their own treatments in their own homes and workplaces, either by a treatment known as continuous ambulatory peritoneal dialysis or CAPD, or by a treatment known as continuous cycling peritoneal dialysis or CCPD. In both of these treatments, a surgically implanted catheter provides access to the peritoneal cavity. Using this catheter, the patient introduces a sterile dialysis solution from a solution bag through a tube into the peritoneal cavity. The peritoneum operates as the filtering membrane and, after a specified dwell time, the solution is drained and disposed. A typical CAPD peritoneal dialysis program involves the introduction and disposal of dialysis solution four times a day. With CCPD, a machine pumps or "cycles" solution to and from the patient's peritoneal cavity while the patient sleeps. During the day, one and a half to two liters of dialysis solution remain in the abdominal cavity of the patient. The human peritoneum can be used as a dialyzer only for a limited period of time, ideally only if the kidneys are still functioning to some extent.

Our Strategy and Competitive Strengths

Growth Objectives

Goal 13 is our long-term strategy for sustained growth through 2013. Goal 13 includes the following annual objectives for the years 2011, 2012 and 2013:

Annual revenue growth*	6-8%
Annual average interest rate	6.0-6.5%
Net income attributable to FMC AG & Co. KGaA (growth in %)	High single to low double digits
Earnings per share (growth in %)	High single to low double digits
Cash flow from operations**	>10%
Capital expenditures and acquisitions**	>7%

* In constant currency.

** As a percent of revenue.

Growth Paths

We have established four paths that the Company continues to follow in order to perform successfully in a broader spectrum of the global dialysis market and to achieve our growth and profitability objectives:

Path 1: Organic Growth

For this path, we will continue to offer integrated, innovative treatment concepts such as UltraCare®, NephroCare and our recently introduced Protect, Preserve and Prolong ("P3") comprehensive PD therapy program as well as Cardioprotective Hemodialysis, which uses our Body Composition Monitor to measure patient water levels, a major factor in the cardiovascular health of dialysis patients (see "Business — Research and Development") and combine these treatments, for example, with our dialysis drugs. With these measures, we want our portfolio of services to stand out from those of our competitors. In addition, we plan to increase our growth in revenue by opening 100-120 new dialysis clinics annually over the next three years and to further increase the number of patients whose treatments are covered by private health insurance.

We also intend to continue to innovate with dialysis products. High-quality products such as our recently introduced 2008T and 4008S classic HD machines and the 5008 therapy system in addition to cost-effective manufacturing are intended to contribute significantly to the further growth of our dialysis products sector.

Path 2: Acquisitions

We intend to make attractive, targeted acquisitions broadening our network of dialysis clinics. In North America we want to expand our clinic network in particularly attractive regions. On August 2, 2011 we announced that we had executed a definitive merger agreement with Liberty Dialysis Holdings, Inc., the holding company for Liberty Dialysis and Renal Advantage. Liberty Dialysis Holdings operates approximately 260 dialysis clinics. The investment, including assumed debt, will be approximately $1.7 billion. In addition, we had previously invested approximately $294 million in Renal Advantage. The merger is subject to clearance under the Hart — Scott — Rodino Antitrust Improvements Act and other customary closing conditions, and we expect it to close in early 2012. We have also executed an agreement to acquire AAC for $385 million. AAC operates 28 freestanding out-patient vascular access centers primarily dedicated to serving vascular access needs of dialysis patients. The transaction is subject to clearance under the Hart — Scott — Rodino Antitrust Improvements Act and other customary closing conditions, and we expect it to close in the fourth quarter of 2011. We currently operate 13 vascular access centers, and we believe the acquisition will provide scale, resources and operational efficiency to our vascular access operations. No assurance can be given that any such acquisitions will be consummated. This offering is not conditioned on the consummation of any such acquisitions.

Outside North America, we intend to participate in the privatization process of healthcare systems and seek to achieve above-average growth in Eastern Europe and Asia; acquisitions will support these activities. We have entered into a long-term, 10-year exclusive distribution agreement with Japanese-based Nikkiso Co. Ltd. for distribution of hemodialysis and peritoneal dialysis products in Japan and we have acquired Nikkiso Medical Korea Co. Ltd., a wholly owned subsidiary of Nikkiso Co. Ltd. In our clinic network outside North America, we continue to focus on improving our strategic position in selected markets. In July 2010, we completed a significant expansion of our activities in the field of dialysis services in the Asia-Pacific region through the acquisition of Asia Renal Care Ltd., the second largest provider of dialysis and related services in the Asia-Pacific region (behind Fresenius Medical Care), with more than 80 clinics throughout Asia treating about 5,300 patients. In the second quarter of 2010, we acquired KNC (Kraevoy Nefrologocheskiy Centr), a private operator of dialysis clinics in Russia's Krasnodar region treating approximately 1,000 patients in five clinics, and in December 2010, we acquired Gambro AB's worldwide peritoneal dialysis (PD) business, which serves over 4,000 PD patients in more than 25 countries, expanding our activities in the home dialysis market, especially in Europe and Asia-Pacific. Effective June 30, 2011, the Company completed the acquisition of International Dialysis Centers ("IDC"), the dialysis service business of Euromedic International. IDC treats over 8,200 hemodialysis patients predominantly in Central and Eastern Europe and operates a total of 70 clinics in nine countries. Completion of the acquisition followed final regulatory approvals by the relevant antitrust authorities except Portugal, where the review by the relevant antitrust authority is still ongoing. The final purchase price for the acquisition was €529 million.

Path 3: Horizontal Expansion

We plan on opening up new growth opportunities in the dialysis market by expanding our product portfolio beyond patient care and dialysis products. To this end, beginning in 2006 we increased our activities in some areas of dialysis medication and will continue to do so in the future. Initially, we focused on drugs regulating patients' mineral and blood levels, including phosphate binders, iron and Vitamin D supplements and calcimimetics. High phosphate levels in the blood can lead to medium-term damage to patients' bones and blood vessels. In 2006, we

acquired the PhosLo® phosphate binder business of Nabi Biopharmaceuticals, and in 2008 we entered into license and distribution agreements to market and distribute intravenous iron products such as Venofer® and Ferinject® for dialysis treatment. In December 2010, we expanded those agreements by forming a new renal pharmaceutical company, Vifor Fresenius Medical Care Renal Pharma Ltd., with Galenica Ltd. (subject to final anti-trust approval in certain regions), designed to develop and distribute products to treat iron deficiency anemia and bone mineral metabolism for pre-dialysis and dialysis patients. We own 45% of the new company. See the discussion in "— Dialysis Products — Renal Pharmaceuticals" below.

Path 4: Home Therapies

Around 11% of all dialysis patients perform dialysis at home, principally PD, with the remaining 89% treated in clinics. Still, we aim to achieve a long-term leading global position in the relatively small field of home therapies, including peritoneal dialysis and home hemodialysis. To achieve this goal, we can combine our comprehensive and innovative product portfolio with our expertise in patient care. In 2007 we acquired Renal Solutions, Inc. which owns technology that can be utilized to significantly reduce water volumes used in hemodialysis, an important step in advancing home hemodialysis, and in March 2010, a subsidiary of FMCH purchased substantially all the assets of Xcorporeal, Inc. ("Xcorporeal") and National Quality Care, Inc. ("NQCI"). Xcorporeal, under license from NQCI, has completed functional prototypes of a portable artificial kidney for attended and home dialysis care and has demonstrated a feasibility prototype of a wearable artificial kidney.

We expect these strategic steps, expansion of our product portfolio horizontally through an increase of our dialysis drug activities (Path 3), further development of our home therapies (Path 4) and organic growth (Path 1), to produce average annual revenue growth of about 6% to 8% in constant currency through 2013. Between 2011 and 2013, we expect annual net income and earnings per share growth, in percent, in the high single to low double digits.

Our Competitive Strengths

We believe that we are well positioned to meet our strategic objectives. Our competitive strengths include:

Our Leading Market Position

Based on publicly reported sales and number of patients treated, we are the world's largest kidney dialysis company, operating in both the field of dialysis products and the field of dialysis services. We use the insight we gain when treating patients in developing new and improved products. We believe that our size, our activities in both dialysis care and dialysis products and our concentration in specific geographic areas allow us to operate more cost-effectively than many of our competitors.

Our Full Spectrum of Dialysis and Laboratory Services

We provide expanded and enhanced patient services, including renal pharmaceutical products and in the United States, laboratory services, to both our own clinics and those of third parties. We have developed disease state management methodologies, which involve the coordination of holistic patient care for ESRD patients and which we believe are attractive to managed care payors. We provide ESRD and chronic kidney disease management programs to about 4,000 patients. In the United States, we also operate a surgical center for the management and care of vascular access for ESRD patients, which can decrease hospitalization.

Differentiated Patient Care Programs from those of our Competitors

We believe that our UltraCare® Patient Care program offered at our North American dialysis facilities distinguishes and differentiates our patient care from that of our competitors. UltraCare® represents our commitment to deliver excellent care to patients through innovative programs, the latest technology, continuous quality improvement and a focus on superior customer service.

Our Reputation for High Standards of Patient Care and Quality Products and our Extensive Clinic Network

We believe that our reputation for providing high standards of patient care is a competitive advantage. With our large patient population, we have developed proprietary patient statistical databases which enable us to improve dialysis treatment outcomes and further improve the quality and effectiveness of dialysis products. Our extensive network of dialysis clinics enables physicians to refer their patients to conveniently located clinics.

Our Position as an Innovator in Product and Process Technology

We are committed to technological leadership in both hemodialysis and peritoneal dialysis products. Our research and development teams focus on offering patients new products and therapies in the area of dialysis and other extracorporeal therapies to improve their quality of life and increase their life expectancy. We believe that our extensive expertise in patient treatment and clinical data will further enhance our ability to develop more effective products and treatment methodologies. Our ability to manufacture dialysis products on a cost-effective and competitive basis results in large part from our process technologies. Over the past several years, we have reduced manufacturing costs per unit through development of proprietary manufacturing technologies that have streamlined and automated our production processes.

Our Complete Dialysis Product Lines with Recurring Disposable Products Revenue Streams

We offer broad and competitive hemodialysis and peritoneal dialysis product lines. These product lines enjoy broad market acceptance and enable us to serve as our customers' single source for all of their dialysis machines, systems and disposable products.

Our Worldwide Manufacturing Facilities

We operate state-of-the-art production facilities in all major regions — North America, Europe, Latin America and Asia-Pacific — to meet the demand for our dialysis products, including dialysis machines, dialyzers, and other equipment and disposables. We have invested significantly in developing proprietary processes, technologies and manufacturing equipment which we believe provides a competitive advantage in manufacturing our products. Our decentralized manufacturing structure adds to our economies of scale by reducing transportation costs.

Dialysis Care

Dialysis Services

We provide dialysis treatment and related laboratory and diagnostic services through our network of 2,838 outpatient dialysis clinics, 1,826 of which are in North America (including Mexico) and 1,012 of which are in more than 35 countries outside of North America. Our operations within North America generated 81% of our 2010 dialysis care revenue and our operations outside North America generated 19%. Our dialysis clinics are generally concentrated in areas of high population density. In 2010, we acquired a total of 168 existing clinics, opened 90 new clinics and sold or consolidated 54 clinics. The number of patients we treat at our clinics worldwide increased by about 10%, from 195,651 at December 31, 2009 to 214,648 at December 31, 2010 and to 225,909 at June 30, 2011. For 2010, dialysis services accounted for 75% of our total revenue.

With our large patient population, we have developed proprietary patient statistical databases which enable us to improve dialysis treatment outcomes, and further improve the quality and effectiveness of dialysis products. We believe that local physicians, hospitals and managed care plans refer their ESRD patients to our clinics for treatment due to:

- our reputation for quality patient care and treatment;
- our extensive network of dialysis clinics, which enables physicians to refer their patients to conveniently located clinics; and
- our reputation for technologically advanced products for dialysis treatment.

At our clinics, we provide hemodialysis treatments at individual stations through the use of dialysis machines and disposable products. A nurse attaches the necessary tubing to the patient and the dialysis machine and monitors the dialysis equipment and the patient's vital signs. The capacity of a clinic is a function of the number of stations and such factors as type of treatment, patient requirements, length of time per treatment, and local operating practices and ordinances regulating hours of operation.

Each of our dialysis clinics is under the general supervision of a physician medical director. (See "Patients, Physician and Other Relationships.") Each dialysis clinic also has an administrator or clinical manager who supervises the day-to-day operations of the facility and the staff. The staff typically consists of registered nurses and licensed practical nurses. Our North America clinics also employ patient care technicians, a social worker, a registered dietician, a unit clerk and biomedical technicians, while in some countries within our International segment, the staff also includes technicians, social workers and dieticians.

As part of the dialysis therapy, we provide a variety of services to ESRD patients at our dialysis clinics in the U.S.. These services include administering EPO, a synthetic engineered hormone that stimulates the production of

red blood cells. EPO is used to treat anemia, a medical complication that ESRD patients frequently experience. We administer EPO to most of our patients in the U.S. Revenues from EPO accounted for approximately 19% of our total dialysis care revenue in our North America segment for the year ended December 31, 2010. We receive a substantial majority of this revenue as reimbursements through the Medicare and Medicaid programs. Amgen Inc. is the sole manufacturer of EPO in U.S. and any interruption of supply could materially adversely affect our business, financial condition and results of operations. Our current contract with Amgen covers the period from October 2006 to December 2011. As of January 1, 2011, Medicare no longer separately pays for EPO, which is now included in the PPS bundled rate. See "— Regulatory and Legal Matters — Reimbursement — U.S. — Erythropoietin stimulating agents" and "— ESRD PPS."

Our clinics also offer services for home dialysis patients, the majority of whom receive peritoneal dialysis treatment. For those patients, we provide materials, training and patient support services, including clinical monitoring, follow-up assistance and arranging for delivery of the supplies to the patient's residence. (See "— Regulatory and Legal Matters — Reimbursement — U.S." for a discussion of billing for these products and services.)

We also provide dialysis services under contract to hospitals in the U.S. on an "as needed" basis for hospitalized ESRD patients and for patients suffering from acute kidney failure. Acute kidney failure can result from trauma or similar causes, and requires dialysis until the patient's kidneys recover their normal function. We service these patients either at their bedside, using portable dialysis equipment, or at the hospital's dialysis site. Contracts with hospitals provide for payment at negotiated rates that are generally higher than the Medicare reimbursement rates for chronic in-clinic outpatient treatments.

We employ a centralized approach with respect to certain administrative functions common to our operations. For example, each dialysis clinic uses our proprietary manuals containing our standardized operating and billing procedures. We believe that centralizing and standardizing these functions enhance our ability to perform services on a cost-effective basis.

The manner in which each clinic conducts its business depends, in large part, upon applicable laws, rules and regulations of the jurisdiction in which the clinic is located, as well as our clinical policies. However, a patient's attending physician, who may be the clinic's medical director or an unaffiliated physician with staff privileges at the clinic, has medical discretion to prescribe the particular treatment modality and medications for that patient. Similarly, the attending physician has discretion in prescribing particular medical products, although the clinic typically purchases equipment, regardless of brand, in consultation with its medical director.

In the more than 35 countries outside North America in which we currently operate or manage dialysis clinics we face legal and regulatory environments and economic conditions that can vary significantly from country to country. These individual environments can affect all aspects of providing dialysis services including our legal status, the extent to which we can provide dialysis services, the way we have to organize these services and the system under which we are reimbursed. (See "— Regulatory and Legal Matters — Reimbursement — International (Including Germany and Other Non-U.S.)" for further discussion of reimbursement.) Our approach to managing this complexity utilizes local management to ensure the strict adherence to the individual country rules and regulations and international functional departments supporting country management with processes and guidelines enabling the delivery of the highest possible quality level of dialysis treatment. We believe that with this bi-dimensional organization we will be able to provide superior care to dialysis patients under the varying local frameworks leading to improved patient well-being and to lower social cost.

Fresenius UltraCare® Program

The UltraCare® program of our North America dialysis services group represents our commitment to deliver excellent care to patients through innovative programs, state-of-the art technology, continuous quality improvement and a focus on superior patient service. It combines our latest product technology with our highly trained and skilled staff to offer our patients what we believe is a superior level of care. The basis for this form of treatment is the Optiflux® polysulfone single-use dialyzer. Optiflux® single use dialyzers are combined with our 2008™ Hemodialysis Delivery System series, which has advanced online patient monitoring and Ultra Pure Dialysate, all of which we feel improve mortality rates and increase the quality of patient care. UltraCare® program also utilizes several systems to allow the tailoring of treatment to meet individual patient needs. Among the other capabilities of this system, staff will be alerted if toxin clearance is less than the target prescribed for the patient, and treatment can be adjusted accordingly. The Ultracare® program also includes an annual training program for staff recertification. In 2008 we launched UltraCare *at Home* ™ which emphasizes patient-centered care: offering the full range of treatment modalities coupled with superior customer service for patients desiring care in the home setting.

Laboratory Services

We provide laboratory testing and marketing services in the U.S. through Spectra Laboratories ("Spectra"). Spectra provides blood, urine and other bodily fluid testing services to determine the appropriate individual dialysis therapy for a patient and to assist physicians in determining whether a dialysis patient's therapy regimen, diet and medicines remain optimal. Spectra, the leading renal clinical laboratory provider in North America, provides testing for dialysis related treatments in its two operating laboratories located in New Jersey and Northern California. During the year ended December 31, 2010, Spectra performed more than 60 million tests for approximately 171,000 dialysis patients in over 2,500 clinics across the U.S., including clinics that we own or operate. Since January 1, 2011, for Medicare patients, payments for clinical laboratory tests are included in the expanded payment bundle and are no longer separately reimbursed.

Acquisitions and Investments

A significant factor in the growth in our revenue and operating earnings in prior years has been our ability to acquire health care businesses, particularly dialysis clinics, on reasonable terms. Worldwide, physicians own many dialysis clinics that are potential acquisition candidates for us. In the U.S., doctors might decide to sell their clinics to obtain relief from day-to-day administrative responsibilities and changing governmental regulations, to focus on patient care and to realize a return on their investment. Outside of the U.S., doctors might determine to sell to us and/or enter into joint ventures or other relationships with us to achieve the same goals and to gain a partner with extensive expertise in dialysis products and services. Privatization of health care in Eastern Europe and Asia could present additional acquisition opportunities.

During the first six months of 2011 and the years ended December 31, 2010 and 2009, we had total cash spending for acquisitions and investments, including net purchases of property, plant and equipment, of $1,353 million, $1,272 million and $750 million, respectively. Capital expenditures for property, plant and equipment, net of disposals were $231 million and $218 million in the first six months of 2011 and 2010, respectively. In the first six months of 2011, capital expenditures were $104 million in the North America segment, $72 million for the International segment and $55 million at Corporate. Capital expenditures in the first six months of 2010 were $94 million in the North America segment, $69 million for the International segment and $55 million at Corporate. The majority of our capital expenditures was used for maintaining and modernizing our existing clinics, equipping new clinics, maintenance and expansion of production facilities primarily in North America and Germany and capitalization of machines provided to our customers, primarily in the International segment. We expect a similar level of investments in these areas for 2012. Approximately $100 million of our capital expenditures projected for the balance of 2011 and 2012 represent projects, mainly for the expansion of our production facilities and our clinic network, that are individually in excess of $10 million each and that have been firmly committed to by our Management Board.

Capital expenditures for property, plant and equipment, net of disposals were $507 million in 2010, $562 million in 2009 and $673 million in 2008. In 2010, capital expenditures were $286 million in the North America segment and $221 million for the International segment. Capital expenditures in 2009 were $295 million in the North America segment and $267 million for the International segment. In 2008, capital expenditures were $384 million in the North America segment and $289 for the International segment. The majority of our capital expenditures was used for maintaining existing clinics, equipping new clinics, maintenance and expansion of production facilities primarily in North America and Germany and capitalization of machines provided to our customers, primarily in the International segment.

We invested approximately $1,122 million cash in the six-month period ended June 30, 2011, primarily for the acquisition of IDC, loans provided to Renal Advantage Partners LLC and investments in majority owned joint ventures. For additional information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Investing." In 2010, we invested approximately $764 million cash, primarily for acquisitions of dialysis clinics, the formation of a new renal pharmaceutical company with Galenica, Ltd., pharmaceutical licenses, the acquisition of Gambro's peritoneal dialysis business outside the United States and a €100 million short term investment with banks. In 2009, we invested approximately $188 million cash, primarily for acquisitions of dialysis clinics and pharmaceutical licenses. We also made non-cash investments of $8 million, $158 million and $4 million for the first six months of 2011 and the years ended December 31, 2010 and 2009, respectively. We continued to enhance our presence outside the U.S. in 2010. We significantly expanded our dialysis services and home dialysis businesses in Asia-Pacific and in Europe in 2010 through acquisitions of dialysis service providers in those regions and completed our acquisition of IDC effective June 30, 2011 for €529 million. We also acquired individual or small groups of dialysis clinics in selected markets, expanded existing clinics and opened new clinics. For further discussion of our 2010 acquisitions and investments,

see "— Our Strategy and Competitive Strengths — Growth Paths — Path 2-Acquisitions" and "Path 3-Horizontal Expansion" and "Renal Pharmaceuticals" below.

Quality Assurance and Quality Management in Dialysis Care

In order to evaluate the quality of our dialysis treatments in our worldwide operations, we make use of quality parameters that are recognized by the dialysis industry, such as hemoglobin values, phosphate levels, Kt/V values (the ratio of treatment length to toxic molecule filtration), albumin levels for assessment of nutritional condition and the rate of patients dialyzed with a catheter. The number of days a patient spends hospitalized is also an important indicator of treatment quality. We also monitor the Standardized Mortality Rate ("SMR").

In our European region (includes our EU, European non-EU, Middle East and African operations), our quality management activities are primarily focused on comprehensive development and implementation of an Integrated Management System ("IMS") for quality management. Our goals in this area include not only meeting quality requirements for our dialysis clinics and environmental concerns, but also managing the quality of our dialysis care. This approach results in an IMS structure that closely reflects existing corporate processes. We are also able to use the IMS to fulfill many legal and normative regulations covering service lines. In addition, the quality management system standard offers a highly flexible structure that allows us to adapt to future regulations. The most important of these include, among others, ISO 9001:2008 requirements for quality management systems in combination with the ISO 14001:2004 standard for environmental management systems. Our IMS fulfils the ISO-Norm 9001:2008 requirements for quality management systems and links it with the ISO-Norm 14001:2004 for environmental management systems. At the same time, the IMS conforms to the medical devices requirements of ISO-Norm 13485:2003.

Our dialysis clinics' processes and documentation are continuously inspected by internal auditors and external parties. The underlying quality management system is certified and found to be in compliance with relevant regulations, requirements and company policies. We introduced our quality management system in 45 dialysis clinics in 2010. Currently, 73% of our European region clinics in 18 countries meet quality management standard ISO 9001:2008.

Additionally, in 2010 in our European region, we developed and implemented the Nephro-Care Excellence Program, which aims to optimize the benefits of our dialysis care for all stakeholders. Nephro-Care seeks to improve knowledge, performance and satisfaction for our patients, our employees, our shareholders, and the community through the employment of highly skilled and motivated staff, innovative and efficient programs, the use of cutting edge technology, and process of continuing improvement through research and optimisation.

At each of our North America dialysis clinics, a quality assurance committee is responsible for reviewing quality of care data, setting goals for quality enhancement and monitoring the progress of quality assurance initiatives. We believe that we enjoy a reputation of providing high quality care to dialysis patients. In 2009, the Company continued to develop and implement programs to assist in achieving our quality goals. Our Access Intervention Management Program detects and corrects arteriovenous access failure in hemodialysis treatment and the percentage of patients who use catheters, which is the major cause of hospitalization and morbidity.

Our principal focus of our research and development activities is the development of new products, technologies and treatment concepts to optimize treatment quality for dialysis patients. See "Business — Research and Development."

Sources of U.S. Dialysis Care Net Revenue

The following table provides information for the years ended December 31, 2010, 2009 and 2008 regarding the percentage of our U.S. dialysis treatment services net revenues from (a) the Medicare ESRD program, (b) private/alternative payors, such as commercial insurance and private funds, (c) Medicaid and other government sources and (d) hospitals.

	Year Ended December 31,		
	2010	2009	2008
Medicare ESRD program	49.4%	50.0%	53.2%
Private/alternative payors	42.3%	41.1%	37.4%
Medicaid and other government sources	3.4%	3.6%	3.8%
Hospitals	4.9%	5.3%	5.6%
Total	100.0%	100.0%	100.0%

Under the Medicare ESRD program, Medicare reimburses dialysis providers for the treatment of certain individuals who are diagnosed as having ESRD, regardless of age or financial circumstances. See "Regulatory and Legal Matters — Reimbursement."

Patient, Physician and Other Relationships

We believe that our success in establishing and maintaining dialysis clinics, both in the U.S. and in other countries, depends significantly on our ability to obtain the acceptance of and referrals from local physicians, hospitals and managed care plans. A dialysis patient generally seeks treatment at a conveniently located clinic at which the patient's nephrologist has staff privileges. In nearly all our dialysis clinics, local doctors, who specialize in the treatment of renal patients (nephrologists), act as practitioners. Our ability to provide high-quality dialysis care and to fulfill the requirements of patients and doctors depends significantly on our ability to enlist nephrologists for our dialysis clinics and receive referrals from nephrologists, hospitals and general practitioners.

Medicare ESRD program reimbursement regulations require that a medical director generally supervise treatment at a dialysis clinic. Generally, the medical director must be board certified or board eligible in internal medicine or pediatrics, have completed a board-approved training program in nephrology and have at least twelve months of experience providing care to patients undergoing dialysis. Our medical directors also generally maintain their own private practices. We have entered into written agreements with physicians who serve as medical directors in our clinics. In North America these agreements generally have an initial term between 5 to 10 years. The compensation of our medical directors and other contracted physicians is negotiated individually and depends in general on local factors such as competition, the professional qualification of the physician, their experience and their tasks as well as the size and the offered services of the clinic. The total annual compensation of the medical directors and the other contracted physicians is stipulated at least one year in advance and the medical directors agree to seek to continue to improve efficiency and quality. We believe that the compensation of our medical directors is in line with the market.

Almost all contracts we enter into with our medical directors in the United States as well as the typical contracts which we obtain when acquiring existing clinics, contain non-competition clauses concerning certain activities in defined areas for a defined period to time. These clauses do not enjoin the physicians from performing patient services directly at other locations/areas. As prescribed by law we do not require physicians to send patients to us or to specific clinics or to purchase or use specific medical products or ancillary services.

Competition

Dialysis Services. Our largest competitors in the North America segment are DaVita, Inc., Renal Advantage Inc. & Liberty Dialysis (which we have agreed to acquire), Dialysis Clinic Inc. and Diversified Specialty Institutes, Inc. and, in our International segment, our largest competitors are Kuratorium für Heimdialyse in Europe and Diaverum (formerly the non-U.S. dialysis services business of Gambro AB), Show-Kai and Zenjin-Kai in Asia-Pacific, and Baxter International Inc. and Diaverum in Latin America. Ownership of dialysis clinics in the U.S. consists of a large number of company-owned clinic providers, each owning 10 or fewer clinics and a small number of larger company-owned, multi-clinic providers who own the majority of U.S. clinics, of which we are the largest. Over the last decade the dialysis industry has been characterized by ongoing consolidations. Internationally, the dialysis services market is much more fragmented, with a higher degree of public ownership in many countries.

Many of our dialysis clinics are in urban areas, where there frequently are many competing clinics in proximity to our clinics. We experience direct competition from time to time from former medical directors, former employees or referring physicians who establish their own clinics. Furthermore, other healthcare providers or product manufacturers, some of which have significant operations, may decide to enter the dialysis business in the future.

Because in the U.S., government programs are the primary source of reimbursement for services to the majority of patients, competition for patients in the U.S. is based primarily on quality and accessibility of service and the ability to obtain admissions from physicians with privileges at the facilities. However, the extension of periods during which commercial insurers are primarily responsible for reimbursement and the growth of managed care have placed greater emphasis on service costs for patients insured with private insurance.

In most countries other than the U.S., we compete primarily against individual freestanding clinics and hospital-based clinics. In many of these countries, especially the developed countries, governments directly or indirectly regulate prices and the opening of new clinics. Providers compete in all countries primarily on the basis of quality and availability of service and the development and maintenance of relationships with referring physicians.

Laboratory Services. Spectra competes in the U.S. with large nationwide laboratories, dedicated dialysis laboratories and numerous local and regional laboratories, including hospital laboratories. In the laboratory

services market, companies compete on the basis of performance, including quality of laboratory testing, timeliness of reporting test results and cost-effectiveness. We believe that our services are competitive in these areas.

Dialysis Products

Based on internal estimates prepared using our MCS, publicly available market data and our data of significant competitors, we are the world's largest manufacturer and distributor of equipment and related products for hemodialysis and the second largest manufacturer and distributor of peritoneal dialysis products, measured by publicly reported revenues. We sell our dialysis products directly and through distributors in over 120 countries. Most of our customers are dialysis clinics. For the year 2010, dialysis products accounted for 25% of our total revenue.

We produce a wide range of machines and disposables for hemodialysis ("HD"), peritoneal ("PD") and acute dialysis:

- HD machines and PD cyclers
- Dialyzers, our largest product group
- PD solutions in flexible bags
- HD concentrates, solutions and granulates
- Bloodlines
- Systems for water treatment

Our product business also includes adsorbers, which are specialized filters used in other extracorporeal therapies. In addition we sell products from other producers, including specific instruments for vascular access as well as other supplies, such as bandages, clamps and injections. We also include our PhosLo® and Venofer® products, and other renal pharmaceutical products business as part of our dialysis product revenues.

The markets in which we sell our dialysis products are highly competitive. The three largest manufacturers of dialysis products accounted for approximately 66% of the worldwide market in 2010. As the market leader in this segment, we had approximately a 33% market share. We estimate that in 2010, we supplied approximately 44% of global dialyzer production and approximately 56% of all HD machines sold worldwide. In 2010, our market share for PD products sold worldwide was 18%. Our acquisition of Gambro's PD business closed in December 2010; as a result, our market share for PD products increased to 21%.

Overview

The following table shows the breakdown of our dialysis product revenues into sales of hemodialysis products, peritoneal dialysis products and other dialysis products.

	Year Ended December 31,					
	2010		2009		2008	
	Total Product Revenues	% of Total	Total Product Revenues	% of Total	Total Product Revenues	% of Total
	(In millions)					
Hemodialysis Products	$2,348	79	$2,263	78	$2,292	80
Peritoneal Dialysis Products	329	11	320	11	346	12
Other	306	10	314	11	237	8
Total	$2,983	100	$2,897	100	$2,875	100

Hemodialysis Products

We offer a comprehensive hemodialysis product line, including HD machines, modular components for dialysis machines, polysulfone dialyzers, bloodlines, HD solutions and concentrates, needles, connectors, machines for water treatment, data administration systems and dialysis chairs. We also include our PhosLo® and Venofer® iron products, and other renal drug products as part of our dialysis product revenues. We continually strive to expand and improve the capabilities of our hemodialysis systems to offer an advanced treatment mode at reasonable cost.

Dialysis Machines. We sell our 4008 and 5008 Series HD dialysis machines in our International segment. In North America, we sell our 2008® Series machines, modeled on the 4008 Series. The 4008/2008 series is the most

widely sold machine for hemodialysis treatment. In our International segment in 2009, we introduced our 4008S classic machine which is a basic dialysis machine for performing conventional HD treatments with limited therapy options for budget-focused customers. Following the successful launch of the 5008 series in 2005, we concentrated on the continued improvement of the reliable operation of our model 5008 dialysis machine in clinical use and under increasingly varied conditions in international applications during 2010. These efforts for improvement have taken into account considerable feedback from our own dialysis clinics as well as from other customers while focusing on therapeutic, technical, and economic aspects of the machine. The 5008 series is intended to gradually replace most of the 4008 series in the coming years. The successor 5008 contains a number of newly developed technical components for revised and improved dialysis processes and is offering the most efficient therapy modality, Online-Hemodiafilitration, as a standard feature. Significant advances in the field of electronics enables highly complex treatment procedures to be controlled and monitored safely and clearly through dedicated interfaces.

Our dialysis machines offer the following features and advantages:

- Volumetric dialysate balancing and ultrafiltration control system. This system, which we introduced in 1977, provides for safe and more efficient use of highly permeable dialyzers, permitting efficient dialysis with controlled rates of fluid removal;
- Proven hydraulic systems, providing reliable operation and servicing flexibility;
- Compatibility with all manufacturers' dialyzers and a variety of bloodlines and dialysis solutions, permitting maximum flexibility in both treatment and disposable products usage;
- Modular design, which permits us to offer dialysis clinics a broad range of options to meet specific patient or regional treatment requirements and specialized modules that provide monitoring and response capability for selected biophysical patient parameters, such as body temperature and relative blood volume. Modular design also allows upgrading through module substitution without replacing the entire machine;
- Sophisticated microprocessor controls, touchscreen interfaces, displays and/or readout panels that are adaptable to local language requirements;
- Battery backup, which continues operation of the blood circuit and all protective systems up to 20 minutes following a power failure;
- Online clearance, measurement of dialyzer clearance for quality assurance with On-Line Clearance Monitoring, providing immediate effective clearance information, real time treatment outcome monitoring, and therapy adjustment during dialysis without requiring invasive procedures or blood samples;
- In the series 5008 and 4008H, the most efficient therapy mode Online-Hemodiafilitration as standard;
- Online data collection capabilities and computer interfacing with our TDMS and/or FDS08 systems. Our systems enable us to:
  - — monitor and assess prescribed therapy;
  - — connect a large number of hemodialysis machines and peripheral devices, such as patient scales, blood chemistry analyzers and blood pressure monitors, to a computer network;
  - — enter nursing records automatically at bedside;
  - — adapt to new data processing devices and trends;
  - — perform home hemodialysis with remote monitoring by a staff caregiver; and
  - — record and analyze trends in medical outcome factors in hemodialysis patients.

Dialyzers. We manufacture our F-Series and FX premium series of dialyzers using hollow fiber Fresenius Polysulfone® and Helixone membranes from synthetic materials, including our Optiflux® polysulfone single-use dialyzer. We estimate that we are the leading worldwide producer of polysulfone dialyzers. We believe that polysulfone offers the following superior performance characteristics compared to other materials used in dialyzers:

- higher biological compatibility, resulting in reduced incidence of adverse reactions to the fibers;
- greater capacity to clear uremic toxins from patient blood during dialysis, permitting more thorough, more rapid dialysis, resulting in shorter treatment time; and

- a complete range of permeability or membrane pore size, which permits dialysis at prescribed rates — high flux and low flux, as well as ultra flux for acute dialysis and allows tailoring of dialysis therapy to individual patients.

Other Hemodialysis Products

We manufacture and distribute arterial, venous, single needle and pediatric bloodlines. We produce both liquid and dry dialysate concentrates. Liquid dialysate concentrate is mixed with purified water by the hemodialysis machine to produce dialysis solution, which removes the toxins and excess water from the patient's blood during dialysis. Dry concentrate, developed more recently, is less labor-intensive to use, requires less storage space and may be less prone to bacterial growth than liquid solutions. We also produce dialysis solutions in bags, including solutions for priming and rinsing hemodialysis bloodlines, as well as connection systems for central concentrate supplies and devices for mixing dialysis solutions and supplying them to hemodialysis machines. Other products include solutions for disinfecting and decalcifying hemodialysis machines, fistula needles, hemodialysis catheters, and products for acute renal treatment.

Peritoneal Dialysis Products

We offer a full line of peritoneal dialysis systems and solutions which include both continuous ambulatory peritoneal dialysis ("CAPD") and continuous cycling peritoneal dialysis ("CCPD") also called automated peritoneal dialysis ("APD"). In 2008, we introduced our Body Composition Monitor for home dialysis, which determines a patient's body composition (water, body mass and fat) which assesses a patient's hydration state to assist in determining the patient's therapy. See "Business — Research and Development."

CAPD Therapy: We manufacture both systems and solutions for CAPD therapy. Our product range offers the following advantages for patients including:

- *Fewer possibilities for touch contamination.* Our unique PIN and DISC technology was designed to reduce the number of steps in the fluid exchange process and by doing so has lessened the risk of infection, particularly in the disconnection step in which the patient connector is closed automatically without the need for manual intervention.

- *Optimal biocompatibility.* Our PD balance and bicaVera® solutions are pH neutral and have very low glucose degradation products providing greater protection for the peritoneal membrane and allowing for the protection of the residual renal function of the PD patients.

- *Environmentally friendly material:* Our stay•safe® system is made of Biofine®, a material, developed by Fresenius, which upon combustion is reduced to carbon dioxide and water and does not contain any plasticizers.

APD Therapy: We have been at the forefront of the development of automated peritoneal dialysis machines since 1980. APD therapy differs from that of CAPD in that fluid is infused into the patient's peritoneal cavity while they sleep. The effectiveness of the therapy is dependant on the dwell time, the composition of the solution used, the volume of solution and the time of the treatment, usually 8-10 hours. APD offers a number of benefits to patients:

- *Improved quality of life.* The patient is treated at night and can lead a more normal life during the day without fluid exchange every few hours.

- *Improved adequacy of dialysis.* By adjusting the parameters of treatment it is possible to provide more dialysis to the patient compared to conventional CAPD therapy. This therapy offers important options to physicians such as improving the delivered dose of dialysis for certain patients.

Our automated peritoneal dialysis equipment incorporates microprocessor technology. This offers physicians the opportunity to program specific prescriptions for individual patients. Our APD equipment product line includes:

- *sleep•safe:* The sleep•safe machine has been used since 1999. It has automated connection technology thus further reducing the risk on touch contamination. Another key safety feature is the barcode recognition system for the types of solution bags used. This improves compliance and ensures that the prescribed dosage is administered to the patient. There is also a pediatric option for the treatment of infants. The sleep•safe machine allows for innovative and simple ways of individualizing APD prescriptions to achieve better treatment results. One of these is Adapted APD therapy in which, by using the same treatment volume and total treatment time but changing the profile of the cycles, better clearance and ultrafiltration are achieved.

- *North American cycler portfolio:* This includes: (a) the new Liberty® cycler introduced in 2008 incorporating many new operational and safety features with an innovative piston driven pumping cassette design, (b) the Freedom® and 90/2® cyclers for pediatric and acute markets, (c) the Freedom® Cycler PD+ with IQ card™ and (d) the Newton IQ® Cycler. The credit card-sized IQcard™ can provide actual treatment details and results for compliance monitoring to the physician and, when used with the Newton IQ® Cycler, can upload the patient's prescription into the machine. The Newton IQ® Cycler also pumps waste dialysate directly into a receptacle.

- *Patient Management Software:* We have developed specific patient management software tools to support both CAPD and APD therapies in the different regions of the world. These include: PatientOnLine, Pack-PD® and Finesse®. These tools can be used by physicians and nurses to design and monitor treatment protocols thus ensuring that therapy is optimized and that patient care is maximized.

In December 2010, we acquired the global PD business of Gambro AB, which serves over 4,000 patients in more than 25 countries (although acquisition of the Serbian business is subject to final approval by antitrust authorities). This acquisition expands our activities in the area of home dialysis particularly in the European and Asia-Pacific regions.

Renal Pharmaceuticals

We acquired the rights to PhosLo® from Nabi Pharmaceuticals in November 2006. During 2007, we applied for approval of PhosLo® in selected European countries and of OsvaRen, another phosphate binder that supports bone health, in most EU member states. In October 2008, a competitor's generic phosphate binder that competes with PhosLo® was introduced in the U.S. market. See "Management Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations — Year Ended December 31, 2009 Compared to Year Ended December 31, 2008." In October 2009, we launched a competing authorized generic version of the PhosLo® existing gelcap formulation in the U.S. In July 2009, a new drug application for Phoslyra™, the liquid formulation of PhosLo® was submitted to the FDA.

In July 2008, we entered into two separate and independent license and distribution agreements, one for the U.S. (with Galenica Ltd. and Luitpold Pharmaceuticals Inc.) and one for certain countries in Europe and the Middle East (with Galenica AG and Vifor (International) AG), to market and distribute intravenous iron products, such as Venofer® (iron sucrose) and Ferinject® (ferric carboxymaltose). Both drugs are used to treat iron deficiency anemia experienced by dialysis patients. Venofer® is the leading intravenous iron product worldwide. The agreement concerns all commercialization activities for these intravenous iron products in the field of dialysis and became effective on January 1, 2009. In North America, a separate license agreement effective November 1, 2008 provides our subsidiary FUSA Manufacturing Inc. ("FMI") with exclusive rights to manufacture and distribute Venofer® to freestanding (non-hospital based) U.S. dialysis facilities and, in addition, grants FMI similar rights for certain new formulations of the drug. The U.S. license agreement has a term of ten years and includes FMI extension options. The international agreement has a term of 20 years.

In December 2010, we announced the extension of our agreements by forming a new renal pharmaceutical company, Vifor-Fresenius Medical Care Renal Pharma Ltd., with Galenica (subject to final antitrust approval in certain regions), to develop and distribute products to treat iron deficiency anemia and bone mineral metabolism for pre-dialysis and dialysis patients. Galenica will contribute licenses (or the commercial benefit in the U.S.) to the new company for its Venofer® and Ferinject® products for use in the dialysis and pre-dialysis market (Chronic Kidney Disease ("CKD") stages III to V). Commercialization of both of these products outside the field of CKD stages III to V will remain fully the responsibility of Galenica and its existing key partners. Galenica will also contribute to the new company exclusive worldwide rights for PA21, a novel iron-based phosphate binder currently in preparation for phase III clinical studies, but will maintain a recently announced agreement to develop and market this product in Japan through another partner. Fresenius Medical Care owns 45% of the new company which is headquartered in Switzerland.

We estimate that the worldwide market for dialysis drugs used to treat CKD (currently vitamin D, iron, potassium binders and phosphate binders) in 2010 was more than $2.7 billion. As part of our horizontal expansion growth path, we intend to continue to integrate the use of dialysis drugs with our existing product technology, dialysis treatment and laboratory services.

Customers, Marketing, Distribution and Service

We sell most of our products to clinics, hospitals and specialized treatment clinics. With our comprehensive product line and years of experience in dialysis, we believe that we have been able to establish and maintain very close

relationships with our clinic customer base on a global basis. Close interaction between our Sales & Marketing and R&D personnel enables us to integrate concepts and ideas that originate in the field into product development. We maintain a direct sales force of trained salespersons engaged in the sale of both hemodialysis and peritoneal dialysis products. Sales & Marketing engages in direct promotional efforts, including visits to physicians, clinical specialists, hospitals, clinics and dialysis clinics, and represents us at industry trade shows. We also sponsor medical conferences and scientific symposia as a means for disseminating scientific or technical information. Our clinical nurses provide clinical support, training and assistance to customers and assist our sales force. We also use outside distributors to provide sales coverage in countries that our internal sales force does not service.

In our basic distribution system, we ship products from factories to central warehouses which are frequently located near the factories. From these central warehouses, we distribute our dialysis products to regional warehouses. We distribute peritoneal dialysis products to the patient at home, and ship hemodialysis products directly to dialysis clinics and other customers. Local sales forces, independent distributors, dealers and sales agents sell all our products. In the U.S., products are sold at the customer's request.

In 2009, we consolidated our German warehouses in Gernsheim and Darmstadt into the new central distribution center in Biebesheim and all warehouse activities and business have been transferred, resulting in one distribution center servicing customers in approximately 140 countries worldwide. Through this consolidation, we have been able to increase service level, quality and responsiveness to customer demands and decrease stock levels and lower costs.

We offer customer service, training and education in the applicable local language, and technical support such as field service, repair shops, maintenance, and warranty regulation for each country in which we sell dialysis products. We provide training sessions on our equipment at our facilities in Schweinfurt, Germany, Waukegan, Illinois, Coppell, Texas and Manila, Philippines and we also maintain regional service centers that are responsible for day-to-day international service support.

Manufacturing Operations

We operate state-of-the-art production facilities worldwide to meet the demand for machines, cyclers, dialyzers, solutions, concentrates, mixes, bloodlines, and disposable tubing assemblies and equipment for water treatment in dialysis clinics. We have invested significantly in developing proprietary processes, technologies and manufacturing equipment which we believe provide a competitive advantage in manufacturing our products. Our strategically located production and distribution centers help to reduce transport costs. We are using our facilities in St. Wendel, Germany and Ogden, Utah as centers of competence for development and manufacturing. For example, in St. Wendel we developed in-house an automatic bundling machine for processing polysulfone fibers. The machine automatically carries out all steps required to convert hollow fibers for dialyzer production and to create bundles with a fixed number of fibers — the core of the dialyzer. We integrated the first automatic bundling machine into production in 2008 and as of the end of 2010, we had four spinning lines equipped with bundling machines.

We produce and assemble hemodialysis machines and CCPD cyclers in our Schweinfurt, Germany and our Walnut Creek, California facilities. We also maintain facilities at our service and local distribution centers in Argentina, Egypt, France, Italy, The Netherlands, China, Brazil and Russia for testing and calibrating dialysis machines manufactured or assembled elsewhere, to meet local end user market needs. We manufacture and assemble dialyzers and polysulfone membranes in our St. Wendel, Germany, L'Arbresle, France, Vrsac, Serbia and Inukai and Buzen, Japan facilities and at production facilities of our joint ventures in Belarus, Saudi Arabia and Japan. At our Ogden, Utah facilities, we manufacture and assemble dialyzers and polysulfone membranes and manufacture PD solutions. We manufacture hemodialysis concentrate at various facilities worldwide, including Italy, Great Britain, Spain, Turkey, Serbia, Morocco, Argentina, Brazil, Columbia, Australia, Germany, Canada, Mexico and the U.S. Our PD products are manufactured in North America, Europe, Latin America, and Asia, with two of our largest plants for production of PD products in Germany and the U.S. Our plant in Reynosa, Mexico is the world's largest (by volume) bloodline manufacturing facility. In 2009, our facility in Jiangsu, China, which produces bloodlines, received approval from health authorities to produce peritoneal dialysis solutions, and we are in a position to start the second and final phase of the process for obtaining pharmaceutical and medical product approval. We are also pursuing the approval process for manufacture of hemodialysis concentrate and dialyzers in Jiangsu. Our facilities are inspected on a regular basis by national and/or international authorities.

To meet the ever-growing demand for dialyzers from Fresenius Medical Care, we put into operation in May 2008 a €38 million expansion of our production capacity for FX-class premium dialyzers in Germany. With this expansion, our installed dialyzer capacity has increased by almost 50% from 25 million to 37 million F- and FX-class dialyzers. We have also expanded our dialyzer production capacities in the U.S. (Ogden, Utah), from 35 million to 37 million, and a new assembly line presently scheduled to commence production by the end of 2011

will further increase capacity to approximately 46 million dialyzers. In the coming years, our Ogden site will implement two additional production lines for polysulfone fiber bundles.

Due to strong demand for our dialysis machines, we have kept our production of these machines for the U.S. market on an increased level since 2008. In 2010, production of series 5008 machines for our International segment rose by 11.8% compared to 2009, due to new sales of the series 5008 machines as well as replacement sales for the series 4008 machine. Total machine production quantities in 2010 rose by approximately 11% over 2009.

We operate a comprehensive quality management system in our production facilities. Raw materials delivered for the production of solutions are subjected to infra-red and ultra-violet testing as well as physical and chemical analysis to ensure their quality and consistency. During the production cycle, sampling and testing take place in accordance with applicable quality control measures to assure sterility, safety and effectiveness of the finished products. The pressure, temperature and time required for the various processes are monitored to ensure consistency of unfinished products during the production process. Through monitoring of environmental conditions, particle and bacterial content are kept below permitted limits. We provide regular ongoing training for our employees in the areas of quality control and proper production practice. In North America, we are gearing our manufacturing processes to the "Lean Six Sigma" management system which is also utilized in our Schweinfurt facility. The focus of Lean Six Sigma is to achieve a very low error rate which would result in better quality production results while shortening the time it takes to manufacture our products. IMS fulfills ISO 9001:2000 requirements for quality control systems in combination with the ISO norm 14001:2004 for environmental control systems. At the same time, IMS conforms to the requirements for medical devices of ISO norm 13485:2003. We have implemented our IMS in all our European production sites. (see also "— Regulatory and Legal Matters — Facilities and Operational Regulations".) At our production facilities in North America, we received a total of five comprehensive FDA facility inspections during 2010. Three of these were concluded without any citations, while two required remedial activities to address issues identified in the FDA's Observation Report. Additionally, all of our production facilities have undergone annual ISO 13485:2003 Quality Systems inspections, maintaining all certifications, with no major non-conformances to the standard being noted.

Environmental Management

We have integrated environmental protection targets into our operations. To reach these goals, our IMS has been in use at our production facilities as well as at a number of dialysis clinics. IMS fulfills the requirements of quality management systems as well as environmental management. Environmental goals are set, adhered to and monitored during all stages of the lives of our products, from their development to their disposal.

We continually seek to improve our production processes for environmental compatibility, which frequently generates cost savings. Our European region production plants, dialysis clinics and research and development participate in the Corporate Environment Program, the purpose of which is to improve environmental awareness and ecological efficiency, comply with new environmental regulations and expand the number of units certified under the environmental management standard ISO 14001:2004.

In 2010, we continued the efficiency initiative "Energy squeeze" in our main European production plants. The target is to save 5% of energy consumption annually. In 2010, the implementation of the environmental management system was successfully completed in the production plants in Ober-Erlenbach, Germany and Vrsac, Serbia. Both plants have been audited externally and achieved the environmental certification in accordance with ISO 14001:2004.

In our dialysis facilities, we establish, depending on the facility and situation concerned, a priority environmental protection target on which our dialysis clinics concentrate for at least one year. Environmental performance in other dialysis facilities is used as the basis for comparisons and targets. Improvements are implemented on a site-by-site basis after evaluation of the site's performance. We introduced our environmental management system in 55 dialysis clinics in 2010 and increased the proportion of our European region dialysis clinics that meet environmental management standard ISO 14001:2004 to 52%. We continued to roll out the integrated software solution e-con 5 for the management of eco-controlling data in over 300 clinics. This software is intended to reduce the working time effort while increasing the eco-controlling data quality and possibilities for data analysis at the place of origin.

In our North America dialysis clinics, we have been able to reduce fresh water consumption by one third by means of a new system of production of purified water and to reduce electricity consumption, and have implemented recycling programs for corrugated materials and hemodialysis machines. Use of heat exchangers enables us to obtain residual heat from water used for industrial purposes, which we use to heat fresh water used for dialysis treatment. Our clinics in North America commenced a reusable sharp containers program in 2009. Targeted environmental performance criteria in other locations include fresh water consumption and improved separation of waste.

Sources of Supply

Our purchasing policy combines worldwide sourcing of high-quality materials with the establishment of long-term relationships with our suppliers. Additionally, we carefully assess the reliability of all materials purchased to ensure that they comply with the rigorous quality and safety standards required for our dialysis products and we outsource only if we believe that a supplier can exceed our own quality standards. An interactive information system links all our global projects to ensure that they are standardized and constantly monitored.

We focus on further optimizing procurement logistics and reducing purchasing costs. Supplemental raw material contracts for all manufacturers of semi-finished goods will enable us to improve purchasing terms for our complete network. We also plan to intensify, where appropriate, our use of internet-based procurement tools by purchasing raw materials through special on-line auctions. Our sophisticated routing software enables us to distribute our supplies to best accommodate customer requests while maintaining operational efficiency.

New Product Introductions

The field of dialysis products is mainly characterized by constant development and refinement of existing product groups and less by break-through innovations. In 2010, we introduced the 2008T HD machine featuring Fresenius Clinical Data Exchange software for the U.S. market, which we launched in November. The 2008T is the first approved HD machine in the U.S. market with an integrated software platform for entering and managing clinical treatment data directly at the treatment couch. It is designed to assist physicians and clinic staff in efficiently and promptly recording the data required by the authorities for billing services pursuant to the new ESRD PPS requirements. In addition, we continued research to further improve treatment quality both in the clinical and home environment and are continuing to research ways to reduce water consumption per treatment.

Patents and Licenses

As the owner of patents or licensee under patents throughout the world, we currently hold rights in about 3,600 patents and patent applications in major markets. Patented technologies that relate to dialyzers include our generation of DiaSafe*plus*® filters and FX® dialyzers which are the subject of patents and pending patent applications.

The connector-container system for our biBag bicarbonate concentrate powder container for the 4008 dialysis equipment series has been patented in the United States, Norway, Japan and Europe. The German part of the European patent has been the subject of invalidity proceedings. A final court decision in 2009 confirmed the validity of the patent. For information regarding patent infringement claims made against us, see "— Legal Proceedings" in this prospectus/offering memorandum.

A number of patents and pending patent applications relate to components of the more recent 5008 dialysis equipment series, including, for example, the pump technology, extracorporeal blood pressure measurement and connector system for a modified biBag bicarbonate concentrate container. A number of new applications are pending for the newly introduced North American 2008T HD machine including, for example, the CDX system for the display of medical information directly on the 2008T screen, a new wireless wet detector for sensing line disconnect and a U. S. version of the biBag filling system. Patents have been issued and patent applications are also pending relating to our new Liberty® peritoneal dialysis cycler which has a number of innovative attributes such as its multi-channel disposable cassette, dual piston pump and pneumatically locking door. Finally, a large number of new patent applications have been filed related to our new table top portable HD machine and wearable kidney devices in development.

In 2007 we acquired Renal Solutions Inc. and its substantial portfolio of patents and applications for renal sorbent technology. Many of the patents and applications represent new technology that the Company hopes to utilize in future products. We recently filed several new patent applications for improved sorbent designs/formulations developed since the acquisition as well as for future dialysis devices that utilize the acquired technology.

One of our more significant patents, the in-line sterilization method patent, expired in 2010 in the United States and in Germany and other European countries. The patent for the 4008 biBag connector expires in 2013 in Germany, the United States, and other countries. The dates given represent the maximum patent life of the corresponding patents. We believe that even after expiration of patents, our proprietary know how for the manufacture of our products and our continuous efforts in obtaining targeted patent protection for newly developed upgrade products will continue to constitute a competitive advantage.

For peritoneal dialysis, we holds protective rights for our polyolefine film, Biofine®, which is suitable for packaging intravenous and peritoneal dialysis fluids. Patents have been granted in Australia, Brazil, Canada,

Germany, Europe, South Korea, and the United States. A Japanese patent was revoked as a result of opposition proceedings. A further patent family describes and claims a special film for a peelable, non-PVC, multi chamber bag for peritoneal dialysis solutions. These patents have been granted in Brazil, Europe, Germany, Japan, South Korea and the United States. However, proceedings against the registration of this patent in Europe are currently pending.

We believe that our success will continue to depend significantly on our technology. As a standard practice, we obtain the legal protections we believe are appropriate for our intellectual property. Nevertheless, we are in a position to successfully market a material number of products for which patent protection has lapsed or where only particular features have been patented. From time to time our patents may be infringed by third parties and in such case we will assert our rights. Initially registered patents may also be subject to invalidation claims made by competitors in formal proceedings (oppositions, trials, re-examinations, etc.) either in part or in whole. In addition, technological developments could suddenly and unexpectedly reduce the value of some of our existing intellectual property.

Research and Development

As a leading global dialysis company, we focus our R&D strategy on three essential objectives: first, to continuously enhance the quality of life of patients with chronic kidney disease using innovative products and treatment concepts; second, to offer our customers high-quality services while keeping our prices as low as possible; and third, to continue to expand our position as the dialysis market leader. Due to our vertical integration, our research and development department can apply our experience as the world's largest provider of dialysis treatments to product development, and our technical department benefits from our daily practical experience as a provider of dialysis treatment and being directly in-touch with doctors, nurses and patients to keep track of and meet customer and patient needs. In addition, our research and development units are usually located at production sites, enabling direct exchange of ideas with our production staff. We conduct annual internal R&D conferences which our employees attend every year. In addition, our employees visit research events worldwide and participate actively in scientific discourse. This not only enables them to inject new concepts into their work, but also strengthens our reputation in the international professional community. We also maintain close contacts with universities and research institutions. We are cooperating closely with the University of Michigan (on a longitudinal study of chronic kidney patients), Danube University Krems in Krems, Austria (on extracorporeal methods), and the Renal Research Institute ("RRI") in the United States. RRI was founded in 1997 as a joint venture between Fresenius Medical Care North America and the Beth Israel Medical Center, a hospital in New York. Together, we are researching the fundamental issues of dialysis treatment, including the causes that lead to kidney failure, the particular features of treating children with ESRD, and issues such as the mineralization of dialysis patients' bones or the effects of kidney diseases on the natural acid-base balance in the human body.

The task of our research and development group, which employs approximately 503 full time equivalents, is to continually develop and improve our products and treatments. Our largest research and development department is R&D International with 335 employees, most of whom work at our Schweinfurt and Bad Homburg locations. Smaller teams also work in St. Wendel and in Romania, where an R&D competency center specializing in software development has been established. In September 2010, we opened a new research lab in Krems, which specializes in sorbent technology. Apart from R&D International, we have research and development departments in the North America and the Asia-Pacific regions. All of these units are closely connected and cooperate on many projects.

Research and development expenses were $53 million in the six-month period ended June 30, 2011 and $44 million in the same period in 2010. Research and development expenditures amounted to $97 million in 2010, compared to $94 million and $80 million in 2009 and 2008, respectively. Our 2010 expenditures focused on continuously enhancing and improving our products and treatment concepts for our patients and users, on membrane development in connection with our work on a wearable artificial kidney, on dialysis patient overhydration, on software for enhanced patient safety during unattended dialysis and data management for dialysis clinics, and on an extracorporeal hepatic (liver) assist device. A discussion of each of these activities follows below.

Home Dialysis and Wearable Artificial Kidney

In HD, a dialyzer outside of the body filters the blood. Traditionally, 120 to 200 liters of water are needed for each treatment. For this reason, among others, PD is presently the home therapy of choice. However, we are researching ways of reducing water consumption per treatment, which would enable widespread use of HD as a therapy outside of dialysis clinics. In 2007, we acquired Renal Solutions, Inc. ("RSI"), which is continuing to do intensive research in the field of sorbent-based technology, helping to create a potential platform for the eventual development of a wearable artificial kidney. In 2010, we acquired medical technology company Xcorporeal, which is working on sorbent-based solutions for mobile and wearable dialysis machines for both clinical and home use.

Sorbents are substances that bind toxins in liquids so that they can be removed. These sorbents can be used to recycle dialysis solution, which absorbs toxins during HD or PD treatment that have been filtered out of the patients' blood. By cleansing and then recycling the dialysate with the help of sorbents, the amount of water typically needed during dialysis treatment can be reduced from 120 to 200 liters to approximately six to ten liters. This innovative sorbent technology is particularly important for our "wearable kidney" project, as a device of this kind must be able to function with a substantially smaller amount of liquid to be light and small enough to be worn on the body.

During 2010, we also worked on the development of "ion-rejecting" membranes. This two-layer membrane allows transport of urea while at the same time inhibiting the transport of electrolytes. Such membranes, combined with the use of sorbents to regenerate (rather than remove and replace) peritoneal dialysis solution, may provide the potential for a wearable dialysis system in a PD-based wearable artificial kidney. We have applied for a number of patents relating to our ion-rejecting membrane.

Body Composition Monitor (BCM)

We originally introduced our Body Composition Monitor in selected markets in 2008 and successfully launched in additional markets in 2009. The BCM can precisely measure the composition of the human body and its fluids (body water, fat and fat-free body mass). This provides doctors with information on the patients' general health, such as the constitution of their blood vessels, and helps them to determine to what extent a patient may be suffering from overhydration. Such information can substantially improve the treatment quality of dialysis, as heart and vascular diseases as a result of overhydration are frequent causes of death for dialysis patients. The BCM and the clinical analysis methods we developed made it possible for the first time to demonstrate conclusively that overhydration beyond a specified threshold carries a significant mortality risk for dialysis patients and that correction of this condition significantly improves a patient's survival chances. While these findings were expected in HD patients, our recent research has demonstrated that this "silent risk" of overhydration is even more prevalent in PD patients and that PD patients can also benefit immensely from professional "fluid management," a regular check of their fluid status with the treatment adjusted accordingly. Going forward, we plan to use the BCM for acute dialysis patients and also as a central monitoring element for the management of patient hydration balance as well as for management of ESA use, because overhydration tends to diminish the effectiveness of EPO and other ESAs.

Software Development

One of the most severe hazards during kidney dialysis and other extracorporeal blood purification treatments is blood loss due to technical or human error, which can occur suddenly, be dangerously high and lead to death in a short time. This risk is especially significant during dialysis performed while the patient sleeps. Because dialysis treatment while the patient sleeps is typically of longer duration, such treatment can be especially effective, but reducing the risk of blood loss during such unattended treatment is essential. "Wetness detectors" built into dialysis machines can monitor the patient's vascular access and set off an alarm if leakage is detected. During 2010, we successfully tested a software-based method of blood loss prevention — Venous Needle Disconnect, or "VND." The software uses intelligent signal analysis in the area of extracorporeal pressure to detect dangerous conditions in the bloodline system, including needle disconnects at the point of vascular access, leakage, and bent tubing. Based on a mathematical algorithm that accounts for normal disturbances and pressure deviations (such as those resulting from patient arm movement), the software detects pressure drops due to leakage or needle slip, sets off an alarm and turns off the blood pump and closes the venous clamp automatically. We have scheduled the market launch of VND for 2011. It will be integrated into the monitors in our 4008 and 5008 Series dialysis machines as part of our regular software updates for both clinical and home use. Combined with wetness detectors, VND is expected to significantly reduce blood loss risk during dialysis.

During 2010, we also continued work on the creation of an integrated data management system for dialysis clinics reflecting the entire work flow and data base of these complex clinical units, enabling staff to have fast and efficient access to all required information from any point within the system.

Hepatic Assist

During 2010, we also conducted research on treatment of hepatorenal syndrome, or HRS, a life-threatening rapid deterioration in kidney function in patients with cirrhosis or liver failure. HRS is usually fatal unless a liver transplant is performed, but donor organs are in short supply. In some cases, the liver can recover its function, and research has explored extracorporeal treatment for liver failure — i.e., taking over a damaged liver's functions in a manner comparable to renal dialysis for kidney failure. We have developed Prometheus, which removes toxins from the liver through fractionated plasma separation (apheresis) and adsorption. Although the HELIOS study of

the Prometheus device, presented in 2010, did not show any significant overall difference in survival for patients treated with Prometheus and those treated with standard therapy, among patients having the most severe liver disease and the lowest life expectancy, the group treated with Prometheus showed a probability of survival that was 36% greater than the group receiving standard treatment. This offers some encouragement inasmuch as the longer a patient survives, the greater the chance that the liver will regenerate or that a suitable organ for transplant will become available.

Outlook

We intend to continue investing in developing and improving life-sustaining products and treatment concepts in the years to come, thus improving the quality of life for as many patients as possible with financially viable, environmentally-friendly innovations based on strategic technology platforms. We plan to spend approximately $105 million and $112 million on research and development in 2011 and 2012, respectively.

Our focus of R&D in the coming years will be to develop innovations that incorporate additional treatment elements into our products or to help better align them, with the goal of improving the quality, safety and cost efficiency of treatment. In addition, we will continue to focus our software development efforts on developing integrated system solutions for clinical quality data management in order to enable a larger volume of data to be captured faster and more easily, enhance the quality of the data and thus improve treatment. In general, we will continue to look into the issue of how new scientific and technological findings can be used to further improve the quality of life of patients with chronic kidney failure, such as through innovations in home therapies. Over the long term, we are conducting research in the transferability of the blood-cleansing dialysis process to other illnesses, such as liver disease or certain autoimmune and metabolic disorders. We are also researching new approaches to treating severe kidney and liver disease through regenerative medicine, through cooperations with scientific institutes and universities that conduct research on adult liver and kidney stem cells. Finally, we want to provide people in developing countries and emerging markets with more access to higher-quality dialysis treatment and to reduce the environmental impact of our products and services.

Trademarks

Our principal trademarks are the name “Fresenius” and the “F” logo, for which we hold a perpetual, royalty-free license from Fresenius SE, our major shareholder and the sole shareholder of our general partner (see “Management — Related Party Transactions — Trademarks”).

Competition

The markets in which we sell our dialysis products are highly competitive. Our competitors in the sale of hemodialysis and peritoneal dialysis products include Gambro AB, Baxter International Inc., Asahi Kasei Kuraray Medical Co. Ltd., Bellco S.r.l., B. Braun Melsungen AG, Nipro Corporation Ltd., Nikkiso Co., Ltd., NxStage Medical, Inc., Terumo Corporation, Kawasumi Laboratories Inc., Fuso Pharmaceuticals Industries Ltd., and Toray Industries, Inc.

Risk Management

We see risk management as the ongoing task of assessing, analyzing and evaluating the spectrum of possible and actual developments and, if necessary, taking corrective measures. Our far-reaching risk management system enables management to identify and reduce risks that could threaten our going concern or growth at an early stage and minimize their impact as much as possible.

Risk management is part of our integrated management information system and is based upon group-wide controlling as well as an internal monitoring system. Regional monitoring systems form the backbone of our risk management system and watch over all inherent industry- and market-specific risks. Our management board receives status reports from the responsible risk managers twice yearly and immediate information regarding anticipated risks as the information is developed. These reports include qualitative and quantitative appraisals of the likelihood of risks that have been identified as potentially harmful to us as well as the potential extent of damage. Efficient reporting is essential for controlling and monitoring risks as well as for taking preventative measures. Management receives information on a monthly and quarterly basis about the state of the healthcare industry and our operative and non-operative business, as well as analyses of our asset, financial and earnings position.

Our risk management system is strengthened by the internal audit department. The department operates in compliance with the Institute of Internal Auditors (IIA) standards and is independent of the regions. Annual worldwide audit assignments are selected based on a risk assessment model. The audit plan is reviewed by the

Management Board and approved by the Audit and Corporate Governance Committee of the Supervisory Board. This plan includes financial audits of individual units as well as full-scope audits of all business processes of a subsidiary or business unit. Audit reports resulting from the audit plan are sent to the Management Board and our external auditor. The internal audit department also monitors the implementation of measures documented in the audit reports. The Management Board is regularly informed about the implementation status. In addition, the Audit and Corporate Governance Committee of the Supervisory Board is informed about the audit results.

Since May 2009, we have been subject to the "German Act on the Modernisation of Accounting Law" ("BilMoG"). The act contains a number of provisions intended to enhance and improve the corporate governance of companies participating in the capital markets. Management has taken BilMoG as an opportunity for additional review and, if necessary, improvement of the existing internal reporting and control processes.

As a company required to file reports under the Securities Exchange Act of 1934, we are subject to the provisions of the Sarbanes-Oxley Act of 2002 and related listing rules of the New York Stock Exchange applicable to foreign private issuers.

Regulatory and Legal Matters

Regulatory Overview

Our operations are subject to extensive governmental regulation by virtually every country in which we operate including, most notably, in the U.S., at the federal, state and local levels. Although these regulations differ from country to country, in general, non-U.S. regulations are designed to accomplish the same objectives as U.S. regulations governing the operation of dialysis clinics, laboratories and manufacturing facilities, the provision of high quality health care for patients, compliance with labor and employment laws, the maintenance of occupational, health, safety and environmental standards and the provision of accurate reporting and billing for governmental payments and/or reimbursement. In the U.S., some states establish regulatory processes that must be satisfied prior to the establishment of new dialysis clinics. Outside the U.S., each country has its own payment and reimbursement rules and procedures, and some countries prohibit ownership of healthcare providers or establish other regulatory barriers to direct ownership by foreign companies. In such jurisdictions, we may establish alternative contractual arrangements to provide services to those facilities.

Any of the following matters could have a material adverse effect on our business, financial condition and results of operations:

- failure to receive required licenses, certifications or other approvals for new facilities or products or significant delays in such receipt;
- complete or partial loss of various federal certifications, licenses, or other permits required under the laws of any state or other governmental authority by withdrawal, revocation, suspension, or termination or restrictions of such certificates and licenses by the imposition of additional requirements or conditions, or the initiation of proceedings possibly leading to such restrictions or the partial or complete loss of the required certificates, licenses or permits;
- a non-appealable finding of material violations of U.S. healthcare laws; and
- changes resulting from healthcare reform or other government actions that reduce reimbursement or reduce or eliminate coverage for particular services we provide.

We must comply with all U.S., German and other legal and regulatory requirements under which we operate, including the U.S. federal Medicare and Medicaid Fraud and Abuse Amendments of 1977, as amended, generally referred to as the "Anti-Kickback Statute", the federal False Claims Act, the federal restrictions on certain physician referrals, commonly known as the "Stark Law", U.S. federal rules under the Health Insurance Portability and Accountability Act of 1996 that protect the privacy and security of patient medical records and prohibit inducements to patients to select a particular healthcare provider, commonly known as "HIPAA", and similar state statutes and other fraud and abuse laws, as well as similar laws in other countries. ACA expanded the reach of many of these laws and expanded federal enforcement authority. Moreover, there can be no assurance that applicable laws, or the regulations thereunder, will not be amended, or that enforcement agencies or the courts will not make interpretations inconsistent with our own, any one of which could have a material adverse effect on our business, reputation, financial condition and operating results. Sanctions for violations of these statutes may include criminal or civil penalties, such as imprisonment, fines or forfeitures, denial of payments, and suspension or exclusion from the Medicare and Medicaid programs. In the U.S., some of these laws have been broadly interpreted by a number of courts, and significant government funds and personnel have been devoted to their enforcement because such enforcement has become a high priority for the federal government and some states. Our company,

and the healthcare industry in general, will continue to be subject to extensive federal, state and foreign regulation, the full scope of which cannot be predicted. In addition, the U.S. Congress and federal and state regulatory agencies continue to consider modifications to healthcare laws that may create further restrictions.

We maintain a comprehensive worldwide compliance program under the overall supervision of our general partner's Member of the Management Board responsible for, amongst others, Legal, who is also our general counsel and chief compliance officer. The program includes a compliance staff, a written code of conduct applicable worldwide, training programs, regulatory compliance policies and procedures, provisions for anonymous reporting of suspected violations of applicable laws or Company policies and periodic internal audits of our compliance procedures. Nevertheless, we operate many facilities throughout the United States and other countries in which we do business. In such a decentralized system, it is often difficult to maintain the desired level of oversight and control over the thousands of individuals employed by many affiliated companies. We rely on our management structure, regulatory and legal resources, and the effective operation of our compliance program to direct, manage and monitor the activities of these employees. If our employees, deliberately or inadvertently, were to submit inadequate or incorrect billings to any federally-funded healthcare program, or engage in impermissible conduct with physicians or other referral sources or vendors with which we do business, the actions of such persons could subject us and our subsidiaries to liability under the Anti-Kickback Statute, the Stark Statute or the False Claims Act, among other laws. See "— Legal Proceedings — Other Litigation and Potential Exposures."

Product Regulation

U.S.

In the U.S. numerous regulatory bodies, including the Food and Drug Administration ("FDA") and comparable state regulatory agencies impose requirements on certain of our subsidiaries as a manufacturer and a seller of medical products and supplies under their jurisdiction. We are required to register with the FDA as a device manufacturer. As a result, we are subject to periodic inspection by the FDA for compliance with the FDA's Quality System Regulation (21 C.F.R. Part 820) requirements and other regulations. These regulations require us to manufacture products in accordance with current Good Manufacturing Practices ("GMP") and that we comply with FDA requirements regarding the design, safety, labeling, record keeping and distribution of our products. Further, we are required to comply with various FDA and other agency requirements for labeling and promotion. The medical device reporting regulations require that we provide information to the FDA whenever there is evidence to reasonably suggest that a device may have caused or contributed to a death or serious injury. In addition, the FDA prohibits us from promoting a product for unapproved indications.

If the FDA believes that a company is not in compliance with applicable regulations, it can pursue enforcement action including, for example, issuing a warning letter such as the letter issued to the Company on September 15, 2010, in response to which the Company has since taken corrective action and is awaiting a reinspection by the FDA, and the letter issued April 6, 2011 in response to which the Company has ceased marketing and distributing specific products in the U.S. and as to which it is taking corrective action. Other FDA action may include issuing a recall order, instituting proceedings to detain or seize products, imposing operating restrictions, enjoining future violations and assessing civil penalties against a company, its officers or its employees. The agency can also recommend criminal prosecution to the Department of Justice. In addition, companies may initiate voluntary recalls. For example, on January 14, 2011, the Company announced a voluntary Class l recall of certain blood tubing sets sold in the U.S. and Canada due to reports of arterial line kinks.

In order to clinically test, produce and market certain medical products and other disposables (including hemodialysis and peritoneal dialysis equipment, dialyzers, bloodlines and other disposables) for human use, we must also satisfy mandatory procedures and safety and efficacy requirements established by the FDA or comparable foreign governmental agencies. After approval or clearance to market is given, the FDA, upon the occurrence of certain events, has the power to withdraw the approval or clearance or require changes to a device, its manufacturing process, or its labeling or may require additional proof that regulatory requirements have been met. Such rules generally require that products be approved or cleared by the FDA as safe and effective for their intended use prior to being marketed.

We cannot assure that all necessary regulatory approvals, including approvals for new products or product improvements, will be granted on a timely basis, if at all. Delays in or failure to receive approval, product recalls or warnings and other regulatory actions and penalties can materially affect operating results.

Some of our products — including our peritoneal dialysis solutions, PhosLo®, and Venofer® — are designated as drugs by the FDA and, as such, are subject to additional regulation under the Food, Drug, and Cosmetic Act of 1938, as amended. Many of these requirements are similar to those for devices. Thus, we are required to register with the FDA and are required to comply with regulatory requirements regarding drug manufacturing, labeling,

distribution, and recordkeeping. Our drug products must be manufactured in accordance with cGMP (21 C.F.R. Part 211), and we are required to provide information to the FDA whenever we become aware of a report of an adverse drug experience associated with the use of one of our drug products that is both serious and unexpected, as defined in FDA regulations. In addition, as with our medical devices, our drug products must satisfy mandatory procedures and safety and efficacy requirements before they can be marketed and the FDA prohibits us from promoting a pharmaceutical product for unapproved indications. Finally, if the FDA believes that a company is not in compliance with applicable drug regulations, it has similar enforcement authorities as those discussed above with respect to medical devices.

International (Including Germany and Other Non-U.S.)

Most countries maintain different regulatory regimes for medicinal products and for medical devices. In almost every country, there are rules regarding the quality, effectiveness, and safety of products and regulating their testing, production, and distribution. Treaties or other international law and standards and guidelines under treaties or laws may supplement or supersede individual country regulations.

Drugs. Some of our products, such as peritoneal dialysis solutions and PhosLo®, are considered medicinal products and are, therefore subject to the specific drug law provisions in the various countries. The European Union has issued a directive on medicinal products, No. 65/65/EWG (January 26, 1965), as amended. Each member of the European Union is responsible for conforming its law to comply with this directive. In Germany the German Drug Law (Arzneimittelgesetz) ("AMG"), which implements European Union requirements, is the primary regulation applicable to medicinal products.

The provisions of the German Drug Law are comparable with the legal standards in other European countries. As in many other countries, the AMG provides that a medicinal product may only be placed on the market if it has been granted a corresponding marketing authorization. Such marketing authorization is granted by the competent licensing authorities only if the quality, efficacy and safety of the medicinal product has been scientifically proven. Medicinal products marketed on the basis of a corresponding marketing authorization are subject to ongoing control by the competent authorities. The marketing authorization may also be subsequently restricted or made subject to specific requirements. It may be withdrawn or revoked if there was a reason for the refusal of the marketing authorization upon its grant or such a reason arises subsequently, or if the medicinal product is not an effective therapy or its therapeutic effect has been insufficiently proven according to the relevant state of scientific knowledge. Such a reason for refusal is, inter alia, found to exist if there is a well-founded suspicion that the medicinal product has not been sufficiently examined in accordance with the current state of scientific knowledge, that the medicinal product does not show the appropriate quality, or that the medicinal product, when properly used as intended, produces detrimental effects going beyond the extent justifiable according to the current state of knowledge of medicinal science. The marketing authorization can also be withdrawn or revoked in the case of incorrect or incomplete information supplied in the authorization documents, if the quality checks prescribed for the medicinal product were insufficient or have not been sufficiently carried out, or if the withdrawal or revocation is required to comply with a decision made by the European Commission or the Council of the European Union. Instead of a withdrawal or revocation, the suspension of the marketing authorization may be ordered for a limited period.

The provisions of the AMG and a statutory order, Arzneimittel- und Wirkstoffherstellungsverordnung, also contain special requirements for the manufacture of medicinal products. The production of medicinal products requires a corresponding manufacturing license which is granted by the competent authorities of the relevant Member State for a specific manufacturing facility and for specific medicinal products and forms of medicinal products. The manufacturing license is granted only if the manufacturing facility, production techniques and production processes comply with the national drug law requirements, with the principles and guidelines of EU-good manufacturing practice ("EU-GMP") as well as the terms of the particular marketing authorization. A manufacturer of medicinal products must, inter alia, employ pharmacists, chemists, biologists, or physicians responsible for the quality, safety and efficacy of the medicinal products. The manufacturer must name several responsible persons: a Qualified Person (QP) for the release of the medicinal product into the market possessing the expert knowledge specified by the AMG, a head of production, a head of quality control, and, if the manufacturer markets the medicinal products itself, a commissioner for the so-called graduated plan (Stufenplanbeauftragter for Germany, a Qualified Person for Pharmacovigilance (QPP) for the European Union) and an information officer. It is the responsibility of the QP to ensure that each batch of the medicinal products is produced and examined in compliance with the statutory provisions of the AMG. The QPP must, among other things, collect and assess any reported risks associated with the medicinal products and coordinate any necessary measures according to German Drug Law. The QPP, residing within the European Economic Area, is responsible for pharmacovigilance and the establishment of a system for handling of all suspected adverse reactions that need to be reported. The information

officer is in charge of the scientific information relating to the medicinal products. All these persons may be held personally liable under German criminal law for any breach of the AMG.

International guidelines also govern the manufacture of medicinal products and, in many cases, overlap with national requirements. Material regulations concerning manufacture and registration related to medicinal products have been issued by the European Commission and the International Conference on Harmonization of Technical Requirements for Human Use ("ICH"). In particular, the Pharmaceutical Inspection Co-operation Scheme ("PIC/S") an international treaty, contains rules binding many countries in which medicinal products are manufactured. Among other things, the European Commission, PIC/S and ICH establish requirements for GMP which are then adopted at the national level. Another international standard, which is non-binding for medicinal products, is the ISO9001:2000 system for assuring quality management system requirements. This system has a broader platform than EU-GMP, which is more detailed and is primarily acknowledged outside the field of medicinal products, e.g., with respect to medical devices.

Medical Devices. In the past, medical devices were subject to less stringent regulation than medicinal products in some countries. In the last decade, however, statutory requirements have been increased. In the EU, the requirements to be satisfied by medical devices are laid down in three European directives to be observed by all Member States and all Member States of the European Economic Area ("EEA"), as well as all future accession states: (1) Directive 90/385/EEC of June 20, 1990 relating to active implantable medical devices ("AIMDs"), as last amended ("AIMD Directive"), (2) Directive 93/42/EEC of June 14, 1993 relating to medical devices, as last amended ("MD Directive"), and (3) Directive 98/79/EC of October 27, 1998 relating to in vitro diagnostic medical devices as last amended ("IVD Directive"). In addition, Directive 2001/95/EC of December 3, 2001, as last amended, concerning product safety should be noted. With regard to the MD Directive, the Commission submitted an amendment, 2007/47/EC, intended to achieve improvements, for instance in the following areas: clinical assessment by specification of the requirements in more detail; monitoring of the devices after their placing on the market; and decision making by enabling the Commission to make binding decisions in case of contradictory opinions of states regarding the classification of a product as a medical device. Member States had to incorporate the new Directive into national law by December 31, 2008 and all manufacturers had to come into compliance by March 21, 2010.

According to the directives relating to medical devices, the CE mark (the abbreviation of Conformité Européenne signifying that the device complies with all applicable requirements) shall serve as a general product passport for all Member States of the EU and the EEA. Upon receipt of a CE certificate for a product according to the applicable conformity assessment procedure, e.g. a certified full quality management system for medical devices according to ISO13485:2003 and AC2009, and the documented declaration and proof of conformity of our products to the harmonized European norms (Declaration of Conformity), we as the legal manufacturer are able to mark products as being in compliance with the European Community ("EC") requirements. If able to do so, the manufacturer has to put a "CE" mark on the products. Medical devices that do not bear the "CE" mark cannot be imported, sold or distributed within the EC.

The right to affix the CE mark is granted to any manufacturer who has observed the conformity assessment procedure prescribed for the relevant medical device and submitted the EC declaration of conformity before placing the medical device on the market. The conformity assessment procedures were standardized by Council Decision 93/465/EEC of July 22, 1993, which established modules for the various phases of the conformity assessment procedures intended to be used in the technical harmonization norms and the rules for the affixing and use of the CE conformity mark. The conformity assessment modules to be used differ depending on the risk class of the medical device to be placed on the market. The classification rules for medical devices are, as a general rule, based upon the potential risk of causing harm to the human body. Annex IX to the MD Directive (making a distinction between four product classes I, IIa, IIb, and III) and Annex II to the IVD Directive (including a list of the products from lists A and B) contain classification criteria for products and product lists that are, in turn, assigned to specific conformity assessment modules. AIMDs represent a product class of their own and are subject to the separate AIMD Directive. Special rules apply, for example, to custom-made medical devices, medical devices manufactured in-house, medical devices intended for clinical investigation or in vitro diagnostic medical devices intended for performance evaluation, as well as for diagnostic medical devices for in-house use ("lay use"), combination devices and accessories to medical devices.

The conformity assessment procedures for Class I devices with a low degree of invasiveness in the human body (e.g. devices without a measuring function that are not subject to any sterilization requirements), can be made under the sole responsibility of the manufacturer by submitting an EC declaration of conformity (a self-certification or self-declaration). For Class IIa devices, the participation of a "Notified Body" is binding for the production phase. Devices of classes IIb and III involving a high risk potential are subject to inspection by the Notified Body not only

in relation to their manufacture (as for class IIa devices), but also in relation to their specifications and design. Class III is reserved for the most critical devices the marketing of which is subject to an explicit prior authorization with regard to their conformity. In risk categories IIa, IIb and III, the manufacturer can make use of several different conformity assessment modules.

To maintain the high quality standards and performance of our operations, we have subjected our entire European business to the most comprehensive procedural module, which is also the fastest way to launch a new product in the European Union. This module requires the certification of a full quality management system by a Notified Body charged with supervising the quality management system from design, manufacture, and distribution, to after sales service.

Our Series 4008 dialysis machines and their therapy modifications, our 5008 dialysis machine and its accessories and devices, our PD-NIGHT cycler, our Sleep-safe cycler for automated PD treatment, the multiFiltrate system, and our other active medical devices distributed in the European market, as well as our dialysis filters and dialysis tubing systems and accessories, all bear the "CE" mark. We expect to continue to obtain additional certificates for newly developed products or product groups.

Environmental Regulation

We are subject to a broad range of federal, foreign, state and local laws and regulations relating to pollution and the protection of the environment. These laws regulate, among other things, the discharge of materials into the environment, the handling and disposal of wastes, remediation of contaminated sites and other matters relating to worker and consumer health, and safety and to the protection of the environment. Noncompliance with these regulations can result in significant fines or penalties or limitations on our operations. Some of these laws impose strict and in certain circumstances joint and several liability for costs to remediate contaminated sites on owners and operators, as well as persons who arrange to send regulated materials to such sites. The applicable environmental, health and safety laws and regulations, and any changes to them or their enforcement, may require us to make material expenditures with respect to ongoing compliance with or remediation under these laws and regulations or require that we modify our products or processes in a manner that increases our costs or reduces revenues.

In addition, the Company uses substances regulated under U.S. and European environmental laws, primarily in manufacturing and sterilization processes. While it is difficult to quantify, we believe the ongoing impact of compliance with existing environmental protection laws, rules and regulations will not have a material impact on the Company's financial position or results of operations.

An Environmental Management System ("EMS") based on ISO 14001:2004 has been established in the main production plants and in a high number of dialysis clinics in the European region. Compliance with environmental regulations is an essential requirement of our EMS. Internal and external audits are organized and performed to ensure that EMS requirements are fulfilled.

Facilities and Operational Regulation

U.S.

The Clinical Laboratory Improvement Amendments of 1988 ("CLIA") subjects virtually all clinical laboratory testing facilities, including ours, to the jurisdiction of the Department of Health and Human Services ("HHS"). CLIA establishes national standards for assuring the quality of laboratories based upon the complexity of testing performed by a laboratory. Certain of our operations are also subject to federal laws governing the repackaging and dispensing of drugs and the maintenance and tracking of certain life sustaining and life-supporting equipment.

Our operations are subject to various U.S. Department of Transportation, Nuclear Regulatory Commission, Environmental Protection Agency, and Occupational Safety and Health Administration ("OSHA") requirements and other federal, state and local hazardous and medical waste disposal laws. As currently in effect, laws governing the disposal of hazardous waste do not classify most of the waste produced in connection with the provision of dialysis, or laboratory services as hazardous, although disposal of nonhazardous medical waste is subject to specific state regulation. Our operations are also subject to various air emission and wastewater discharge regulations.

Federal, state and local regulations require us to meet various standards relating to, among other things, the management of facilities, personnel qualifications and licensing, maintenance of proper records, equipment, quality assurance programs, the operation of pharmacies, and dispensing of controlled substances. All of our operations in the U.S. are subject to periodic inspection by federal and state agencies and other governmental authorities to determine if the operations, premises, equipment, personnel and patient care meet applicable

standards. To receive Medicare reimbursement, our dialysis centers, renal diagnostic support business and laboratories must be certified by CMS, an agency within HHS. All of our dialysis centers, and laboratories that furnish Medicare or Medicaid services have the required certification.

Certain of our facilities and certain of their employees are also subject to state licensing statutes and regulations. These statutes and regulations are in addition to federal and state rules and standards that must be met to qualify for payments under Medicare, Medicaid and other government reimbursement programs. Licenses and approvals to operate these centers and conduct certain professional activities are customarily subject to periodic renewal and to revocation upon failure to comply with the conditions under which they were granted.

OSHA regulations require employers to provide employees who work with blood or other potentially infectious materials with prescribed protections against blood-borne and air-borne pathogens. The regulatory requirements apply to all healthcare facilities, including dialysis centers, vascular access centers and laboratories, and require employers to make a determination as to which employees may be exposed to blood or other potentially infectious materials and to have in effect a written exposure control plan. In addition, employers are required to provide hepatitis B vaccinations, personal protective equipment, blood-borne pathogens training, post-exposure evaluation and follow-up, waste disposal techniques and procedures, engineering and work practice controls and other OSHA-mandated programs for blood-borne and air-borne pathogens.

Some states in which we operate have certificate of need ("CON") laws that require any person or entity seeking to establish a new healthcare service or to expand an existing service to apply for and receive an administrative determination that the service is needed. We currently operate in several states, as well as the District of Columbia and Puerto Rico that have CON laws applicable to dialysis centers. These requirements could, as a result of a state's internal determination of its dialysis services needs, prevent entry to new companies seeking to provide services in these states, and could constrain our ability to expand our operations in these jurisdictions.

International (Including Germany and Other Non-U.S.)

Most countries outside of the U.S. regulate operating conditions of dialysis clinics and hospitals and the manufacturing of dialysis products, medicinal products and medical devices.

We are subject to a broad spectrum of regulation in almost all countries. Our operations must comply with various environmental and transportation regulations in the various countries in which we operate. Our manufacturing facilities and dialysis clinics are also subject to various standards relating to, among other things, facilities, management, personnel qualifications and licensing, maintenance of proper records, equipment, quality assurance programs, the operation of pharmacies, the protection of workers from blood-borne diseases and the dispensing of controlled substances. All of our operations are subject to periodic inspection by various governmental authorities to determine if the operations, premises, equipment, personnel and patient care meet applicable standards. Our dialysis clinic operations and our related activities generally require licenses, which are subject to periodic renewal and may be revoked for violation of applicable regulatory requirements.

In addition, many countries impose various investment restrictions on foreign companies. For instance, government approval may be required to enter into a joint venture with a local partner. Some countries do not permit foreign investors to own a majority interest in local companies or require that companies organized under their laws have at least one local shareholder. Investment restrictions therefore affect the corporate structure, operating procedures and other characteristics of our subsidiaries and joint ventures in these and other countries.

We believe our facilities are currently in compliance in all material respects with the applicable national and local requirements in the jurisdictions in which they operate.

Reimbursement

As a global dialysis care provider and supplier of dialysis services and products, we are represented in more than 120 countries throughout the world. Consequently, we face the challenge of meeting the needs of a wide variety of patients and customers in very different economic environments and healthcare systems.

The healthcare systems and rules for the reimbursement of the treatment of patients suffering from ESRD vary in the individual countries. In general, the government, in some countries in coordination with private insurers, is responsible for financing the healthcare system through tax payments and other sources of income, social security contributions or a combination of such sources.

However, in a large number of developing countries, the government or charitable institutions grant only minor aid so that dialysis patients must bear all or a large part of their treatment expenses themselves. In some

countries, dialysis patients do not receive treatment on a regular basis, but only if and to the extent available funds so allow.

U.S.

Dialysis Services. Our dialysis centers provide outpatient hemodialysis treatment and related services for ESRD patients. In addition, some of the Company's centers offer services for the provision of peritoneal dialysis and hemodialysis treatment at home, and dialysis for hospitalized patients.

The Medicare program is the largest single source of dialysis services revenues from dialysis treatment. Approximately 53% of North America dialysis services revenues for 2010 were provided by Medicare's ESRD program and Medicaid. As a preliminary matter, in order to be eligible for reimbursement by Medicare, ESRD facilities must meet conditions for coverage established by CMS. New conditions for coverage became effective in October of 2008, with the exception of two provisions relating to physical environment and infection control which became effective in February of 2009. We believe we have made the necessary modifications to meet these requirements.

Medicare reimbursed our dialysis centers for certain products and services delivered prior to January 1, 2011 in accordance with a "basic case-mix adjusted prospective payment system," which provided a fixed payment for each dialysis treatment, comprised of a composite rate component, a drug add-on adjustment component, case-mix adjustments and a regional wage index adjustment. The payment rates under this system were subject to adjustment from time to time through changes in the Medicare statute (in the case of basic services included in the "composite rate") or through annual adjustments (in the case of a portion of the payment referred to as the drug add-on, case-mix and wage index adjustments). Effective January 2011, Medicare introduced a new ESRD PPS, which encompasses those services that were paid under the composite rate as well as certain formerly separately payable drugs and laboratory tests. The ESRD PPS is described in greater detail below.

For calendar year 2009, CMS set the drug add-on adjustment at $20.33 per treatment, or 15.2% of the total per-treatment composite payment. For calendar year 2010, CMS kept the drug add-on amount constant at the 2009 rate of $20.33 per treatment, while it increased the base portion of the composite rate by 1% pursuant to the requirement in MIPPA. As a result, the drug add-on amount, constant in dollar terms, declined to 15% of the total per-treatment payment in 2010 and 14.7% for 2011. The base portion of the composite rate, unlike many other payment rates in Medicare, had not been automatically updated each year. As a result, this portion of the composite payment rate had not received an annual update in the absence of a statutory change. In MIPPA, Congress provided for a 1.0% increase in the base portion of the composite rate in each of 2009 and 2010. Further, Congress eliminated a provision that previously paid hospital-based facilities slightly more than independent (or "free-standing") facilities. Thus, in 2009, all facilities were paid at the 2008 independent facility rate increased by 1.0%.

For 2010, the base composite rate was $135.15 for both independent and hospital-based facilities, an increase of 1.0% from the 2009 rate. CMS updated the wage index adjustment applicable to ESRD facilities from the 25/75 blend between adjustments based on old metropolitan statistical areas ("MSA") and those based on new core-based statistical areas ("CBSA") used in 2008. For 2009, CMS completed the transition from the MSA definition to the CBSA definition, and facilities are now paid according to the CBSA rate. For 2010, CMS reduced the wage index floor from 0.70 to 0.65.

Certain other items and services that we furnish at our dialysis centers were not included in the composite rate and were eligible for separate Medicare reimbursement. The most significant of these items are drugs or biologicals, such as erythropoietin-stimulating agents ("ESAs"), vitamin D analogs, and iron, which were reimbursed at 106% of the average sales price as reported to CMS by the manufacturer. Products and support services furnished to ESRD patients receiving dialysis treatment at home were also reimbursed separately under a reimbursement structure comparable to the in-center composite rate.

The drugs and biological and clinical laboratory payments that were separately reimbursed are, as of January 1, 2011, included in a single ESRD payment. For a discussion of the rules CMS is using to implement recent Medicare reimbursement rate changes including provisions for implementation of an "expanded bundled rate" for dialysis services provided on or after January 1, 2011, see "— ESRD PPS," below. Any significant decreases in Medicare reimbursement rates could have material adverse effects on our provider business and, because the demand for products is affected by Medicare reimbursement, on our products business. To the extent that increases in operating costs that are affected by inflation, such as labor and supply costs, are not fully reflected in a compensating increase in reimbursement rates, our business and results of operations may be adversely affected.

Medicare pays as the primary insurer for Medicare-eligible individuals under some circumstances. For details, see "— Coordination of Benefits" below. For Medicare-primary patients, Medicare pays 80% of the prospective payment amount for the ESRD PPS items and services. The beneficiary or third-party insurance payors (including employer-sponsored health insurance plans, commercial insurance carriers and the Medicaid program) on behalf of the beneficiary are responsible for paying the beneficiary's cost-sharing obligations (typically the annual deductible and 20% co-insurance), subject to the specific coverage policies of such payors. Each third-party payor, including Medicaid, makes payment under contractual or regulatory reimbursement provisions that may or may not cover the full 20% co-payment or annual deductible. Where the beneficiary has no third-party insurance or the third-party insurance does not fully cover the co-payment or deductible, the beneficiary is responsible for paying the co-payments or the deductible, which we frequently do not fully collect despite reasonable collection efforts. In some states, Medicaid does not fully cover the cost-sharing obligations of Medicare-Medicaid dually eligible individuals, and we are precluded from collecting directly from these beneficiaries. Under an advisory opinion from the Office of the Inspector General of the Department of Health and Human Services, subject to specified conditions, we and other similarly situated providers may make contributions to a non-profit organization that has agreed to make premium payments for supplemental medical insurance and/or "Medigap" insurance on behalf of indigent ESRD patients, including some of our patients.

Medicaid Rebate Program and Other Government Drug Pricing Program Requirements. Manufacturers of drugs that are covered by the Medicaid program or that are reimbursed by Part B of the Medicare program are subject to various price determination and reporting requirements under federal statutes, including the Medicaid and Medicare statutes as well as the Public Health Service Act ("PHSA") and the Veterans Health Care Act ("VHCA"). Compliance with the Medicaid rebate statute, the VHCA, the Medicare statute, and Section 340B of the PHSA requires us to calculate and/or report a number of different pricing metrics (*e.g.*, Average Manufacturer Price ("AMP"), Best Price ("BP"), Average Sales Price ("ASP"), Federal Ceiling Price ("FCP"), non-federal average manufacturer price ("Non-FAMP"), and 340B ceiling price) to federal authorities responsible for monitoring and enforcing drug manufacturer compliance with federal law and policy.

We participate in the federal Medicaid rebate program established by the Omnibus Budget Reconciliation Act of 1990, as well as several state supplemental rebate programs. We make our pharmaceutical products available to authorized users of the Federal Supply Schedule ("FSS") of the General Services Administration under an FSS contract negotiated by the department of Veterans Affairs ("VA"). With the recent acquisition of a license to market and distribute the IV Iron product Venofer® to freestanding dialysis clinics, we also are considered, for statutory price reporting purposes, to be the manufacturer of Venofer® which is reimbursed under Part B of the Medicare program. Our products also are subject to a federal requirement that any company participating in the Medicaid rebate or Medicare Part B program extend discounts comparable to the rebates paid to State Medicaid agencies to qualified purchasers under the Public Health Services ("PHS") pharmaceutical pricing program managed by HHS (also known as the "340B program" by virtue of the section of the PHSA that created the program). The PHS pricing program extends these deep discounts on drugs to a variety of community health clinics and other entities that receive health services grants from the PHS, as well as hospitals that serve a disproportionate share of poor Medicare and Medicaid beneficiaries. ACA expanded the 340B program to include additional providers.

Under the Medicaid rebate program, we pay a rebate to each state Medicaid program based upon sales of our pharmaceutical products that are reimbursed by those programs. The ACA increased the minimum federal Medicaid rebate percentages, effective January 1, 2010. Rebate calculations are complex and, in certain respects, subject to interpretations of law, regulation, or policy guidance by us, government or regulatory agencies and the courts. The Medicaid rebate amount is computed each quarter based on our submission to CMS of our current average manufacturer price and best price for our pharmaceutical products. The Veterans Health Care Act of 1992 imposes a requirement that the prices we charge to certain federal entities under the FSS must be no greater than a Federal Ceiling Price determined by applying a statutory discount to the AMP charged to non-federal customers (a pricing metric referred to as "Non-FAMP"). Because the amount the government pays to reimburse the cost of a drug under Part B of the Medicare program is ordinarily based on the ASP charged by the manufacturer to purchasers of the drug, additional price calculation and reporting obligations are imposed on the manufacturers of Part B drugs under that program. Since Venofer® is a Part B drug (*i.e.*, one ordinarily administered incident to a physician service), we are responsible for compiling and utilizing a wide range of sales data elements to determine the ASP of Venofer® marketed under our labeler code, and reporting it to the CMS. We are subject to specific ASP reporting obligations with respect to our Venofer® sales under a consent order issued by the Federal Trade Commission in October 2008 (FTC File No. 081-0146). The ESRD PPS system incorporates payment for Venofer® starting January 1, 2011. While most facilities moved to the new system immediately, some facilities will transition to the new system over a four-year period. The extent to which Medicare pays for Venofer® for ESRD patients under the ASP-based system has decreased substantially, and will continue to diminish over this period and then terminate.

Government agencies may make changes in program interpretations, requirements or conditions of participation, and retain the right to audit the accuracy of our computations of rebates and pricing, some of which may have or result in implications (such as recoupment) for amounts previously estimated or paid and may have a material adverse effect on the Company's revenues, profitability and financial condition.

Laboratory Tests. Spectra obtains a substantial portion of its net revenue from Medicare, which pays for clinical laboratory services provided to dialysis patients in two ways.

First, payment for most tests is included in the new ESRD PPS bundled rate paid to dialysis centers. The centers obtain the laboratory services from laboratories and pay the laboratories for the services. In accordance with industry practice, Spectra usually provides such testing services under capitation agreements with its customers pursuant to which it bills a fixed amount per patient per month to cover the laboratory tests included in the composite rate at the designated frequencies.

Second, the few laboratory tests performed by Spectra for Medicare beneficiaries that are not included in the ESRD PPS bundled rate are billed separately directly to Medicare. Such tests are paid at 100% of the Medicare clinical laboratory fee schedule amounts, which vary to some extent across different geographic areas but which cannot exceed national ceilings on payment rates, called national limitation amounts ("NLAs"). Medicare updates the payment rates to reflect inflation by the change in consumer price index, subject to certain reductions. The Affordable Care Act imposed a 1.75 percentage point reduction from the rate of change in the consumer price index for calendar years 2011 to 2015 together with a "productivity adjustment," expected to be slightly above 1 percentage point, applicable (with some restrictions) for years starting with 2011.

With the introduction of the new ESRD PPS, most laboratory tests that have been separately paid are paid as part of the expanded bundle.

Erythropoietin stimulating agents. ESAs, including Epogen® and Aranesp® are used for anemia management of patients with renal disease. The administration of ESAs was separately billable under the composite rate payment system program, and accounted for 19% and 21% of our North America segment dialysis care revenues for the years ended December 31, 2010 and 2009, respectively. Starting January 2011, ESAs are included in the expanded bundle under the ESRD PPS.

The amount of ESA that is appropriate for a patient varies by several factors, including the severity of the patient's anemia. Anemia severity is commonly monitored by measuring a patient's hematocrit, an indicator of the proportion of red blood cells in a patient's whole blood, or by evaluating a patient's hemoglobin level. Until recently, product labels for ESAs recommended dosing to achieve and maintain hemoglobin levels within the range of 10 to 12 grams/deciliter (g/dl) in patients with ESRD. On June 24, 2011, the FDA recommended more conservative dosing guidelines for ESAs, including EPO, when used to achieve a normal or nearly normal hemoglobin level in ESRD patients, due to the increased risks of cardiovascular events such as stroke, thrombosis and death. The recommendation is to initiate ESA treatment when the patient's hemoglobin level is less than 10 g/dcl and reduce or interrupt the dose of ESA if the patient's hemoglobin level approaches or exceeds 11 g/dc. The recommendation, which was added to the "black-box" warning on ESA packages and the package insert, states that for each patient, therapy should be individualized, using the lowest ESA dose possible to reduce the need for red blood cell transfusions.

We believe our policies on billing for ESAs in effect when ESAs were separately billable complied with CMS policies. We continue to recommend to our treating physicians that they review and understand the revised package label insert and the FDA's recommendations as they make their anemia management decisions.

Any of the following changes relating to ESAs could adversely affect our business, and results of operations, possibly materially:

- future changes in the ESA reimbursement methodology and/or rate;
- a material reduction in the typical dosage per administration;
- increases in the cost of ESAs without offsetting increases in the ESRD PPS reimbursement rate; or
- reduction by the manufacturer of ESAs of the amount of overfill in the ESA vials.

ESRD Prospective Payment System. With the enactment of MIPPA in 2008, Congress mandated the development of an expanded ESRD bundled payment system for services furnished on or after January 1, 2011. Under the ESRD PPS, CMS reimburses dialysis facilities with a single payment for each dialysis treatment, inclusive of (i) all items and services included in the former composite rate, (ii) oral vitamin D analogues, oral levocarnitine (an amino acid derivative) and all ESAs and other pharmaceuticals (other than vaccines) furnished to

ESRD patients that were previously reimbursed separately under Part B of the Medicare program, (iii) most diagnostic laboratory tests and (iv) other items and services furnished to individuals for the treatment of ESRD. ESRD-related drugs with only an oral form will be reimbursed under the ESRD PPS starting in January 2014 with an adjusted payment amount to be determined by the Secretary of Health and Human Services to reflect the additional cost to dialysis facilities of providing these medications. The initial ESRD PPS base reimbursement rate is set at $229.63 per dialysis treatment. The base ESRD PPS payment is subject to case mix adjustments that take into account individual patient characteristics (e.g., age, body surface area, body mass, time on dialysis) and certain co-morbidities. The base payment is also adjusted for (i) certain high cost patient outliers due to unusual variations in medically necessary care, (ii) disparately high costs incurred by low volume facilities relative to other facilities, (iii) provision of home dialysis training, (iv) wage-related costs in the geographic area in which the provider is located and (v) transition adjustments to ensure a budget-neutral transition to the new reimbursement system (the "Transition Adjusters"). For 2011, CMS initially implemented a negative 3.1 percent adjustment to the base payment in order to ensure a budget-neutral transition, based on its estimation that only 43% of dialysis facilities would fully opt into the bundle in 2011. This adjustment was subsequently eliminated effective April 1, 2011 for the remainder of 2011 when 87% of providers opted into the ESRD PPS for 2011. No other Transition Adjusters are scheduled for 2011. CMS has proposed elimination of the Transition Adjuster for 2012. On July 1, 2011, CMS issued a proposed rule to increase the base ESRD PPS payment for 2012 by 1.8% to $233.76 per treatment. CMS also proposed to add in 2012 a wage index budget neutrality adjustment factor of 1.001126 to the base PPS rate, yielding an adjusted 2012 ESRD PPS base rate of $234.02.

Beginning in 2012, the ESRD PPS payment amount will be subject to annual adjustment based on increases in the costs of a "market basket" of certain healthcare items and services less a productivity adjustment. CMS has proposed a 1.8% market basket increase for 2012. In addition, the ESRD PPS's QIP, initially focusing on anemia management and dialysis adequacy, will become effective January 1, 2012. Dialysis facilities that fail to achieve the established quality standards will have payments reduced by up to 2%, based on performance in 2010 as an initial performance period. CMS's July 1, 2011 proposed rule would also amend certain provisions of the QIP. The proposal would (i) eliminate, starting in 2013, the payment reduction for patient hemoglobin results that fall below the 10 g/dL measure and (ii) expand, starting in 2014, the QIP to include quality measures associated with the use of arteriovenous (AV) fistulas for patients' vascular access, rates of vascular access infections, ratios of hospitalization rates among patients, reporting of dialysis-related infections, administration of patient experience of care surveys, and monthly monitoring of patient phosphorous and calcium levels.

The ESRD PPS will be phased in over four years with full implementation for all dialysis facilities on January 1, 2014. However, providers could elect in November 2010 whether to become fully subject to the new system starting in January 2011. Nearly all of our U.S. dialysis facilities have elected to be fully subject to the ESRD PPS effective January 1, 2011.

The ESRD PPS has resulted in a lower reimbursement rate on average. Our strategy to mitigate the impact of the ESRD PPS includes three broad measures. First, we worked with other providers, CMS and the U.S. Congress toward favorably revising the calculation of the Transition Adjuster for 2011. Effective April 1, 2011 CMS eliminated the Transition Adjuster for the remainder of the year. Second, we are working with medical directors and treating physicians to make protocol changes used in treating patients and are negotiating pharmaceutical acquisition cost savings. In addition, we are seeking to achieve greater efficiencies and better patient outcomes by introducing new initiatives to improve patient care upon initiation of dialysis, increase the percentage of patients using home therapies and achieve additional cost reductions in our clinics. We are continuing to evaluate the effect of the ESRD PPS and our mitigation plan on our business.

Coordination of Benefits. Medicare entitlement begins for most patients in the fourth month after the initiation of chronic dialysis treatment at a dialysis center. During the first three months, considered to be a waiting period, the patient or patient's insurance, Medicaid or a state renal program are responsible for payment.

Patients who are covered by Medicare and are also covered by an employer group health plan ("EGHP") are subject to a 30-month coordination period during which the EGHP is the primary payor and Medicare the secondary payor. During this coordination period the EGHP pays a negotiated rate or in the absence of such a rate, our standard rate or a rate defined by its plan documents. The EGHP payments are generally higher than the Medicare payment. EGHP insurance, when available, will therefore generally cover as the primary payor a total of 33 months, the 3-month waiting period plus the 30-month coordination period.

On August 2, 2011 the U.S. Budget Control Act of 2011 ("Budget Control Act") was enacted, which raised the United States' debt ceiling and put into effect a series of actions for deficit reduction. In addition, the Budget Control Act created a 12-member Congressional Joint Select Committee on Deficit Reduction that is tasked with proposing additional revenue and spending measures to achieve additional deficit reductions of at least $1.2-

$1.5 trillion over ten years, which could include reductions in Medicare and Medicaid. The Joint Congressional Committee is required to make its recommendations to Congress by November 23, 2011 and Congress is required to vote on the recommendations, without amendment, by December 23, 2011. Failure of the Joint Congressional Committee to recommend its targeted savings or Congress to approve the Joint Congressional Committee's recommendation would trigger automatic across the board reductions in spending of $1.2 trillion (or a lesser amount necessary to reach $1.2 trillion if the Joint Congressional Committee recommends and Congress approves a lesser amount). Medicare payments to providers and suppliers would be subject to the triggered reductions, but in any such event, reductions in payments to Medicare providers are capped at 2% annually.

In the current legislative environment, increases in government spending may need to be accompanied by corresponding offsets. For example, the Budget Control Act did not address reductions in physician payments mandated by the sustainable growth rate ("SGR"), which if implemented for calendar year 2012 would impose a reduction of almost 30% in physician fees. In order to reduce or eliminate SGR physician payment reductions and not adversely affect deficit reduction, Congress would have to reduce other spending. We cannot predict whether these would include other reductions in Medicare or Medicaid spending.

Possible Changes in Statutes or Regulations. Further legislation or regulations may be enacted in the future that could substantially modify or reduce the amounts paid for services and products offered by us and our subsidiaries. It is also possible that statutes may be adopted or regulations may be promulgated in the future that impose additional eligibility requirements for participation in the federal and state healthcare programs. Such new legislation or regulations could, depending upon the detail of the provisions, have positive or adverse effects, possibly material, on our businesses and results of operations. See "Risk Factors — Risks Relating to Litigation and Regulatory Matters — Proposals for healthcare reform could decrease our revenues and operating profit," and "— Healthcare Reform" below.

International (Including Germany and Other Non-U.S.)

As a global company delivering dialysis care and dialysis products in more than 120 countries worldwide, we face the challenge of addressing the needs of dialysis patients and customers in widely varying economic and healthcare environments.

Healthcare systems and reimbursement structures for ESRD treatment vary by country. In general, the government pays for health care and finances its payments through taxes and other sources of government income, from social contributions, or a combination of those sources. However, not all healthcare systems provide for dialysis treatment. In many developing countries, only limited subsidies from government or charitable institutions are available, and dialysis patients must finance all or substantially all of the cost of their treatment. In some countries patients in need of dialysis do not receive treatment on a regular basis but rather when the financial resources allow it.

In the major European and British Commonwealth countries, healthcare systems are generally based on one of two models. The "Bismarck system", is based on mandatory employer and employee contributions dedicated to healthcare financing. The "Beveridge system", provides a national healthcare system funded by taxes. Within these systems, provision for the treatment of dialysis has been made either through allocation of a national budget, a billing system reimbursing on a fee-for-service basis or by a weekly flat rate. The healthcare systems of countries such as Germany, Japan, France, Belgium, Austria, Czech Republic, Poland, Hungary, Turkey and the Netherlands are based on the Bismarck-type system. Countries like the United Kingdom, Canada, Denmark, Finland, Portugal, Sweden and Italy established their national health services using the Beveridge-type system. For information on the distribution of clinic ownership in various countries in which we operate, see "Renal Industry Overview — Dialysis Treatment Options for ESRD," above.

Financing policies for ESRD treatment also differ from country-to-country. There are three main types of reimbursement modalities: budget transfer, fee for service and flat rate. In some cases, the reimbursement modality varies within the same country depending on the type of provider (public or private). Budget transfer is a reimbursement modality used mainly for public providers in most of the European countries where the funding is based on taxation and in some of the countries where it is based on social security. Fee for service is the most common reimbursement modality for private providers in all European countries (with exceptions, such as Germany, where reimbursement to private providers is based on a weekly flat rate) and for public providers in countries where the funding system is based on social security payments.

In 2008, the Portuguese Ministry of Health and Anadial, the national association of privately run dialysis centers, agreed on a new reimbursement model for ambulatory care to hemodialysis patients in Portugal. The new model "Comprehensive Price Payment" is an integrated and quality-driven approach that bundles a variety of dialysis related services and products. It requires the implementation and functioning of an integrated disease

management model in order to achieve, simultaneously, health benefits, quality improvement and system rationalization. The Comprehensive Price Payment model includes all core necessary dialysis services, the deployment of dialysis-related products, laboratory services and other complementary medical tests and the administration of renal drugs for anemia management, bone management, blood pressure and cardiovascular control as well as vitamins. The new reimbursement structure provides for an outcome-oriented flat-rate payment of a national reimbursement rate per week per patient. The main characteristic is that the amount of this reimbursement will directly depend on the fulfillment of certain treatment results and quality control parameters with the dialysis services provided. The therapeutic goals include, among others, the adequacy of dialysis, targets for hemoglobin levels, bone metabolism status, water quality as well as outcome measures such as mortality rate and hospitalization days. These goals mirror the good practices guidelines, both national and international, for dialysis care to patients, which will serve as support for contractual monitoring. The establishment of auditing, information, monitoring, attendance and evaluation mechanisms is a pre-requisite for a participating dialysis provider. We treat approximately 4,300 patients in 34 dialysis clinics in Portugal. In January 2011, we announced that we had entered into a cooperation agreement with the public health authorities in the Murcia region of Spain for that country's first comprehensive dialysis care and performance-oriented reimbursement model. Under this agreement, we will provide dialysis therapy to approximately 200 renal patients in the region with reimbursement on an all-inclusive "bundled" rate tied to our quality performance, pursuant to the Portuguese system.

Treatment components included in the base reimbursement may vary from country-to-country or even within countries, depending on the structure and cost allocation principles. In the highly integrated reimbursement models for dialysis, also often referred to as a bundled reimbursement, (applied e.g., in Poland, Romania and Portugal as noted above) the dialysis reimbursement rate covers all — or almost all — directly and indirectly treatment-related components. Countries with a relatively low integration of the treatment components in the base reimbursement (such as Czech Republic, UK or Germany) dedicate correspondently diverse additional payments for services rendered to dialysis patients arising from different budgets (or payment streams), depending on the national healthcare regulations.

Where treatment is reimbursed on a fee-for-service basis, reimbursement rates are sometimes allocated in accordance with the type of treatment performed. We believe that it is not appropriate to calculate a global reimbursement amount because the services and costs for which reimbursement is provided in any such global amount would likely bear little relation to the actual reimbursement system in any one country. Generally, in European countries with established dialysis programs, reimbursements range from $100 to more than $300 per treatment. However, a comparison from country to country would not be meaningful if made in the absence of a detailed analysis of the cost components reimbursed, services rendered and the structure of the dialysis clinic in each country being compared.

Healthcare expenditures are consuming an ever-increasing portion of gross domestic product worldwide. In the developed economies of Europe, Asia and Latin America, healthcare spending is in the range of 5%-15% of gross domestic product. In many countries, dialysis costs consume a disproportionately high amount of healthcare spending and these costs may be considered a target for implementation of cost containment measures. Today, there is increasing awareness of the correlation between the quality of care delivered in the dialysis unit and the total healthcare expenses incurred by the dialysis patient. Accordingly, developments in reimbursement policies might include higher reimbursement rates for practices which are believed to improve the overall state of health of the ESRD patient and reduce the need for additional medical treatment.

Anti-Kickback Statutes, False Claims Act, Health Insurance Portability and Accountability Act of 1996, Civil Monetary Penalties Law, Stark Law and Other Fraud and Abuse Laws in the United States

Some of our operations are subject to federal and state statutes and regulations governing financial relationships between healthcare providers and potential referral sources and reimbursement for services and items provided to Medicare and Medicaid patients. Such laws include the Anti-Kickback Statute, the False Claims Act, the Stark Law, and other federal healthcare fraud and abuse laws and similar state laws.

The U.S. Government, many individual states and private third-party risk insurers have devoted increasing resources to combat fraud, waste, and abuse in the healthcare sector. The Office of the Inspector General of HHS ("OIG"), state Medicaid fraud control units, and other enforcement agencies have dedicated substantial resources to their efforts to detect agreements between physicians and service providers that may violate fraud and abuse laws. In its most recent Work Plan for Fiscal Year 2011, the OIG has scheduled an ESRD-related review in the coming year on: (i) claims for ESRD beneficiaries who are entitled to Medicare coverage only because of special circumstances (e.g., beneficiaries who receive 36 months of coverage after a kidney transplant or 12 months after dialysis is terminated for beneficiaries who no longer require dialysis and (ii) the availability of dialysis services at Indian Health Service and tribal facilities.

Recent health reform legislation has also enhanced the government's ability to pursue actions against potential violators, by expanding the government's investigative authority, expanding criminal and administrative penalties, and providing the government with expanded opportunities to pursue actions under the federal Anti-Kickback Statute, the False Claims Act, and the Stark Law. For example, ACA narrowed the public disclosure bar under the False Claims Act, allowing increased opportunities for whistleblower litigation. In addition, the legislation modified the intent standard under the federal Anti-Kickback Statute, making it easier for prosecutors to prove that alleged violators had met the requisite knowledge requirement. The ACA also requires providers and suppliers to report any Medicare or Medicaid overpayment and return the overpayment on the later of 60 days of identification of the overpayment or the date the cost report is due (if applicable), or all claims associated with the overpayment will become false claims. Also, recent "sunshine" legislation will require pharmaceutical and medical device manufacturers to record any payments made to physicians and hospitals beginning in 2012, with disclosures due in 2013.

Anti-Kickback Statutes

The federal Anti-Kickback Statute establishes criminal prohibitions against and civil penalties for the knowing and willful solicitation, receipt, offer or payment of any remuneration, whether direct or indirect, in return for or to induce the referral of patients or the ordering or purchasing of items or services payable in whole or in part under Medicare, Medicaid or other federal healthcare programs. Sanctions for violations of the Anti-Kickback Statute include criminal and civil penalties, such as imprisonment and/or criminal fines of up to $25,000 per violation, and civil penalties of up to $50,000 per violation and up to three times the amount received from the healthcare program, and exclusion from the Medicare or Medicaid programs and other federal programs.

The OIG has the authority to promulgate regulations referred to as "safe harbors" that define certain business relationships and arrangements that would not be subject to civil sanction or criminal enforcement under the Anti-Kickback Statute. Failure to comply with a safe harbor provision does not make the activity illegal. Rather, the safe harbors set forth specific criteria that, if fully met, will assure the entities involved of not being prosecuted criminally or civilly for the arrangement under the Anti-Kickback Statute.

Many states also have enacted statutes similar to the Anti-Kickback Statute, which may include criminal penalties, applicable to referrals of patients regardless of payor source, and may contain exceptions different from state to state and from those contained in the federal Anti-Kickback Statute.

False Claims Act and Related Criminal Provisions

The federal False Claims Act (the "False Claims Act") imposes civil penalties for knowingly making or causing to be made false claims with respect to governmental programs, such as Medicare and Medicaid, for services billed but not rendered, or for misrepresenting actual services rendered, in order to obtain higher reimbursement. The ACA provides that any claim submitted from an arrangement that violates the Anti-Kickback Statute is a false claim. Under the interpretation of certain courts, claims submitted for services furnished in violation of the Stark Law could also violate the False Claims Act. Moreover, private individuals may bring qui tam or "whistle blower" suits against providers under the False Claims Act, which authorizes the payment of 15-30% of any recovery to the individual bringing suit. Such actions are initially required to be filed under seal pending their review by the Department of Justice. The False Claims Act generally provides for the imposition of civil penalties of $5,500 to $11,000 per claim and for treble damages, resulting in the possibility of substantial financial penalties for small billing errors that are replicated in a large number of claims, as each individual claim could be deemed to be a separate violation of the False Claims Act. Some states also have enacted statutes similar to the False Claims Act which may include criminal penalties, substantial fines, and treble damages. Effective, January 1, 2007, section 1909 of the Social Security Act (enacted by section 6031 of the Deficit Reduction Act of 2005) provides a financial incentive for states to enact false claims acts that establish liability to the state for the submission of false or fraudulent claims to the state's Medicaid program. If a state false claims act is determined to meet certain enumerated requirements, the state is entitled to an increase in the amounts recovered under a state action brought under such law. The OIG, in consultation with the Attorney General of the United States and the Department of Justice, determines whether a state false claims act meets these enumerated requirements to qualify for the added financial incentive. As of November 2010, the OIG had reviewed and approved state false claims acts promulgated by California, Georgia, Hawaii, Illinois, Indiana, Massachusetts, Michigan, Nevada, New York, Rhode Island, Tennessee, Texas, Virginia, and Wisconsin. On March 21, 2011 the OIG notified these states that as a result of changes in the False Claims Act enacted under FERA, ACA and the Dodd-Frank Act their statutes no longer meet requirements. These states were given a grace period until March 31, 2013 to amend their statutes and resubmit them to the OIG for approval. Termination of the grace period is tolled during the OIG evaluation period and these states will continue to receive incentive payments during the grace period and any tolling period.

The Health Insurance Portability and Accountability Act of 1996 ("HIPAA")

HIPAA was enacted in August 1996 and expanded federal fraud and abuse laws by increasing their reach to all federal healthcare programs, establishing new bases for exclusions and mandating minimum exclusion terms, creating an additional statutory exception to the Anti-Kickback Statute for risk-sharing arrangements, requiring the Secretary of Health and Human Services to issue advisory opinions, increasing civil money penalties to $10,000 (formerly $2,000) per item or service and assessments of up to three times (formerly twice) the amount claimed, creating a specific healthcare fraud offense and related health fraud crimes, and expanding investigative authority and sanctions applicable to healthcare fraud. It also prohibits a provider from offering anything of value which the provider knows or should know would be likely to induce a federal healthcare program beneficiary to select or continue with the provider.

HIPAA included a healthcare fraud provision which prohibits knowingly and willfully executing a scheme or artifice to defraud any "health care benefit program," which includes any public or private plan or contract affecting commerce under which any medical benefit, item, or service is provided to any individual, and includes any individual or entity who is providing a medical benefit, item, or service for which payment may be made under the plan or contract. Penalties for violating this statute include criminal penalties, exclusion from the Medicare and Medicaid programs, freezing of assets and forfeiture of property traceable to commission of a healthcare fraud.

HIPAA regulations establish national standards for certain electronic healthcare transactions, the use and disclosure of certain individually identifiable patient health information, and the security of the electronic systems maintaining this information. These are commonly known as the HIPAA Privacy and Security Rules. Health insurance payers and healthcare providers like us must comply with the HIPAA regulations. Violations of these HIPAA regulations may include civil money penalties and potential criminal sanctions.

Many U.S. states also have enacted state healthcare privacy and data security breach laws governing patient information, medical records and personal information, including sensitive information such as financial and identity data. The HIPAA Privacy Rule establishes a minimum U.S. federal standard for protecting privacy and preempts all contrary U.S. state privacy laws. The Privacy Rule does not, however, preempt U.S. state privacy laws that are more stringent or more protective. In such instances, we would need to comply with the U.S. state privacy law. In addition, almost all U.S. states now regulate data breaches (unless the data is effectively encrypted) by requiring burdensome reporting and notification requirements, with significant financial penalties for noncompliance.

The Health Information Technology for Economic and Clinical Health Act ("HITECH Act"), pursuant to the American Recovery and Reinvestment Act of 2009 ("ARRA"), makes sweeping changes to the health information privacy and security regulations of HIPAA by expanding the scope and application of the statute. These changes include, among other things, (i) establishing an affirmative obligation to provide patient data breach notification in the event of the unauthorized acquisition, access, use or disclosure of unsecured protected health information ("PHI"); (ii) defining the "minimum necessary" information that a covered entity may use, disclose or request in the event the disclosure of a limited data set (partially de-identified data) is insufficient to accomplish the appropriate objectives; (iii) restricting the use of PHI for marketing purposes (expanding definition of marketing activities requiring authorization); (iv) prohibiting the sale of PHI; (v) establishing an affirmative obligation to provide an accounting of disclosures made for payment, treatment and healthcare operations (up to 3 years); (vi) permitting individual requests to restrict disclosure in certain circumstances; (vii) applying the privacy and security rules to business associates; and (viii) limiting application of the amendments to personal health records vendors. The U.S. government has promulgated interim final regulations, effective September 23, 2009, that address the obligation to provide patient data breach notifications, which subjects the Company to additional administrative requirements in the U.S. The Company cannot estimate the overall effect of the remaining regulatory changes until adoption of final regulations implementing those statutory provisions.

The HITECH Act also increased penalties for HIPAA violations. Penalties are now tiered and range from $100 to $50,000 per violation with an annual cap for the same violations of $25,000 to $1,500,000. The Office for Civil Rights of the Department of Health and Human Services ("OCR") has increased enforcement activities and has recently levied large penalties for violations.

Civil Monetary Penalties Law

Individuals or entities who have either (1) directly submitted, or caused to be submitted, claims which are improper or false; (2) arranged or contracted with an individual or entity that the person knows or should know is excluded from participation in federal healthcare programs; or (3) offered or received kickbacks may also be subject to monetary penalties or exclusion under the Civil Monetary Penalties Law ("CMPL") at the discretion of

the OIG. Penalties are generally not more than $10,000 for each item or service. However, under the CMPL, violators of the federal Anti-Kickback Statute provisions may also be subject to additional civil money penalties of $50,000 per violation. Violators are also subject to an assessment of up to three times the amount claimed for each item or service in lieu of damages sustained by the United States or a state agency because of such claim, or damages of up to three times the total amount of remuneration offered, paid, solicited, or received. In addition, any person or entity who violates this section may be excluded from participation in the federal or state healthcare programs.

Stark Law

The original Ethics in Patient Referrals Act of 1989 (commonly referred to as the "Stark Law") was enacted as part of the Omnibus Budget Reconciliation Act ("OBRA") of 1989, and prohibited a physician from referring Medicare patients for clinical laboratory services to entities with which the physician (or an immediate family member) has a financial relationship, unless an exception applies. Sanctions for violations of the Stark Law may include denial of payment, refund obligations, civil monetary penalties and exclusion of the provider from the Medicare and Medicaid programs. In addition, the Stark Law prohibits the entity receiving the referral from filing a claim or billing for services arising out of the prohibited referral.

Provisions of OBRA 1993, known as "Stark II," amended the Stark Law to revise and expand upon various statutory exceptions, expanded the services regulated by the statute to a list of "Designated Health Services," and expanded the reach of the statute to the Medicaid program. The provisions of Stark II generally became effective on January 1, 1995. The additional Designated Health Services, in addition to clinical laboratory services, include: physical therapy, occupational therapy and speech language pathology services; radiology and certain other imaging services; radiation therapy services and supplies; durable medical equipment and supplies; parenteral and enteral nutrients, equipment and supplies; prosthetics, orthotics, and prosthetic devices and supplies; home health services; outpatient prescription drugs; and inpatient and outpatient hospital services. The first phase of Stark regulations was finalized on January 4, 2001. Most portions of the first phase regulations became effective in 2002. The first phase of the final regulations implementing the Stark Law (the "Phase I regulations") contains an exception for Epogen® and certain other dialysis-related outpatient prescription drugs furnished in or by an ESRD facility under many circumstances. In addition, the regulations made clear that services reimbursed by Medicare to a dialysis facility under the ESRD composite rate do not implicate the Stark Law. Further, the final Phase I regulations also adopted a definition of durable medical equipment which effectively excludes ESRD equipment and supplies from the category of Designated Health Services. Phase II of the Stark regulations was published on March 26, 2004, and became effective on July 26, 2004. This phase of the regulations finalized all of the compensation exceptions to the Stark Law, including those for "personal services arrangements" and "indirect compensation arrangements." In addition, Phase II revised the exception for Epogen® and certain other dialysis-related outpatient prescription drugs furnished in or by an ESRD facility to include certain additional drugs.

On September 5, 2007, CMS published Phase III of the Stark regulations. While this rulemaking was intended to be the final phase of the Stark rulemaking process, CMS continues to address the Stark Law as part of its annual rulemaking process for reimbursement under the Medicare Part B Physician Fee Schedule or under the Inpatient Prospective Payment System.

Finally, it should be noted that many states in which we operate have enacted self-referral statutes similar to the Stark Law. Such state self-referral laws may apply to referrals of patients regardless of payor source and may contain exceptions different from each other and from those contained in the Stark Law.

Other Fraud and Abuse Laws

Our operations are also subject to a variety of other federal and state fraud and abuse laws, principally designed to ensure that claims for payment to be made with public funds are complete, accurate and fully comply with all applicable program rules.

Healthcare Reform

ACA contains broad healthcare system reforms, including (i) provisions to facilitate access to affordable health insurance for all Americans, (ii) expansion of the Medicaid program, (iii) an industry fee on pharmaceutical companies starting in 2011 based on sales of brand name pharmaceuticals to government healthcare programs, (iv) a 2.3% excise tax on manufacturers' medical device sales starting in 2013, (v) increases in Medicaid prescription drug rebates effective January 1, 2010, (vi) commercial insurance market reforms that protect consumers, such as bans on lifetime and annual limits, coverage of pre-existing conditions, and limits on waiting periods, (vii) provisions encouraging integrated care, efficiency and coordination among providers and

(viii) provisions for reduction of healthcare program waste and fraud. ACA's medical device excise tax, Medicaid drug rebate increases and annual pharmaceutical industry fees will adversely impact our product business earnings and cash flows. We expect modest favorable impact from ACA's integrated care and commercial insurance consumer protection provisions.

There are many lawsuits challenging the constitutionality of ACA, some of which have upheld it with others declaring portions of it a violation of the U.S. Constitution, although none of the orders have enjoined its operation. A recent effort to repeal ACA was approved by the House of Representatives but was rejected by the Senate. Several members of Congress have also expressed interest in repealing certain ACA provisions. It is difficult to predict at this time what the eventual outcome of the lawsuits will be once appeals have been exhausted or which proposals, if any, will be adopted or, if any lawsuit is successful or if any proposals are adopted, what the effect would be.

Effective February 15, 2011, the Department of Veterans Affairs ("VA") adopted payment rules which reduce its payment rates for non-contracted dialysis services to coincide with those of the Medicare program. As a result of the enactment of these new rules, we expect to experience variability in our aggregated VA reimbursement rates for contracted and non-contracted services. In addition, we may also experience reductions in the volume of VA patients treated in our facilities.

Employees

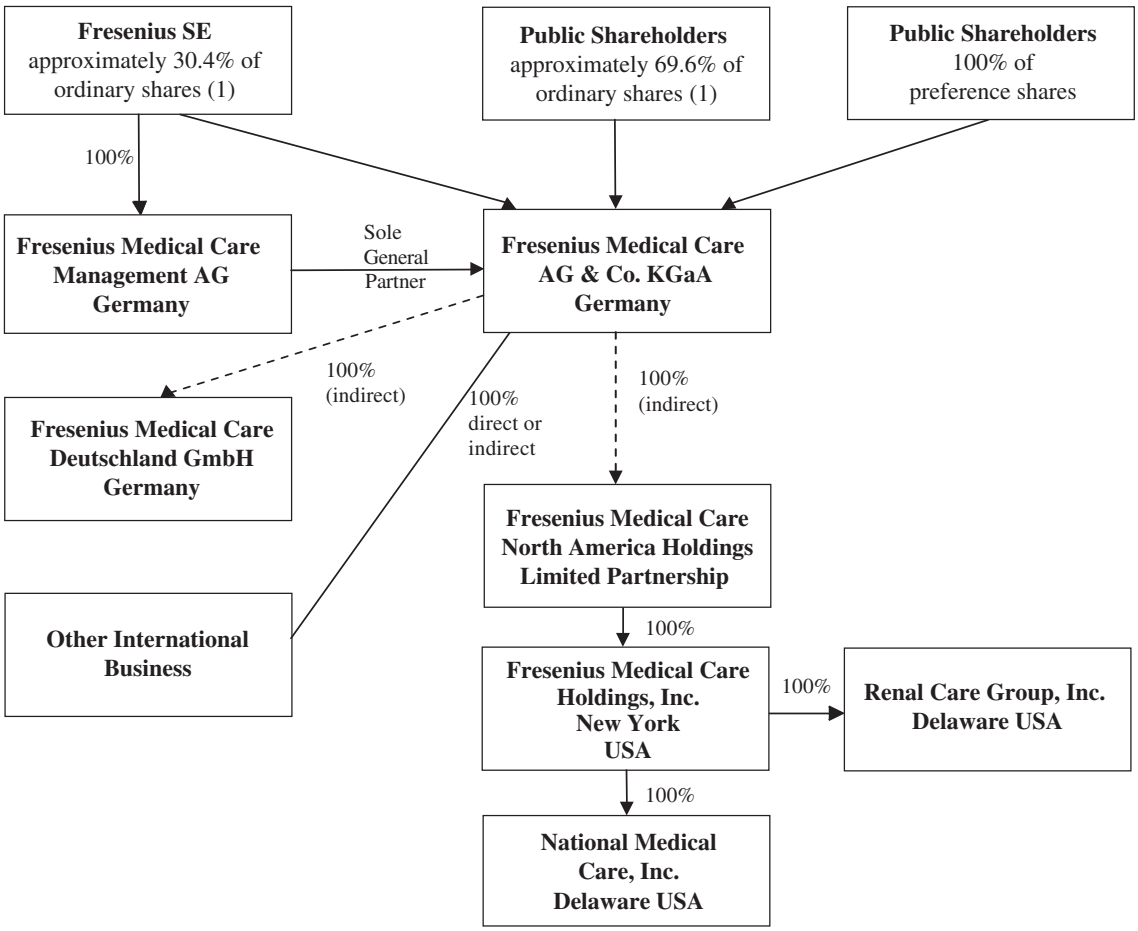
At June 30, 2011, we had 77,081 employees (full-time equivalents) as compared to 73,452 employees (full-time equivalents) at December 31, 2010, 67,988 at December 31, 2009, and 64,666 at December 31, 2008. The 5.0% increase at June 30, 2011 compared to December 31, 2010, and the 8.0% increase in 2010 were each mainly due to the overall growth in our business and acquisitions. The following table shows the number of employees by our major category of activities for the last three fiscal years.

	2010	2009	2008
North America			
Dialysis Care	36,488	35,188	33,694
Dialysis Products	7,557	6,916	6,752
	44,045	42,104	40,446
International			
Dialysis Care	19,647	16,413	15,180
Dialysis Products	9,584	9,312	8,903
	29,231	25,725	24,083
Corporate	176	159	137
Total Company	73,452	67,988	64,666

We are members of the Chemical Industry Employers Association for most sites in Germany and we are bound by union agreements negotiated with the respective union representatives. We generally apply the principles of the association and the related union agreements for those sites where we are not members. We are also party to additional shop agreements negotiated with works councils at individual facilities that relate to those facilities. In addition, approximately 4% of our U.S. employees are covered by collective bargaining agreements. During the last three fiscal years, we have not suffered any labor-related work disruptions.

Organizational Structure

The following chart shows our organizational structure and our significant subsidiaries. Fresenius Medical Care Holdings, Inc. conducts its business as "Fresenius Medical Care North America."



(1) See "Management — Significant Shareholders — Security Ownership of Certain Beneficial Owners of the Company."

Property, plant and equipment

Property

The table below describes our principal facilities. We do not own the land and buildings comprising our principal facilities in Germany. Rather, we lease those facilities on a long-term basis from Fresenius SE or one of its affiliates. These leases are described under "Management — Related Party Transactions — Real Property Lease."

Location	Floor Area (Approximate Square Meters)	Currently Owned or Leased by Fresenius Medical Care	Lease Expiration	Use
Bad Homburg, Germany	18,300	leased	December 2016	Corporate headquarters and administration
Bad Homburg, Germany	4,556	leased	December 2012	Administration Building FMC GmbH Central Europe
St. Wendel, Germany	58,767	leased	December 2016	Manufacture of polysulfone membranes, dialyzers and peritoneal dialysis solutions; research and development
Biebesheim, Germany	30,000	leased	December 2023	Central distribution Europe, Asia Pacific and Latin America
Schweinfurt, Germany	38,100	leased	December 2016	Manufacture of hemodialysis machines and peritoneal dialysis cyclers; research and development
Bad Homburg (OE), Germany	10,304	leased	December 2016	Manufacture of hemodialysis concentrate solutions/Technical Services/Logistics services
Stollberg, Germany	3,600	leased	July 2028	Manufacture of sub-assemblies for hemodialysis machines
Palazzo Pignano, Italy	19,990	owned		Manufacture of bloodlines and tubing, Office
L'Arbresle, France	13,524	owned		Manufacture of polysulfone dialyzers, special filters and dry hemodialysis concentrates
Nottinghamshire, UK	5,110	leased	June 2025	Manufacture of hemodialysis concentrate solutions
Vrsac, Serbia	3,331	owned		Production area, laboratory, maintenance, administration, logistics
Barcelona, Spain	2,000	owned		Manufacture of hemodialysis concentrate solutions
Antalya, Turkey	12,031	leased	December 2037	Manufacture of bloodlines
Casablanca, Morocco	2,823	owned		Manufacture of hemodialysis concentrate solutions
Guadalajara, México	26,984	owned		Manufacture of peritoneal dialysis bags
Buenos Aires, Argentina	20,000	owned		Manufacture of hemodialysis concentrate solutions, dry hemodialysis concentrates, bloodlines and disinfectants
São Paulo, Brazil	8,615	owned		Manufacture of hemodialysis concentrate solutions, dry hemodialysis concentrates, peritoneal dialysis bags, intravenous solutions bags, peritoneal dialysis and blood lines sets
São Paulo, Brazil	5,430	leased	March 2012	Warehouse and Technical Service Office
Rio de Janeiro, Brazil	1,316	leased	August 2015	Head Office
Bogotá, Colombia	18,947	owned		Manufacture of hemodialysis concentrate solutions, peritoneal dialysis bags, intravenous solutions, administration

Location	Floor Area (Approximate Square Meters)	Currently Owned or Leased by Fresenius Medical Care	Lease Expiration	Use
Valencia, Venezuela	3,648	leased	June 2012	Head Office and Warehouse
Hong Kong	1,770	leased	February 2012	Warehouse
Suzhou, China (Changshu Plant)	25,168	owned		Manufacture of hemodialysis bloodline sets/AV Fistula set
Smithfield NSW, Australia	5,350	owned		Manufacture of hemodialysis concentrate & Warehouse
Scoresby, Australia	6,263	leased	December 2019	VIC Warehouse/Seating & Packs/Production
Auckland, New Zealand	2,170	leased	May 2030	Warehouse/Office
Selangor, Malaysia	3,149	leased	May 2012	Administration/Warehouse
Yongin, South Korea	1,650	leased	June 2012	Warehouse
Seoul, South Korea	1,905	leased	January 2012	Administration
Sooncheon, South Korea	5,112	owned		Clinic
Oita, Japan (Inukai Plant)	3,065	owned		Manufacture of polysulfone filters
Fukuoka, Japan (Buzen Plant)	37,092	owned		Manufacture of peritoneal dialysis bags and dialyzers
Fukuoka, Japan (Buzen Plant) - Site Area for future expansion	27,943	owned		Manufacture of peritoneal dialysis bags and dialyzers
Saga, Japan	3,306	leased	October 2011	Warehouse
Ibaragi, Japan	7,111	leased	August 2013	Clinic
Waltham, Massachusetts	25,588	leased	April 2017 - July 2017 with a 10 year and a second 5 year renewal option	North American corporate headquarters
Lexington, Massachusetts	6,425	leased	April 2017	IT headquarters and administration - North America
Nashville, Tennessee	4,487	leased	August 2012	IT administration/payroll administration
Walnut Creek, California	7,897	leased	June 2012 with 5 year renewal option	Manufacture of hemodialysis machines and peritoneal
Pittsburg, California	7,135	leased	July 2012 with 5 year renewal option	Warehouse
Ogden, Utah	74,322	owned		Manufacture polysulfone membranes and dialyzers and peritoneal dialysis solutions; research and development
Ogden, Utah	9,755	leased	July 2033	Plant expansion, manufacturing operations
Ogden, Utah	24,452	leased	December 2021	Warehouse
Ogden, Utah	8,933	leased	December 2021	Warehouse
Ogden, Utah	2,072	leased	year-to-year lease	Warehouse
Oregon, Ohio	13,934	leased	April 2019	Manufacture of liquid hemodialysis concentrate solutions
Livingston, California	7,885	leased	December 2011 with 5-year renewal option	Manufacture of liquid hemodialysis concentrates and resupply
Milpitas, California	8,670	leased	December 2015 with 5-year renewal option	Clinical laboratory testing
Rockleigh, New Jersey	9,812	leased	May 2012	Clinical laboratory testing
Irving, Texas	8,374	leased	February 2014	Manufacture of liquid hemodialysis solution
Reynosa, Mexico	13,936	leased	June 2013	Manufacture of bloodlines
Reynosa, Mexico	7,079	leased	June 2013	Warehouse

Location	Floor Area (Approximate Square Meters)	Currently Owned or Leased by Fresenius Medical Care	Lease Expiration	Use
Reynosa, Mexico	4,645	owned		Warehouse
Lachine, Canada	39,430	leased	March 2014	Warehouse
Montreal, Canada	4,036	leased	September 2020	Warehouse
Richmond, Canada	2,286	leased	April 2014	Warehouse
Richmond Hill, Canada	5,948	leased	November 2016	Warehouse and administrative offices
Warrendale, Pennsylvania . .	2,366	leased	April 2013	RSI administration and research facility
Oklahoma City, OK	3,665	leased	October 2015	Manufacture of sorbent cartridges

We lease most of our dialysis clinics, manufacturing, laboratory, warehousing and distribution and administrative and sales facilities in the U.S. and other countries on terms which we believe are customary in the industry. We own those dialysis clinics and manufacturing facilities that we do not lease.

Legal Proceedings

The Company is routinely involved in numerous claims, lawsuits, regulatory and tax audits, investigations and other legal matters arising, for the most part, in the ordinary course of its business of providing healthcare services and products. The outcome of litigation and other legal matters is always difficult to accurately predict and outcomes that are not consistent with the Company's view of the merits can occur. The Company 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.

Commercial Litigation

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

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

In 2003, the Company reached agreement with the asbestos creditors' committees on behalf of the W.R. Grace & Co. bankruptcy estate and W.R. Grace & Co. in the matters pending in the Grace Chapter 11 Proceedings for the settlement of all fraudulent conveyance and tax claims against it and other claims related to the Company that arise out of the bankruptcy of W.R. Grace & Co. Under the terms of the settlement agreement as amended (the "Settlement Agreement"), fraudulent conveyance and other claims raised on behalf of asbestos claimants will be dismissed with prejudice and the Company will receive protection against existing and potential future W.R. Grace & Co. related claims, including fraudulent conveyance and asbestos claims, and indemnification against income tax claims related to the non-NMC members of the W.R. Grace & Co. consolidated tax group upon confirmation of a W.R. Grace & Co. bankruptcy reorganization plan that contains such provisions. Under the Settlement Agreement, the Company will pay a total of $115 million without interest to the W.R. Grace & Co. bankruptcy estate, or as otherwise directed by the Court, upon plan confirmation. No admission of liability has been or will be made. The Settlement Agreement has been approved by the U.S. District Court. In January and February, 2011, the U.S. Bankruptcy Court entered orders confirming the joint plan of reorganization. These confirmation orders are pending before the U.S. District Court. Subsequent to the Merger, W.R. Grace & Co. was involved in a

multi-step transaction involving Sealed Air Corporation ("Sealed Air," formerly known as Grace Holding, Inc.). The Company is engaged in litigation with Sealed Air to confirm its entitlement to indemnification from Sealed Air for all losses and expenses incurred by the Company relating to pre-Merger tax liabilities and Merger-related claims. Under the Settlement Agreement, upon final confirmation of a plan of reorganization that satisfies the conditions of the Company's payment obligation, this litigation will be dismissed with prejudice.

On April 4, 2003, FMCH filed a suit in the U.S. District Court for the Northern District of California, styled Fresenius USA, Inc., et al., v. Baxter International Inc., et al., Case No. C 03-1431, seeking a declaratory judgment that FMCH does not infringe patents held by Baxter International Inc. and its subsidiaries and affiliates ("Baxter"), that the patents are invalid, and that Baxter is without right or authority to threaten or maintain suit against FMCH for alleged infringement of Baxter's patents. In general, the asserted patents concern the use of touch screen interfaces for hemodialysis machines. Baxter filed counterclaims against FMCH seeking more than $140,000 in monetary damages and injunctive relief, and alleging that FMCH willfully infringed on Baxter's patents. On July 17, 2006, the court entered judgment on a jury verdict in favor of FMCH finding that all the asserted claims of the Baxter patents are invalid as obvious and/or anticipated in light of prior art.

On February 13, 2007, the court granted Baxter's motion to set aside the jury's verdict in favor of FMCH and reinstated the patents and entered judgment of infringement. Following a trial on damages, the court entered judgment on November 6, 2007 in favor of Baxter on a jury award of $14.3 million. On April 4, 2008, the court denied Baxter's motion for a new trial, established a royalty payable to Baxter of 10% of the sales price for continuing sales of FMCH's 2008K hemodialysis machines and 7% of the sales price of related disposables, parts and service beginning November 7, 2007, and enjoined sales of the touchscreen-equipped 2008K machine effective January 1, 2009. The Company appealed the court's rulings to the United States Court of Appeals for the Federal Circuit ("Federal Circuit"). In October 2008, the Company completed design modifications to the 2008K machine that eliminate any incremental hemodialysis machine royalty payment exposure under the original District Court order. On September 10, 2009, the Federal Circuit reversed the district court's decision and determined that the asserted claims in two of the three patents at issue are invalid. As to the third patent, the Federal Circuit affirmed the district court's decision; however, the Court also vacated the injunction and award of damages. These issues were remanded to the District Court for reconsideration in light of the invalidity ruling on most of the claims. As a result, FMCH is no longer required to fund the court-approved escrow account set up to hold the royalty payments ordered by the district court, although funds already contributed will remain in escrow until the case is finally concluded. On March 18, 2010, the U.S. Patent and Trademark Office (USPTO) and the Board of Patent Appeals and Interferences ruled in reexamination that the remaining Baxter patent is invalid. On October 5, 2010, Baxter appealed the Board's ruling to the Federal Circuit.

On April 28, 2008, Baxter filed suit in the U.S. District Court for the Northern District of Illinois, Eastern Division (Chicago), styled Baxter International, Inc. and Baxter Healthcare Corporation v. Fresenius Medical Care Holdings, Inc. and Fresenius USA, Inc., Case No. CV 2389, asserting that FMCH's hemodialysis machines infringe four patents issued in 2007 and 2008, all of which are based on one of the patents at issue in the April 2003 Baxter case described above. The new patents expired in April 2011 and relate to trend charts shown on touch screen interfaces and the entry of ultrafiltration profiles (ultrafiltration is the removing of liquid from a patient's body using osmotic pressure). This case is currently stayed pursuant to court order. The Company believes that its hemodialysis machines do not infringe any valid claims of the Baxter patents at issue. All the asserted patents now stand rejected in an ongoing reexamination at the USPTO.

On October 17, 2006, Baxter and DEKA Products Limited Partnership (DEKA) filed suit in the U.S. District Court for the Eastern District of Texas which was subsequently transferred to the Northern District of California, styled Baxter Healthcare Corporation and DEKA Products Limited Partnership v. Fresenius Medical Care Holdings, Inc. d/b/a Fresenius Medical Care North America and Fresenius USA, Inc., Case No. CV 438 TJW. The complaint alleged that FMCH's LibertyTM cycler infringes nine patents owned by or licensed to Baxter. During and after discovery, seven of the asserted patents were dropped from the suit. On July 28, 2010, at the conclusion of the trial, the jury returned a verdict in favor of FMCH finding that the LibertyTM cycler does not infringe any of the asserted claims of the Baxter patents. The District Court denied Baxter's request to overturn the jury verdict and Baxter has appealed the verdict and resulting judgment to the United States Court of Appeals for the Federal Circuit.

Other Litigation and Potential Exposures

Renal Care Group, Inc. ("RCG") is named as a nominal defendant in a complaint originally filed September 13, 2006 in the Chancery Court for the State of Tennessee Twentieth Judicial District at Nashville styled Indiana State District Council of Laborers and Hod Carriers Pension Fund v. Gary Brukardt et al. Following the trial court's

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

On July 17, 2007, resulting from an investigation begun in 2005, the United States Attorney filed a civil complaint in the United States District Court for the Eastern District of Missouri (St. Louis) against Renal Care Group, Inc., its subsidiary RCG Supply Company, and FMCH in its capacity as RCG's current corporate parent. The complaint seeks monetary damages and penalties with respect to issues arising out of the operation of RCG's Method II supply company through 2005, prior to FMCH's acquisition of RCG in 2006. The complaint is styled United States of America ex rel. Julie Williams et al. vs. Renal Care Group, Renal Care Group Supply Company and FMCH. On August 11, 2009, the Missouri District Court granted RCG's motion to transfer venue to the United States District Court for the Middle District of Tennessee (Nashville). On March 22, 2010, the Tennessee District Court entered judgment against defendants for approximately $23 million in damages and interest under the unjust enrichment count of the complaint but denied all relief under the six False Claims Act counts of the complaint. On June 17, 2011, the District Court entered summary judgment against RCG for $82.6 million on one of the False Claims Act counts of the complaint. On June 23, 2011, the Company appealed to the United States Court of Appeals for the Sixth Circuit. Although we cannot provide any assurance of the outcome, the Company believes that RCG's operation of its Method II supply company was in compliance with applicable law, that no relief is due to the United States, that the decisions made by the District Court on March 22, 2010 and June 17, 2011 will be reversed, and that its position in the litigation will ultimately be sustained.

On November 27, 2007, the United States District Court for the Western District of Texas (El Paso) unsealed and permitted service of two complaints previously filed under seal by a qui tam relator, a former FMCH local clinic employee. The first complaint alleged that a nephrologist unlawfully employed in his practice an assistant to perform patient care tasks that the assistant was not licensed to perform and that Medicare billings by the nephrologist and FMCH therefore violated the False Claims Act. The second complaint alleged that FMCH unlawfully retaliated against the relator by discharging her from employment constructively. The United States Attorney for the Western District of Texas declined to intervene and to prosecute on behalf of the United States. On March 30, 2010, the District Court issued final judgment in favor of defendants on all counts based on a jury verdict rendered on February 25, 2010 and on rulings of law made by the Court during the trial. The plaintiff has appealed from the District Court judgment.

On February 15, 2011, a qui tam relator's complaint under the False Claims Act against FMCH was unsealed by order of the United States District Court for the District of Massachusetts and served by the relator. The United States has not intervened in the case United States ex rel. Chris Drennen v. Fresenius Medical Care Holdings, Inc., 2009 Civ. 10179 (D. Mass.). The relator's complaint, which was first filed under seal in February 2009, alleges that the Company seeks and receives reimbursement from government payers for serum ferritin and hepatitis B laboratory tests that are medically unnecessary or not properly ordered by a physician. FMCH has filed a motion to dismiss the complaint. On March 6, 2011, the United States Attorney for the District of Massachusetts issued a Civil Investigative Demand seeking the production of documents related to the same laboratory tests that are the subject of the relator's complaint. FMCH is cooperating fully in responding to the additional Civil Investigative Demand, and will vigorously contest the relator's complaint.

On June 29, 2011, the Company received a subpoena from the United States Attorney for the Eastern District of New York. The subpoena is part of a criminal and civil investigation into relationships between retail pharmacies and outpatient dialysis facilities in the State of New York and into the reimbursement under government payer programs in New York for medications provided to patients with ESRD. Among the issues encompassed by the investigation is whether retail pharmacies may have received compensation from the New York Medicaid program for pharmaceutical products that should be provided by the dialysis facilities in exchange for the New York Medicaid payment to the dialysis facilities. The Company is cooperating in the investigation.

The Company filed claims for refunds contesting the Internal Revenue Service's ("IRS") disallowance of FMCH's civil settlement payment deductions taken by FMCH in prior year tax returns. As a result of a settlement agreement with the IRS, the Company received a partial refund in September 2008 of $37 million, inclusive of interest and preserved our right to pursue claims in the United States Courts for refunds of all other disallowed deductions. On December 22, 2008, the Company filed a complaint for complete refund in the United States District Court for the District of Massachusetts, styled as Fresenius Medical Care Holdings, Inc. v. United States. On June 24, 2010, the court denied FMCH's motion for summary judgment and the litigation is proceeding towards trial.

The IRS tax audits of FMCH for the years 2002 through 2006 have been completed. The IRS has disallowed all deductions taken during these audit periods related to intercompany mandatorily redeemable preferred shares. The Company has protested the disallowed deductions and will avail itself of all remedies. An adverse determination with respect to the disallowed deductions related to intercompany mandatorily redeemable preferred shares could have a material adverse effect on our results of operations and liquidity. In addition, the IRS proposed other adjustments which have been recognized in the financial statements.

For the tax year 1997, the Company recognized an impairment of one of its subsidiaries which the German tax authorities disallowed in 2003 at the conclusion of their audit for the years 1996 and 1997. The Company has filed a complaint with the appropriate German court to challenge the tax authorities' decision. In January 2011, the Company reached an agreement with the tax authorities, estimated to be slightly more favorable than the tax benefit recognized previously. The additional benefit is expected to be recognized in 2011.

From time to time, the Company is a party to or may be threatened with other litigation or arbitration, claims or assessments arising in the ordinary course of its business. Management regularly analyzes current information including, as applicable, the Company's defenses and insurance coverage and, as necessary, provides accruals for probable liabilities for the eventual disposition of these matters.

The Company, 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 operation of manufacturing facilities, laboratories and dialysis clinics, and environmental and occupational health and safety. The Company must also comply with the Anti-Kickback Statute, the False Claims Act, the Stark Law, and 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 the Company'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 "whistle blower" actions. In May 2009, the scope of the False Claims Act was expanded and additional protections for whistle blowers and procedural provisions to aid whistle blowers' ability to proceed in a False Claims Act case were added. By virtue of this regulatory environment, the Company's business activities and practices are subject to extensive review by regulatory authorities and private parties, and continuing audits, investigative demands, subpoenas, other inquiries, claims and litigation relating to the Company's compliance with applicable laws and regulations. The Company may not always be aware that an inquiry or action has begun, particularly in the case of "whistle blower" actions, which are initially filed under court seal.

The Company operates many facilities throughout the United States and other parts of the world. In such a decentralized system, it is often difficult to maintain the desired level of oversight and control over the thousands of individuals employed by many affiliated companies. The Company relies upon its management structure, regulatory and legal resources, and the effective operation of its compliance program to direct, manage and monitor the activities of these employees. On occasion, the Company may identify instances where employees or other agents, deliberately, recklessly or inadvertently, contravene our compliance policies or violate applicable law. The actions of such persons may subject the Company and its subsidiaries to liability under the Anti-Kickback Statute, the Stark Law and the False Claims Act, among other laws, and comparable laws of other countries.

Physicians, hospitals and other participants in the health care industry are also subject to a large number of lawsuits alleging professional negligence, malpractice, product liability, worker's compensation or related claims, many of which involve large claims and significant defense costs. The Company has been and is currently subject to these suits due to the nature of its business and expects that those types of lawsuits may continue. Although the Company maintains insurance at a level which it believes to be prudent, it cannot assure that the coverage limits will be adequate or that insurance will cover all asserted claims. A successful claim against the Company or any of its subsidiaries in excess of insurance coverage could have a material adverse effect upon it and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

The Company has also had claims asserted against it and has had lawsuits filed against it relating to alleged patent infringements or businesses that it has acquired or divested. These claims and suits relate both to operation of the businesses and to the acquisition and divestiture transactions. The Company has, when appropriate, asserted its own claims, and claims for indemnification. A successful claim against the Company or any of its subsidiaries could have a material adverse effect upon its business, financial condition, and the results of its operations. Any

claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

Accrued Special Charge for Legal Matters

At December 31, 2001, the Company recorded a pre-tax special charge of $258.2 million to reflect anticipated expenses associated with the defense and resolution of pre-Merger tax claims, Merger-related claims, and commercial insurer claims. The costs associated with the Settlement Agreement and settlements with insurers have been charged against this accrual. With the exception of the proposed $115 million payment under the Settlement Agreement in the Grace Chapter 11 Proceedings, all other matters included in the special charge have been resolved. While the Company believes that its remaining accrual reasonably estimates its currently anticipated costs related to the continued defense and resolution of this matter, no assurances can be given that its actual costs incurred will not exceed the amount of this accrual.

Profit and loss pooling agreements

D-GmbH entered into a profit and loss pooling agreement (*Ergebnisabführungsvertrag*) with Fresenius Medical Care Beteiligungsgesellschaft mbH as dominating company (*herrschendes Unternehmen*) on March 20, 2009. D-GmbH's shareholder meeting approved the conclusion of the profit and loss pooling agreement on March 27, 2009 and Fresenius Medical Care Beteiligungsgesellschaft mbH's shareholder meeting granted its approval on March 26, 2009. Fresenius Medical Care Beteiligungsgesellschaft mbH entered into a profit and loss pooling agreement with the Company as dominating company (*herrschendes Unternehmen*) on December 23, 1997. The shareholders meeting of Fresenius Medical Care Beteiligungsgesellschaft mbH approved the conclusion of this profit and loss pooling agreement on August 4, 1998. Pursuant to a profit and loss pooling agreement *(Ergebnisabführungsvertrag*), a company (profit transferor) undertakes to transfer its entire profits to another company (profit transferee), which in turn undertakes to compensate any annual net loss of the profit transferor that is incurred during the term of the profit and loss pooling agreement. Taxation of the corporate income of both companies takes place jointly at the level of the profit transferee level.

MANAGEMENT

Directors and Senior Management

General

As a partnership limited by shares, under the German Stock Corporation Act (*Aktiengesetz*), our corporate bodies are our general partner, our supervisory board and our general meeting of shareholders. Our sole general partner is Fresenius Medical Care Management AG ("Management AG"), a wholly-owned subsidiary of Fresenius SE. Management AG is required to devote itself exclusively to the management of Fresenius Medical Care AG & Co. KGaA.

Our general partner has a Supervisory Board and a Management Board. These two boards are separate and no individual may simultaneously be a member of both boards. A person may, however, serve on both the supervisory board of our general partner and on our supervisory board.

The General Partner's Supervisory Board

The Supervisory Board of Management AG consists of six members who are elected by Fresenius SE & Co. KGaA (acting through its general partner, Fresenius Management SE) as the sole shareholder of Management AG. Pursuant to pooling agreements for the benefit of the public holders of our ordinary shares and the holders of our preference shares, at least one-third (but no fewer than two) of the members of the general partner's Supervisory Board are required to be independent directors as defined in the pooling agreements, i.e., persons with no substantial business or professional relationship with us, Fresenius SE & Co. KGaA, its general partner, or any affiliate of any of them.

Unless resolved otherwise by the general meeting of shareholders, the terms of each of the members of the Supervisory Board of Management AG will expire at the end of the general meeting of shareholders in which the shareholders discharge the Supervisory Board for the fourth fiscal year following the year in which the Management AG supervisory board member was elected by Fresenius SE, but not counting the fiscal year in which such member's term begins. Members of the general partner's Supervisory Board may be removed only by a resolution of Fresenius SE in its capacity as sole shareholder of the general partner. Neither our shareholders nor the separate supervisory board of FMC AG & Co. KGaA has any influence on the appointment of the Supervisory Board of our general partner.

The general partner's Supervisory Board ordinarily acts by simple majority vote and the Chairman has a tie-breaking vote in case of any deadlock. The principal function of the general partner's Supervisory Board is to appoint and to supervise the general partner's Management Board in its management of the Company, and to approve mid-term planning, dividend payments and matters which are not in the ordinary course of business and are of fundamental importance to us.

The table below provides the names of the current members of the Supervisory Board of Management AG and their ages as of December 31, 2010.

Name	Age as of December 31, 2010
Dr. Ulf M. Schneider, Chairman[(1)]	45
Dr. Dieter Schenk, Vice Chairman[(4)]	58
Dr. Gerd Krick[(1)(2)]	72
Dr. Walter L. Weisman[(1)(2)(3)]	75
Mr. Rolf A. Classon[(3)(5)]	65
Mr. William P. Johnston[(1)(2)(3)(4)]	66

(1) Members of the Human Resources Committee of the Supervisory Board of Management AG

(2) Members of the Audit and Corporate Governance Committee of FMC-AG & Co. KGaA

(3) Independent director for purposes of our pooling agreement

(4) Member of the Regulatory and Reimbursement Assessment Committee of the Supervisory Board of Management AG

(5) Mr. Classon was elected to the Supervisory Board of the Company at the Company's Annual General Meeting in May 2011 and to the Supervisory Board of Management AG in July 2011.

DR. ULF M. SCHNEIDER has been Chairman of the Supervisory Board of Management AG since April 15, 2005. He was a member of the Fresenius Medical Care AG Supervisory Board from May 2004 and Chairman of its Supervisory Board until the effective date of the transformation when he resigned upon the Company's transformation to a KGaA. He was Chief Financial Officer of FMC-AG from November 2001 until May 2003. On March 7, 2003, Dr. Schneider announced his resignation from the FMC-AG Management Board to become Chairman of the Management Board of Fresenius SE, effective May 28, 2003 and, effective January 28, 2011, he is Chairman of the

Management Board of Fresenius Management SE, the general partner of Fresenius SE & Co. KGaA. Previously he was Group Finance Director for Gehe UK plc., a pharmaceutical wholesale and retail distributor, in Coventry, United Kingdom. He has held several senior executive and financial positions since 1989 with Gehe's majority shareholder, Franz Haniel & Cie. GmbH, Duisburg, a diversified German multinational company. Dr. Schneider is Chairman of the Supervisory Boards of Fresenius Kabi AG, HELIOS Kliniken GmbH and Fresenius Medical Care Groupe France S.A.S., France. Dr. Schneider is a member of the Supervisory Boards of Fresenius Kabi España S.A., Spain and Fresenius HemoCare Netherlands B.V., the Netherlands. He was member of the Supervisory Board of Fresenius Kabi Austria GmbH, Austria, until June 30, 2010. Dr. Schneider is a member of the Board of Directors of APP Pharmaceuticals, Inc., USA. He remains a member of the Board of Directors of Fresenius Kabi Pharmaceuticals Holding, Inc., USA and is a member of the Board of Directors of FHC (Holdings), Ltd., Great Britain.

DR. DIETER SCHENK has been a member of the Supervisory Board of Management AG since April 8, 2005 and Vice Chairman of the Supervisory Board of Management AG since April 15, 2005. He was Vice Chairman of the Supervisory Board of FMC-AG from 1996 until the transformation of legal form to a KGaA. He is also Vice Chairman of the Supervisory Board of FMC-AG & Co. KGaA. He is an attorney and tax advisor and has been a partner in the law firm of Noerr LLP (formerly Nörr Stiefenhofer Lutz) since 1986. Dr. Schenk is also Vice Chairman of the Supervisory Board of Fresenius Management SE and Chairman of the Advisory Board of Else-Kröner-Fresenius-Stiftung, which owns approximately 28.9% of the shares of Fresenius SE & Co. KGaA. He was Vice Chairman of the Supervisory Board of Fresenius SE until January 28, 2011. He also serves as the Chairman of the Supervisory Board of Gabor Shoes AG and TOPTICA Photonics AG and as a Vice-Chairman of the Supervisory Board of Greiffenberger AG. Dr. Schenk was Chairman of the Supervisory Board of NSL Consulting AG until September 2008.

DR. GERD KRICK has been a member of the Supervisory Board of Management AG since December 28, 2005 and was Chairman of the Supervisory Board of FMC-AG from January 1, 1998 until the transformation of legal form to a KGaA. He is also Chairman of the Supervisory Boards of FMC AG & Co. KGaA and Fresenius Management SE. He was Chairman of the Fresenius AG Management Board from 1992 to May 2003 at which time he became chairman of its Supervisory Board. He was Chairman of the Supervisory Board of Fresenius SE and effective January 28, 2011, he is the Chairman of the Supervisory Board of Fresenius Management SE and a member of the supervisory Board of Fresenius SE & Co. KGaA. Prior to 1992, he was a Director of the Medical Systems Division of Fresenius AG and Vice-Chairman of the Fresenius AG Management Board. From September 1996 until December 1997, Dr. Krick was Chairman of the Management Board of FMC-AG. Dr. Krick was a member of the Advisory Board of HDI Haftpflichtverband der deutschen Industrie V.a.G until December 31, 2008. He is also the Chairman of the Supervisory Board of Vamed AG, Austria and was a member of the Supervisory Board of Allianz Private Krankenversicherungs-AG until April 16, 2008.

MR. ROLF A. CLASSON was elected a member of the Supervisory Board of FMC AG & Co. KGaA at our Annual General Meeting in May 2011 and to the Supervisory Board of Management AG in July 2011. He is Chairman of the Board of Directors of Hill-Rom Holdings, Inc., (previously Hillenbrand Industries, Inc.), Batesville, Indiana, and became Chairman of the Board of EKR Therapeutics, Inc., a privately held specialty pharmaceutical company in May 2011. He is a member of the board of directors of Auxillum Pharmaceuticals, Inc., Prometheus Laboratories, Inc., and Tecan Group Ltd. Until April 2011, he was a member of the board of Enzon Pharmaceuticals, Inc.

DR. WALTER L. WEISMAN has been a member of the Supervisory Board of Management AG since December 28, 2005 and was a member of the Supervisory Board of FMC-AG from 1996 until the transformation of legal form to a KGaA. He is also a member of the Supervisory Board of FMC-AG & Co. KGaA. He is a private investor and a former President and Chief Executive Officer of American Medical International, Inc., and is a member of the Board of Directors of Occidental Petroleum Corporation. He is Senior Trustee of the Board of Trustees for the California Institute of Technology, a Life Trustee of the Board of Trustees of the Los Angeles County Museum of Art, and Chairman of the Board of Trustees of the Sundance Institute. Dr. Weisman was Vice-Chairman and Lead Director of Maguire Properties, Inc. until September 1, 2008 and was Vice-Chairman of the Board of Trustees of the Samuel H. Kress Foundation until November 1, 2008.

MR. WILLIAM P. JOHNSTON was elected to the Supervisory Board of Management AG on August 30, 2006. He has been a member of the Supervisory Board of FMC-AG & Co. KGaA since May 2006. He was the former Chairman of the Board of Directors of Renal Care Group, Inc. Mr. Johnston has been a Senior Advisor of The Carlyle Group since June 2006. He is also a member of the Board of Directors of The Hartford Mutual Funds, Inc., HCR-Manor Care, Inc. and LifeCare Holdings, Inc. Mr. Johnston is a member of the Board of Directors of the Georgia O'Keeffe Museum.

Except for potential conflicts which could arise due to the relationships described under "Related Party Transactions," there are no conflicts of interest between the private interests of the members of the Supervisory Board of Management AG and other duties of the Supervisory Board of Management AG and their duties vis-à-vis Management AG, the Issuers and the Guarantors.

The General Partner's Management Board

Each member of the Management Board of Management AG is appointed by the Supervisory Board of Management AG for a maximum term of five years and is eligible for reappointment thereafter. Their terms of office expire in the years listed below.

The table below provides names, positions and terms of office of the members of the Management Board of Management AG and their ages as of January 1, 2011.

Name	Age as of Jan. 1, 2011	Position	Year term expires
Dr. Ben J. Lipps	70	Chairman of the Management Board, Chief Executive Officer of FMC-AG & Co. KGaA	2012
Rice Powell	55	Deputy Chairman of the Management Board and Chief Executive Officer, Fresenius Medical Care North America	2014
Michael Brosnan	55	Chief Financial Offier of FMC-AG & Co. KGaA	2012
Roberto Fusté	58	Chief Executive Officer for Asia-Pacific	2016
Dr. Emanuele Gatti	55	Chief Executive Officer for Europe, Middle East, Africa and Latin America and Chief Strategist for FMC-AG & Co. KGaA	2012
Dr. Rainer Runte	51	Chief Administrative Officer for Global Law, Compliance, Intellectual Property and Corporate Business Development and Labor Relations Director for Germany	2014
Kent Wanzek	51	Head of Global Manufacturing Operations	2012

DR. BEN J. LIPPS became Chairman and Chief Executive Officer of the Management Board of Management AG on December 21, 2005. He served as acting Chief Financial Officer from September 1, 2009 until December 31, 2009. He was Chairman and Chief Executive Officer of the Management Board of FMC-AG from May 1, 1999 until the transformation of legal form to a KGaA and was Vice Chairman of the Management Board until May 1999. He was Chief Executive Officer of Fresenius Medical Care North America until February 2004. He was President, Chief Executive Officer, Chief Operating Officer and a director of Fresenius USA from October 1989 through February 2004, and served in various capacities with Fresenius USA's predecessor from 1985 through 1989. He is a member of the management board of Fresenius Management SE. Dr. Lipps is a member of the Board of Administration of Vifor Fresenius Medical Care Renal Pharma Ltd., Switzerland. He has been active in the field of dialysis for more than 40 years. After earning his master's and doctoral degrees at the Massachusetts Institute of Technology in chemical engineering, Dr. Lipps led the research team that developed the first commercial hollow fiber artificial kidney at the end of the 1960s. Before joining the Fresenius Group in 1985, Dr. Lipps held several research management positions in various companies, among them with DOW Chemical.

RICE POWELL became Deputy Chairman of the Management Board and Chief Executive Officer of Fresenius Medical Care North America effective January 1, 2010. He was a member of the Management Board of FMC-AG from February 2004 until the transformation of legal form and was Co-Chief Executive Officer of Fresenius Medical Care North America and CEO of Renal Therapy Group of Fresenius Medical Care North America. He is the Deputy Chairman of the Board of Administration of Vifor Fresenius Medical Care Renal Pharma Ltd., Switzerland. He has over 30 years of experience in the healthcare industry. From 1978 to 1996 he held various positions within Baxter International Inc. (USA), Biogen Inc. (USA) and Ergo Sciences Inc. (USA).

MICHAEL BROSNAN became a member of the Management Board of Management AG and Chief Financial Officer on January 1, 2010. Previously, he served as Chief Financial Officer and member of the Board of Directors of Fresenius Medical Care North America for seven years. He is a member of the Board of Administration of Vifor Fresenius Medical Care Renal Pharma Ltd., Switzerland. Mr. Brosnan joined the Company in 1998 as Vice President of Finance and Administration for Spectra Renal Management, the Company's laboratory services organization. Since then, he has held several executive positions in North America. Prior to joining Fresenius Medical Care, Mr. Brosnan held senior financial positions at Polaroid Corporation and was an audit partner at KPMG.

DR. EMANUELE GATTI became a member of the Management Board of Management AG and Chief Executive Officer for Europe, Latin America, Middle East and Africa on December 21, 2005. He held such positions in FMC-AG from May 1997 until the transformation of legal form. He became Chief Strategist effective January 1, 2010. After completing his studies in bioengineering, Dr. Gatti lectured at several biomedical institutions. He continues to be involved

in comprehensive research and development activities focusing on dialysis and blood purification, biomedical signal analysis, medical device safety and health care economics. Dr. Gatti has been with the company since 1989. Before being appointed to the Management Board in 1997, he was responsible for the Company's dialysis business in Southern Europe.

ROBERTO FUSTÉ became a member of the Management Board of Management AG and Chief Executive Officer for Asia-Pacific on December 21, 2005. He held such positions in FMC-AG from January 1, 1999 until the transformation of legal form. After finishing his studies in economic sciences at the University of Valencia, he founded the company Nephrocontrol S.A. in 1983. In 1991, Nephrocontrol was acquired by the Fresenius Group, where Mr. Fusté has since worked. Before being appointed to the Management Board of FMC-AG in 1999, Mr. Fusté held several senior positions within the Company in Europe and the Asia-Pacific region.

DR. RAINER RUNTE is the Company's Chief Administrative Officer for Global Law, Compliance, Intellectual Property and Corporate Business Development and Labor Relations Director for Germany. He has been a member of the Management Board of Management AG since December 2005. He became Chief Administrative Officer including, among other responsibilities, Labor Relations Director for Germany, effective January 1, 2010. He was a member of the Management Board responsible for Law and Compliance of FMC-AG from January 1, 2004 until the transformation of legal form to a KGaA. Dr. Runte is a member of the Board of Administration of Vifor Fresenius Medical Care Renal Pharma Ltd., Switzerland. He has worked for the Fresenius group for 20 years. Previously he served as scientific assistant to the law department of the Johann Wolfgang Goethe University in Frankfurt and as an attorney in a law firm specialized in economic law. Dr. Runte took the position as Senior Vice President for Law of Fresenius Medical Care in 1997 and was appointed as deputy member of the Management Board in 2002.

KENT WANZEK became a member of the Management Board of Management AG effective January 1, 2010, with responsibility for Global Manufacturing Operations. Previously, Mr. Wanzek was in charge of North American Operations for the Renal Therapies Group at Fresenius Medical Care North America since 2004. Prior to joining the Company in 2003, Mr. Wanzek held several senior executive positions with companies in the health care industry, including Philips Medical Systems, Perkin-Elmer, Inc. and Baxter Healthcare Corporation.

The business address of all members of our Management Board and Supervisory Board is Else-Kröner-Strasse 1, 61352 Bad Homburg, Germany.

Except for potential conflicts which could arise due to the relationships described under "Related Party Transactions," there are no conflicts of interest between the private interests of the members of the Management Board of Management AG and other duties of the Management Board of Management AG and their duties vis-à-vis Management AG, the Issuers and the Guarantors.

The Supervisory Board of FMC-AG & Co. KGaA

The Supervisory Board of FMC-AG & Co. KGaA consists of six members who are elected by the shareholders of FMC-AG & Co. KGaA in a general meeting. Fresenius SE & Co. KGaA, as the sole shareholder of Management AG, the general partner, is barred from voting for election of the Supervisory Board of FMC-AG & Co. KGaA but, nevertheless has and will retain significant influence over the membership of the FMC-AG & Co. KGaA Supervisory Board in the foreseeable future.

The current Supervisory Board of FMC-AG & Co. KGaA consists of six persons, five of whom — Messrs. Schenk, Krick, Classon, Weisman and Johnston — are also members of the Supervisory Board of our General Partner. For information regarding the names, ages, terms of office and business experience of those members of the Supervisory Board of FMC-AG & Co. KGaA, see "The General Partner's Supervisory Board," above. The sixth member of the Supervisory Board of FMC-AG & Co. KGaA is Prof. Dr. Bernd Fahrholz. Information regarding his age, term of office and business experience is as follows:

PROF. DR. BERND FAHRHOLZ, age 63, was a member of the Supervisory Board of Management AG from April 8, 2005 until August 30, 2006 and was a member of the Supervisory Board of FMC-AG from 1998 until the transformation of legal form to a KGaA and a member of the Supervisory Board of FMC-AG & Co. KGaA following the transformation. He is a member of our Audit and Corporate Governance Committee. He is of counsel in the law firm of Dewey & LeBoeuf, LLP, and from 2004 until September 30, 2005 was a partner in the law firm of Nörr Stiefenhofer Lutz (now Noerr LLP). He was a member of the Management Board of Dresdner Bank AG beginning in 1998 and was Chairman from April 2000 until he resigned in March of 2003. He also served as the vice-chairman of the Management Board of Allianz AG and chairman of the Supervisory Board of Advance Holding AG until March 25, 2003. He served on the Supervisory Boards of BMW AG until May 13, 2004 and Heidelberg Cement AG until May 6, 2004. Prof. Dr. Fahrholz is Chairman of the Supervisory Board of SMARTRAC N.V.

The terms of office of the aforesaid members of the Supervisory Board of FMC-AG & Co. KGaA will expire at the end of the general meeting of shareholders of FMC-AG & Co. KGaA, in which the shareholders discharge the Supervisory Board for the fourth fiscal year following the year in which they were elected, but not counting the fiscal year in which such member's term begins. Members of the FMC-AG & Co. KGaA Supervisory Board may be removed only by a resolution of the shareholders of FMC-AG & Co. KGaA with a majority of three quarters of the votes cast at such general meeting. Fresenius SE & Co. KGaA is barred from voting on such resolutions. The Supervisory Board of FMC-AG & Co. KGaA ordinarily acts by simple majority vote and the Chairman has a tie-breaking vote in case of any deadlock.

The principal function of the Supervisory Board of FMC-AG & Co. KGaA is to oversee the management of the Company but, in this function, the supervisory board of a partnership limited by shares has less power and scope for influence than the supervisory board of a stock corporation. The Supervisory Board of FMC-AG & Co. KGaA is not entitled to appoint the general partner or its executive bodies, nor may it subject the general partner's management measures to its consent or issue rules of procedure for the general partner. Only the Supervisory Board of Management AG, elected solely by Fresenius SE & Co. KGaA, has the authority to appoint or remove members of the general partner's Management Board. Among other matters, the Supervisory Board of FMC-AG & Co. KGaA will, together with the general partner, fix the agenda for the annual general meeting and make recommendations with respect to approval of the company's annual financial statements and dividend proposals. The Supervisory Board of FMC-AG & Co. KGaA will also propose nominees for election as members of its Supervisory Board and propose the Company's auditors for approval by shareholders.

Except for potential conflicts which could arise due to the relationships described under "Related Party Transactions," there are no conflicts of interest between the private interests of the members of the Supervisory Board of FMC-AG & Co. KGaA and other duties of the Supervisory Board of FMC-AG & Co. KGaA and their duties vis-à-vis the Issuers and the Guarantors.

Audit and Corporate Governance Committee of FMC-AG & Co. KGaA

The members of the Company's Audit and Corporate Governance Committee are Dr. Gerd Krick, Dr. Walter L. Weismann, Mr. William P. Johnston and Prof. Dr. Bernd Fahrholz. The primary function of the Audit and Corporate Governance Committee is to assist FMC-AG & Co. KGaA's supervisory board in fulfilling its oversight responsibilities, primarily through:

- overseeing management's conduct of our financial reporting process and the internal accounting and financial control systems and auditing of our financial statements;
- monitoring our internal controls risk program;
- monitoring our corporate governance performance according to the German corporate governance codex;
- monitoring the independence and performance of our outside auditors;
- reviewing the report of our general partner on relations with related parties and for reporting to the overall supervisory board thereon;
- recommending the appointment of our independent auditors to audit our German statutory financial statements (subject to the approval by our shareholders at our Annual General Meeting) and approval of their fees;
- retaining the services of our independent auditors to audit our U.S. GAAP financial statements and approval of their fees; and
- pre-approval of all audit and non-audit services performed by KPMG, our independent auditors.

Significant Shareholders

Security Ownership of Certain Beneficial Owners of the Company

Our outstanding share capital consists of Ordinary shares and non-voting Preference shares that are issued only in bearer form. Accordingly, unless we receive information regarding acquisitions of our shares through a filing with the Securities and Exchange Commission or through the German statutory requirements referred to below, or except as described below with respect to our shares held in American Depository Receipt ("ADR") form, we face difficulties precisely determining who our shareholders are at any specified time or how many shares any particular shareholder owns. Because we are a foreign private issuer under the rules of the Securities and Exchange Commission, our directors and officers are not required to report their ownership of our equity securities or their transactions in our equity securities pursuant to Section 16 of the Exchange Act. However, persons who become "beneficial owners" of more than 5% of our ordinary shares are required to report their beneficial ownership pursuant to Section 13(d) of the Exchange Act. In

addition, under the German Securities Trading Act (*Wertpapierhandelsgesetz*), however, persons who discharge managerial responsibilities within an issuer of shares are obliged to notify the issuer and the German Federal Financial Supervisory Authority of their own transactions in shares of the issuer. This obligation also applies to persons who are closely associated with the persons discharging managerial responsibility. Additionally, holders of voting securities of a German company listed on the Regulated Market (*Regulierter Markt*) of a German stock exchange or a corresponding trading segment of a stock exchange within the European Union are obligated to notify the company of the level of their holding whenever such holding reaches, exceeds or falls below certain thresholds, which have been set at 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% of a company's outstanding voting rights. Such notification obligations will also apply to option agreements (excluding the 3% threshold).

We have been informed that as of June 30, 2011, Fresenius SE owned approximately 35.7% of our Ordinary shares. In August 2008, an indirect wholly-owned subsidiary of Fresenius SE issued €554.4 million aggregate principal amount of Mandatory Exchangeable Bonds due 2011 with each bond having a nominal value of €50,000 (the "FSE Bonds"). Upon maturity of the FSE Bonds on August 14, 2011, Fresenius SE redeemed the FSE Bonds by delivery of Ordinary shares of the Company. According to a Schedule 13D filed by Fresenius SE on August 19, 2011, after giving effect to FSE's delivery of 15,719,948 Ordinary Shares upon maturity of the FSE Bonds, Fresenius SE's holding of our Ordinary shares decreased to approximately 30.4% of our outstanding Ordinary Shares.

All of our ordinary shares have the same voting rights. However, as the sole shareholder of our general partner, Fresenius SE is barred from voting its Ordinary shares on certain matters.

Bank of New York Mellon, our ADR depositary, informed us, that as of December 31, 2010, 17,702,065 Ordinary ADSs, each representing one Ordinary share, were held of record by 4,571 U.S. holders and there were 86,191 Preference ADSs, each representing one Preference share, held of record by 1 U.S. holder.

Security Ownership of Management

As of June 30, 2011, no member of the Supervisory Board or the Management Board beneficially owned 1% or more of our outstanding Ordinary shares or our outstanding Preference shares. At June 30, 2011 Management Board members of the General Partner held options to acquire 2,047,360 ordinary shares of which options to purchase 924,460 ordinary shares were exercisable at a weighted average exercise price of €27.42 ($39.63). Those options expire at various dates between 2012 and 2017.

Security Ownership of Certain Beneficial Owners of Fresenius SE

Following the change of its legal form, Fresenius SE's share capital consists solely of ordinary shares, issued only in bearer form. Accordingly, Fresenius SE & Co. KGaA has difficulties precisely determining who its shareholders are at any specified time or how many shares any particular shareholder owns. However, under the German Securities Trading Act, holders of voting securities of a German company listed on the Regulated Market (Regulierter Markt) of a German stock exchange or a corresponding trading segment of a stock exchange within the European Union are obligated to notify the company of certain levels of holdings, as described above.

The Else Kröner-Fresenius Stiftung is the sole shareholder of Fresenius Management SE, the general partner of Fresenius SE, and has sole power to elect the supervisory board of Fresenius Management SE. In addition, based on the most recent information available, Else Kröner-Fresenius Stiftung owns approximately 28.9% of the Fresenius SE Ordinary shares, (reduced from approximately 58% as a result of the change of Fresenius SE's legal form, in which all of Fresenius SE's preference shares were converted into Fresenius SE ordinary shares). According to Allianz SE, they hold, indirectly, approximately 4.26% of the Fresenius SE Ordinary shares.

Corporate Governance

Under § 161 of the German Stock Corporation Act, the Management Board of Fresenius Medical Care Management AG and the Supervisory Board of the Company are required to issue an annual declaration that the company has been, and is, in compliance with the recommendations of the "Government Commission on the German Corporate Governance Code" as published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette (*Bundesanzeiger*), or to advise of any recommendations that have not been, or are not being, applied. A declaration was last issued in June 2011, the Management Board of Fresenius Medical Care Management AG and the Supervisory Board of the Company declared as follows:

> "The Supervisory Board of Fresenius Medical Care AG & Co. KGaA and the Board of Management of its General Partner (hereinafter referred to as the "Board of Management") declare that the recommendations of the "German Corporate Governance Code Government Commission", published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette in the version as of May 26, 2010 have been met

since issuance of the recent declaration and will continue to be met. The following recommendations are the only ones that have not been applied and are not being applied, respectively:

Codex clause 4.2.3 para. 4: "Severance Payment Cap"

According to clause 4.2.3 para. 4 of the Code, in concluding Management Board contracts, care shall be taken to ensure that payments made to a Management Board member on premature termination of his contract without serious cause do not exceed the value of two years' compensation (severance payment cap) and compensate no more than the remaining term of the contract. The severance payment cap shall be calculated on the basis of the total compensation for the entire past financial year and if appropriate also the expected total compensation for the current financial year.

The employment contracts with the members of the Management Board do not contain severance payment arrangements for the case of premature termination of the contract without serious cause. Such severance payment arrangements would be contrary to the concept practiced by Fresenius Medical Care in accordance with the German Stock Corporation Act, according to which employment contracts of the members of the Management Board are, in principle, concluded for the period of their appointment. Therefore, a premature termination of the employment contract in principle requires a serious cause.

Codex clause 5.1.2: "Age limit Management Board"

According to clause 5.1.2 of the Code an age limit shall be specified for members of the Management Board. As in the past, Fresenius Medical Care will refrain from determining an age limit for members of the Management Board in the future since this would limit the selection of qualified candidates.

Codex clause 5.4.1 para. 2 and para. 3: "Specification of concrete objectives regarding composition of the Supervisory Board and their consideration in making recommendations to the competent election bodies"

According to clause 5.4.1 para. 2 and 3 of the Code, the Supervisory Board shall specify concrete objectives regarding its composition and recommendations by the Supervisory Board to the competent election bodies shall take these objectives into account. The objectives specified by the Supervisory Board and the status of implementation shall be published in the Corporate Governance Report. Fresenius Medical Care does not comply with these recommendations. The composition of the Supervisory Board of Fresenius Medical Care needs to be aligned to the enterprise's interest and has to ensure the effective supervision and consultation of the Management Board. Hence, in composing the Supervisory Board, knowledge, skills and expert experience of each individual are of precedence. In contrast, fixed diversity quotas would limit the selection of qualified candidates in the same general way as an age limit.

Code clause 5.4.6: "Compensation Supervisory Board"

According to clause 5.4.6 of the Code, Members of the Supervisory Board shall receive fixed as well as performance-related compensation. The performance-related compensation should also contain components based on the long-term performance of the enterprise. In the past, Fresenius Medical Care paid a fixed compensation to the members of the Supervisory Board only, as the introduction of a performance-related compensation to the members of the Supervisory Board, linked to the success of the Company, had still been under review. On May 12, 2011, the Annual General Meeting of Fresenius Medical Care AG & Co. KGaA resolved upon the introduction of a performance-related compensation for members of the Supervisory Board."

Related Party Transactions

In connection with the formation of FMC-AG, and the combination of the dialysis businesses of Fresenius SE and W.R. Grace & Co. in the second half 1996, Fresenius SE and its affiliates and Fresenius Medical Care and its affiliates entered into several agreements for the purpose of giving effect to the merger and defining our ongoing relationship. Fresenius SE and W.R. Grace & Co. negotiated these agreements. The information below summarizes the material aspects of certain agreements, arrangements and transactions between Fresenius Medical Care and Fresenius SE and their affiliates. The following descriptions are not complete and are qualified in their entirety by reference to those agreements, which have been filed with the Securities and Exchange Commission and the New York Stock Exchange. We believe that the leases, the supply agreements and the service agreements are no less favorable to us and no more favorable to Fresenius SE than would have been obtained in arm's-length bargaining between independent parties. The trademark and other intellectual property agreements summarized below were negotiated by Fresenius SE and W.R. Grace & Co., and, taken independently, are not necessarily indicative of market terms.

Dr. Gerd Krick, Chairman of our Supervisory Board, is also a member of the Supervisory Board of our general partner as well as of the supervisory Board of Fresenius SE & Co. KGaA and Chairman of the Supervisory Board of its general partner, Fresenius Management SE. Dr. Dieter Schenk, Vice Chairman of the Supervisory Board of our

general partner and of the Supervisory Board of FMC-AG & Co. KGaA, is also Vice Chairman of the Supervisory Board of the general partner of Fresenius SE, and Dr. Ulf M. Schneider, Chairman of the Supervisory Board of our general partner and a former member of the Supervisory Board of FMC-AG, is Chairman of the Management Board of Fresenius SE & Co. KGaA's general partner and was the CEO of Fresenius SE (until change of legal form on January 28, 2011). Dr. Ben J. Lipps, Chairman of the Management Board of our general partner, is also a member of the Management Board of the general partner of Fresenius SE. Each of Mr. Rolf A. Classon, Dr. Walter L. Weisman and Mr. William P. Johnston is a member of both our Supervisory Board and our general partner's Supervisory Board.

In the discussion below regarding our contractual and other relationships with Fresenius SE:

- the term "we (or us) and our affiliates" refers only to Fresenius Medical Care AG & Co. KGaA and its subsidiaries; and
- the term "Fresenius SE and its affiliates" refers only to Fresenius SE and affiliates of Fresenius SE other than Fresenius Medical Care AG & Co. KGaA and its subsidiaries.

Real Property Lease

We did not acquire the land and buildings in Germany that Fresenius Worldwide Dialysis used when we were formed in the second half of 1996. Fresenius SE or its affiliates have leased part of the real property to us, directly, and transferred the remainder of that real property to two limited partnerships. Fresenius SE is the sole limited partner of each partnership, and the sole shareholder of the general partner of each partnership. These limited partnerships, as landlords, have leased the properties to us and to our affiliates, as applicable, for use in our respective businesses. For the six months ended June 30, 2011 and the year ended December 31, 2010, we paid rent under these leases of approximately €9.2 million and €18.0 million, respectively, (approximately $12.9 million as of June 30, 2011 and $23.8 million as of December 31, 2010 respectively), exclusive of maintenance and other costs, and is subject to escalation, based upon development of the German consumer-price-index determined by the Federal Statistical Office. The leases for manufacturing facilities have a ten-year term, followed by two successive optional renewal terms of ten years each at our election. In December 2006, the Company exercised its option to renew the lease for manufacturing facilities and the other leases were amended to extend their terms and add renewal options. The leases for the other facilities have a term of ten years. Based upon an appraisal, we believe that the rents under the leases represent fair market value for such properties. For information with respect to our principal properties in Germany, see "Business — Property."

Trademarks

Fresenius SE continues to own the name and mark "Fresenius" and its "F" logo. Fresenius SE and Fresenius Medical Care Deutschland GmbH, one of our German subsidiaries, have entered into agreements containing the following provisions. Fresenius SE has granted to our German subsidiary, for our benefit and that of our affiliates, an exclusive, worldwide, royalty-free, perpetual license to use "Fresenius Medical Care" in our company names, and to use the Fresenius marks, including some combination marks containing the Fresenius name that were used by the worldwide dialysis business of Fresenius SE, and the Fresenius Medical Care name as a trade name, in all aspects of the renal business. Our German subsidiary, for our benefit and that of our affiliates, has also been granted a worldwide, royalty-free, perpetual license:

- to use the "Fresenius Medical Care" mark in the then current National Medical Care non-renal business if it is used as part of "Fresenius Medical Care" together with one or more descriptive words, such as "Fresenius Medical Care Home Care" or "Fresenius Medical Care Diagnostics";
- to use the "F" logo mark in the National Medical Care non-renal business, with the consent of Fresenius SE. That consent will not be unreasonably withheld if the mark using the logo includes one or more additional descriptive words or symbols; and
- to use "Fresenius Medical Care" as a trade name in the renal business.

We and our affiliates have the right to use "Fresenius Medical Care" as a trade name in other medical businesses only with the consent of Fresenius SE. Fresenius SE may not unreasonably withhold its consent. In the U.S. and Canada, Fresenius SE will not use "Fresenius" or the "F" logo as a trademark or service mark, except that it is permitted to use "Fresenius" in combination with one or more additional words such as "Pharma Home Care" as a service mark in connection with its home care business and may use the "F" logo as a service mark with the consent of our principal German subsidiary. Our subsidiary will not unreasonably withhold its consent if the service mark includes one or more additional descriptive words or symbols. Similarly, in the U.S. and Canada, Fresenius SE has the right to use "Fresenius" as a trade name, but not as a mark, only in connection with its home care and other medical businesses other than the renal business and only in combination with one or more other descriptive words, provided that the name used by Fresenius SE is not confusingly similar to our marks and trade names. Fresenius SE's ten year

covenant not to compete with us, granted in 1996, has expired, and Fresenius SE may use "Fresenius" in its corporate names if it is used in combination with one or more additional distinctive word or words, provided that the name used by Fresenius SE is not confusingly similar to the Fresenius Medical Care marks or corporate or trade names.

Other Intellectual Property

Some of the patents, patent applications, inventions, know-how and trade secrets that Fresenius Worldwide Dialysis used prior to our formation were also used by other divisions of Fresenius SE. For Biofine, the polyvinyl chloride-free packaging material, Fresenius SE has granted to our principal German subsidiary, for our benefit and for the benefit of our affiliates, an exclusive license for the renal business and a non-exclusive license for all other fields except other non-renal medical businesses. Our German subsidiary and Fresenius SE share equally any royalties from licenses of the Biofine intellectual property by either our German subsidiary or by Fresenius SE to third parties outside the renal business and the other non-renal medical businesses. In addition, Fresenius SE transferred to our German subsidiary the other patents, patent applications, inventions, know-how and trade secrets that were used predominantly in Fresenius SE's dialysis business. In certain cases Fresenius Worldwide Dialysis and the other Fresenius SE divisions as a whole each paid a significant part of the development costs for patents, patent applications, inventions, know-how and trade secrets that were used by both prior to the merger. Where our German subsidiary acquired those jointly funded patents, patent applications, inventions, know-how and trade secrets, our subsidiary licensed them back to Fresenius SE exclusively in the other non-renal medical businesses and non-exclusively in all other fields. Where Fresenius SE retained the jointly funded patents, patent applications, inventions, know-how and trade secrets, Fresenius SE licensed them to our German subsidiary exclusively in the renal business and non-exclusively in all other fields.

Supply Agreements and Arrangements

We produce most of our products in our own facilities. However, Fresenius Kabi AG, a subsidiary of Fresenius SE, manufactures some of our products for us, principally dialysis concentrate and other solutions. These facilities are located in Germany, Brazil, France and South Africa. Conversely, our facilities in Germany and Italy produce products for Fresenius Kabi AG.

Our local subsidiaries and those of Fresenius SE have entered into supply agreements for the purchase and sale of products from the above facilities. Prices under the supply agreements are determined by good-faith negotiation. During the first six months of 2011 and the year ended December 31, 2010, we sold products to Fresenius SE in the amount of $9.8 million and $15.4 million, respectively. In the first six months of 2011 and the year ended December 31, 2010, we made purchases from Fresenius SE in the amount of $26.0 million and $43.5 million, respectively.

We have entered into agreements to provide renal products and pharmaceutical supplies to our equity method investees. During the first six months of 2011, we sold $3.3 million of products to equity method investees under these agreements.

The parties may modify existing or enter into additional supply agreements, arrangements and transactions. Any future modifications, agreements, arrangements and transactions will be negotiated between the parties and will be subject to the approval provisions of the pooling agreements and the regulatory provisions of German law regarding dominating enterprises.

On September 10, 2008, Fresenius Kabi AG, a wholly-owned subsidiary of Fresenius SE, acquired APP Pharmaceuticals Inc. ("APP Inc."), which manufactures and sells sodium heparin. Heparin is a blood thinning drug that is widely and routinely used in the treatment of dialysis patients to prevent life-threatening blood clots. FMCH currently purchases heparin supplied by APP Inc. through MedAssets, Inc. MedAssets Inc. is a publicly-traded U.S. corporation that provides inventory purchasing services to healthcare providers through a group purchasing organization ("GPO") structure. A GPO is an organization that endeavors to manage supply and service costs for hospitals and health care providers by negotiating discounted prices with manufacturers, distributors and other vendors. Vendors discount their prices and pay administrative fees to GPOs because GPOs provide access to a large customer base, thus reducing vendors' sales and marketing costs and overhead. FMCH is one of many U.S. healthcare providers that participate in the MedAssets GPO. FMCH purchases pharmaceuticals and supplies used in its dialysis services business through the MedAssets GPO contract. During 2010, we acquired $30.7 million of heparin from APP Inc. through the GPO.

We were party to a German consolidated trade tax return with Fresenius SE and certain of its German subsidiaries for the fiscal years 1997-2001. During the second quarter of 2009, we reclassified an account payable in the amount of €77.7 million ($110 million at June 30, 2009) to Fresenius SE to short-term borrowings from related parties. The amount represents taxes payable by the Company arising from the period 1997-2001 during

which German trade taxes were paid by Fresenius SE on behalf of the Company. Of this amount, €5.75 million was outstanding at June 30, 2011 ($8.3 million at June 30, 2011) at an interest rate of 6% and will be repaid in 2011.

Services Agreement

We obtain administrative and other services from Fresenius SE headquarters and from other divisions and subsidiaries of Fresenius SE. These services relate to, among other things, administrative services, management information services, employee benefit administration, insurance, IT services, tax services and treasury services. For the first six months of 2011 and the year ended December 31, 2010, Fresenius SE and its affiliates charged us approximately $34.3 million and $59.5 million, respectively, for these services. Conversely, we have provided certain services to other divisions and subsidiaries of Fresenius SE relating to research and development, central purchasing, patent administration and warehousing. For the first six months of 2011 and the year ended December 31, 2010, we charged approximately $3.1 million and $6.1 million, respectively, to Fresenius SE and its subsidiaries for services we rendered to them.

We and Fresenius SE may modify existing or enter into additional services agreements, arrangements and transactions. Any such future modifications, agreements, arrangements and transactions will be negotiated between the parties and will be subject to the approval provisions of the pooling agreements and the regulations of German law regarding dominating enterprises.

Financing

We are party to an Amended and Restated Subordinated Loan Note with Fresenius SE under which we or our subsidiaries may request and receive one or more advances up to an aggregate amount of $400 million during the period ending March 31, 2013. See Note 8 of the Notes to Consolidated Financial Statements, "Short-Term Borrowings, Other Financial Liabilities and Short-Term Borrowings from Related Parties — Short-Term Borrowings from Related Parties." During 2010, we received advances between €10.0 million and €86.5 million which carried interest at rates between 0.968% and 1.879% per annum. On December 31, 2010, the Company had no advances outstanding due to Fresenius SE. On August 19, 2009, the Company borrowed €1.5 million from the general partner at 1.335%. The balance, originally due on August 19, 2010, was extended until August 19, 2011 at an interest rate of 1.421%, and has been further extended to August 2012 at an interest rate of 3.328%.

Other Interests

Dr. Gerd Krick, chairman of the Supervisory Board of FMC-AG & Co. KGaA and member of the supervisory board of Management AG, was a member of the administration board of Dresdner Bank, Luxembourg, S.A., a subsidiary of Dresdner Bank AG. See "— Security Ownership of Certain Beneficial Owners of Fresenius SE." Dresdner Bank AG, through its New York and Cayman branches, was a documentation agent and was one of the joint lead arrangers and book managers under our Senior Credit Agreement in effect prior to 2006 and our current Amended 2006 Senior Credit Agreement. Dr. Dieter Schenk, Vice Chairman of the Supervisory Boards of Management AG and of FMC-AG & Co. KGaA and a member of the Supervisory Board of Fresenius Management SE, is a partner in the law firm of Noerr LLP (formerly Nörr Stiefenhofer Lutz Partnerschaft), which has provided legal services to Fresenius SE and Fresenius Medical Care. Legal services to Fresenius Medical Care for 2010 were approved by our supervisory board, with Dr. Schenk abstaining from the vote, with payment of the invoices occurring only after approval. During 2010, Noerr LLP was paid approximately $1.6 million for these services by Fresenius Medical Care. Dr. Schenk is one of the executors of the estate of the late Mrs. Else Kröner. Else Kröner-Fresenius-Stiftung, a charitable foundation established under the will of the late Mrs. Kröner, owns the majority of the voting shares of Fresenius SE. Dr. Schenk is also the Chairman of the advisory board of Else-Kröner-Fresenius-Stiftung. See "— Security Ownership of Certain Beneficial Owners of Fresenius SE."

Under the articles of association of FMC AG & Co. KGaA, we will pay Fresenius SE a guaranteed return on its capital investment in our general partner.

General Partner Reimbursement

Management AG, the Company's general partner, is a 100% wholly-owned subsidiary of Fresenius SE. The Company's Articles of Association provide that the General Partner shall be reimbursed for any and all expenses in connection with management of the Company's business, including compensation of the members of the General Partner's supervisory board and the General Partner's management board. The aggregate amount reimbursed to Management AG for 2010 was $16.1 million for its management services during 2010 including $0.08 million as compensation for their exposure to risk as General Partner. The Company's Articles of Association fix this compensation as a guaranteed return of 4% of the amount of the General Partner's invested capital (€1.5 million).

THE GUARANTORS

Fresenius Medical Care Holdings, Inc.

FMCH is an indirectly wholly owned subsidiary of Fresenius Medical Care AG & Co. KGaA. FMCH was incorporated under the Business Corporation Law of the State of New York on March 21, 1988 as W.R. Grace & Co. – New York. The State of New York does not issue corporate identification numbers to companies organized under New York law. It subsequently changed its name to W.R. Grace & Co. In September 1996, in connection with the Company's acquisition of all of the outstanding common stock of W.R. Grace & Co., it changed its name to Fresenius National Medical Care Holdings, Inc. and in June 1997, it changed its name to Fresenius Medical Care Holdings, Inc. It conducts business under the name Fresenius Medical Care North America.

At the time it was acquired by the Company in 1996, FMCH was primarily engaged in the packaging and specialty chemicals businesses and, through NMC, in the health care business, providing kidney dialysis services, manufacturing products and equipment for dialysis treatment and performing laboratory testing, and home health care services. FMCH spun off its non-health care businesses to its shareholders immediately before the Company acquired FMCH.

In January 2001, FMCH acquired Everest Healthcare Services Corporation, which was engaged in providing dialysis services in the eastern and central United States and providing extracorporeal blood services and the acute dialysis business. On March 31, 2006, FMCH acquired Renal Care Group, Inc., then the fourth largest provider of out-patient renal care and ancillary services in the United States, based on patients treated, for a net all cash purchase price of approximately $4.2 billion.

FMCH's executive offices are located at 920 Winter Street, Waltham, Massachusetts, 02451-1457, USA, and its telephone number is +1(781) 699-9000.

Pursuant to Article Second of FMCH's restated certificate of incorporation, FMCH's business or purposes to be conducted by it is engage in any lawful act or activity for which corporations may be formed under the New York Business Corporations Law.

As of June 30, 2011, FMCH had an authorized share capital of 300,000,000 shares of common stock, 5,000,000 shares of Class C Preferred Stock, 2,653,560 shares of Class E Preferred Stock, and 2,100,000 shares of Class F Preferred Stock, each such class having a par value of $1.00 per share. FMCH has issued 90,000,000 shares of common stock. All of the outstanding shares of stock of FMCH, of all classes, are indirectly owned by FMC-AG & Co. KGaA. The outstanding shares of FMCH are fully paid and non-assessable.

FMCH is a holding company and is engaged, through subsidiaries, in providing dialysis treatment at its own dialysis clinics, manufacturing dialysis products and supplying those products to its clinics and selling dialysis products to other dialysis service providers, and performing clinical laboratory testing and providing inpatient dialysis services and other services under contract to hospitals. FMCH operates in the North American market.

FMCH will unconditionally and irrevocably guarantee, jointly and severally with Fresenius Medical Care AG & Co. KGaA and D-GmbH, the obligations of each of the Issuers under the Notes. In addition, FMCH is a guarantor of our Outstanding Senior Notes.

The current directors of FMCH are Dr. Ben J. Lipps, Rice Powell, Michael Brosnan, Dr. Rainer Runte, Kent Wanzek, Oliver Maier and Ronald J. Kuerbitz. Mr. Powell is the Chief Executive Officer of Fresenius Medical Care North America, and Mr. Kuerbitz is the Executive Vice President of Fresenius Medical Care North America. Mr. Maier is the Senior Vice President Investor Relations of FMC AG & Co. KGaA. For the principal positions outside FMCH of Dr. Lipps, Dr. Runte, and Messrs. Powell, Brosnan and Wanzek, see "Management — The General Partner's Management Board."

The directors can be contacted at the executive offices of FMCH.

The FMCH board does not have an audit committee.

Except for matters which could arise due to the relationships described under "Management — Related Party Transactions," there are no potential conflicts of interest between the duties of each of the directors of FMCH and their private interests or other duties of the directors and their duties vis-à-vis FMCH. At the date of this prospectus/offering memorandum there are no loans granted or guarantees provided by FMCH to any director.

As there is no general federal corporation law in the United States, the law of the state of incorporation of a corporation establishes the framework for its corporate governance. FMCH's certificate of incorporation is consistent with the Business Corporation Law of the State of New York. FMCH's shares are not listed or traded on any stock exchange.

The financial year of FMCH starts on January 1 and ends on December 31 of each year. Separate financial statements of FMCH for the financial years 2009 and 2010 and for the six-month periods ending June 30, 2011 and 2010 are not included in this prospectus/offering memorandum as FMCH does not prepare and publish financial statements. The Company's consolidated financial statements, however, contain financial information for our group which include FMCH as one of the principal operating subsidiaries of FMC-AG & Co. KGaA. In addition, the footnotes to our financial statements contain certain combining financial information for the Company and the other Guarantors. See Note 18, "Supplemental Condensed Combining Information," of the notes to our unaudited consolidated financial statements, and Note 23, "Supplemental Condensed Combining Information," of the notes to our audited consolidated financial statements included in this prospectus/offering memorandum.

FMCH is the principal holding company for our North American Operations. See "Business" for further information on FMCH's business, investments, the market it operates in, trend information, legal and arbitration proceedings and material contracts entered into by FMCH.

Financial notices concerning FMCH and intended for holders of the Notes will be published on the website of the Luxembourg Stock Exchange www.bourse.lu.

Fresenius Medical Care Deutschland GmbH

D-GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of Germany and registered with the commercial register of the local court (*Amtsgericht*) of Bad Homburg vor der Höhe under HRB 5748. D-GmbH was established on June 5, 1996 under the name Fresenius Medical Care Dialysetechnik GmbH and was registered with the commercial register of the local court (*Amtsgericht*) of Hof an der Saale under HRB 2452. It changed its name to Fresenius Medical Care Deutschland GmbH and relocated its seat to Bad Homburg vor der Höhe in October 1996.

The address and registered office of D-GmbH is at Else-Kröner-Straße 1, 61352 Bad Homburg v.d. Höhe. The telephone number of its registered office is +49-6172-609-0.

D-GmbH is an indirectly wholly-owned subsidiary of the Company. The share capital of D-GmbH totals €40,903,400.00 and as of the date of this prospectus/offering memorandum is divided into two shares of €40,877,800.00 and €25,600.00 both held by Fresenius Medical Care Beteiligungsgesellschaft mbH. The share capital has been fully paid. For a description of the Fresenius Medical Care AG & Co. KGaA group of companies, see "Business."

In § 2 of the articles of association of D-GmbH the objects of the company are described as follows:

- the development, manufacturing and distribution as well as the trading of products, systems and procedures of health care, including dialysis;
- the projection, planning, construction, acquisition and operation of undertakings in the health care sector, including dialysis centers, also in separate companies or by third parties as well as the shareholding in such dialysis centers;
- the development, manufacturing and distribution of other pharmaceutical products and the rendering of services in this sector; and
- the advisory service in the medical and pharmaceutical sector as well as the scientific information and documentation.

D-GmbH will unconditionally and irrevocably guarantee, jointly and severally with Fresenius Medical Care AG & Co. KGaA and FMCH, the obligations of each of the Issuers under the Notes. In addition, D-GmbH is a guarantor of our Outstanding Senior Notes. D-GmbH entered into a profit and loss pooling agreement with Fresenius Medical Care Beteiligungsgesellschaft mbH as dominating company (*herrschendes Unternehmen*), and Fresenius Medical Care Beteiligungsgesellschaft mbH entered into a profit and loss pooling agreement with the Company as dominating company (*herrschendes Unternehmen*).

D-GmbH carries out its business activities in the European and Middle Eastern markets as one of the principal operating companies within our group. See "Business" for further information on D-GmbH's business, investments, the market it operates in and legal and arbitration proceedings.

Pursuant to its Articles of Association (*Gesellschaftsvertrag*), D-GmbH is represented by two managing directors acting together or by one managing director action together with an authorized representative (*Prokurist*).

The current managing directors of D-GmbH are Roberto Fusté, Dr. Emanuele Gatti, Eberhard Sieger and Alexandra Dambeck. Mr. Fusté and Dr. Gatti are each members of the Management Board of Fresenius Medical Care Management AG.

The managing directors can be contacted at the business address of D-GmbH mentioned above.

There are no potential conflicts of interest between the duties of each of the managing directors of D-GmbH and their private interests or other duties of the managing directors and their duties vis-à-vis D-GmbH. At the date of this prospectus/offering memorandum there are no loans granted or guarantees provided by D-GmbH to any managing director.

D-GmbH does not have a supervisory board or an advisory board. D-GmbH has no audit committee.

The German Corporate Governance Code is not applicable to D-GmbH as D-GmbH is a company with limited liability the shares in which are not admitted to trading on a regulated market.

Separate financial information of D-GmbH for the financial years 2009 and 2010 and for the six-month period ending June 30, 2011 is not included in this prospectus/offering memorandum as D-GmbH does not prepare and publish financial statements. The consolidated financial statements, however, contain financial information for our group which include D-GmbH as one of the main operating subsidiaries of FMC-AG & Co. KGaA. In addition, the footnotes to our financial statements contain certain combining financial information for the Company and the other Guarantors. See Note 18, "Supplemental Condensed Combining Information," of the notes to our unaudited consolidated financial statements, and Note 23, "Supplemental Condensed Combining Information," of the notes to our audited consolidated financial statements included in this prospectus/offering memorandum.

The financial year of D-GmbH starts on January 1 and ends on December 31 of each year.

Financial notices concerning D-GmbH and intended for holders of the Notes will be published on the website of the Luxembourg Stock Exchange www.bourse.lu.

Additional Information for Fresenius Medical Care AG & Co. KGaA

Fresenius Medical Care AG & Co. KGaA is the parent company of the Fresenius Medical Care group. It is registered with the commercial register of the local court (*Amtsgericht*) of Hof an der Saale, Germany, under the registration number HRB 4019. The registered office (*Sitz*) of the Company is Hof an der Saale, Germany. The Company's business address is Else-Kröner-Straße 1, 61352 Bad Homburg, Germany, telephone +49-6172-609-0. The Company operates under the commercial name Fresenius Medical Care.

Under Article 2 of its Articles of Association, the objects of the Company are:

- The development, production and distribution of as well as the trading in health care products, systems and procedures, including dialysis;
- The projecting, planning, establishment, acquisition and operation of health care businesses, including dialysis centers, also in separate enterprises or through third parties as well as the participation in such dialysis centers;
- The development, production and distribution of other pharmaceutical products and the provision of services in this field;
- The provision of advice in the medical and pharmaceutical areas as well as scientific information and documentation;
- The provision of laboratory services for dialysis and non-dialysis patients and homecare medical services.

The Articles of Association provide that Company will operate itself or through subsidiaries at home and abroad. Under Article 2 of the Articles of Association, the Company shall be entitled to enter into any and all business transactions and take any and all measures which seem to be necessary or useful to achieve the objects of the Company and may, in particular, participate in other enterprises of the same or similar kind, take over the management and/or the representation of such enterprises, transfer company divisions, including essential company divisions, to enterprises in which the Company holds an interest and establish branches at home and abroad.

Fresenius Medical Care AG & Co. KGaA will unconditionally and irrevocably guarantee, jointly and severally with FMCH and D-GmbH, the obligations of each of the Issuers under the Notes. In addition, Fresenius Medical Care AG & Co. KGaA is a guarantor of our Outstanding Senior Notes.

The Company's registered share capital (*Grundkapital*) consists of Ordinary shares without par value (*Stückaktien*) and non-voting Preference shares without par value (*Stückaktien*). These shares are issued in bearer form and are fully paid up. As of August 31, 2011 our registered share capital amounted to approximately €303,293,573 divided into 299,330,474 Ordinary shares without par value and 3,963,099 Preference shares without par value. Each share represents a nominal value of €1.00 of the registered share capital.

The financial year of the Company starts on January 1 and ends on December 31 of each year.

The independent auditors of the Company are KPMG AG Wirtschaftsprüfungsgesellschaft, Klingelhöferstraße 18, 10785 Berlin, Germany, a member of the German Chamber of Public Accountants, Berlin, Germany (*Wirtschaftsprüferkammer*). KPMG and its antecessors have been the responsible auditors for the Company since 1996. See "Independent Auditors."

DESCRIPTION OF CERTAIN INDEBTEDNESS

The following table shows the indebtedness outstanding under our short-term borrowings, Senior Credit Agreement and other long-term debt and net debt at June 30, 2011, December 31, 2010 and 2009.[a]

	June 30, 2011	December 31, 2010	December 31, 2009
		(In millions)	
Short-term borrowings[b] and other financial liabilities	$ 761	$ 671	$ 316
Short-term borrowings from related parties	161	10	10
Senior Credit Agreement[c]	3,474	2,954	3,522
6⅞% Senior Notes	495	494	493
5.50% Senior Notes	358	330	—
5.75% Senior Notes	644	—	—
5.25% Senior Notes	434	—	—
Euro Notes	289	267	288
EIB Agreements	367	352	213
Capital lease obligations	16	15	18
Other	114	161	51
Trust Preferred Securities[d]	—	626	656
Total short term borrowings & long-term debt	7,113	5,880	5,568
Less: cash and cash equivalents	(449)	(523)	(301)
Net debt	$6,664	$5,357	$5,267

(a) Euro-denominated and other non-Dollar-denominated indebtedness has been translated into U.S. Dollars at period-end or year-end exchange rates for the period and years presented.

(b) Includes short-term borrowings under the Company's A/R Facility and other short-term borrowings by its subsidiaries from local banks.

(c) Amounts outstanding under the Amended 2006 Senior Credit Agreement as of June 30, 2011 and December 31, 2010 and under the 2006 Senior Credit Agreement as of December 31, 2009.

(d) We redeemed the entire outstanding amount of our Trust Preferred Securities at maturity on June 15, 2011.

In addition, at June 30, 2011, December 31, 2010 and December 31, 2009, $181 million, $122 million and $97 million, respectively, were utilized as letters of credit which are not included as part of the balances outstanding at those dates.

Amended 2006 Senior Credit Agreement

Fresenius Medical Care AG & Co. KGaA, Fresenius Medical Care Holdings, and certain other subsidiaries that are borrowers and/or guarantors thereunder, including Fresenius Medical Care Deutschland GmbH, entered into a $4,600,000,000 syndicated credit facility (the "2006 Senior Credit Agreement") with Bank of America, N.A. ("BofA"); Deutsche Bank AG New York Branch; The Bank of Nova Scotia; Credit Suisse, Cayman Islands Branch; JPMorgan Chase Bank, National Association; and certain other lenders (collectively, the "Lenders") on March 31, 2006 which replaced its prior credit agreement.

Since entering into the 2006 Senior Credit Agreement, we arranged several amendments with the lenders and effected voluntary prepayments of the term loans, which led to a change in the total amount available under this facility. Pursuant to an amendment together with an extension arranged on September 29, 2010 the revolving facility was increased from $1,000 million to $1,200 million and the Term Loan A facility by $50 million to $1,365 million. The maturity for both tranches was extended from March 31, 2011 to March 31, 2013 (a two-year extension). Additionally, the early repayment requirement for the Term Loan B, which stipulated that Term Loan B was subject to early retirement if the Trust Preferred Securities due June 15, 2011 were not paid, refinanced or extended prior to March 1, 2011, has been removed. The definition of the Company's Consolidated Leverage Ratio, which is used to determine the applicable margin, was amended to allow for the reduction of up to $250 million (increased from $30 million) of cash and cash equivalents from Consolidated Funded Debt, as defined in the initial 2006 Senior Credit Agreement. In addition, the amendment and subsequent amendments have included increases in certain types of permitted borrowings outside of the Amended 2006 Senior Credit Agreement and provides further flexibility for certain types of investments and acquisitions. Furthermore, the parties agreed to change the limitation on dividends and other restricted payments for up to $330 million in 2011. Thereafter, these limitations increase by $30 million each year through 2013.

As of June 30, 2011, the Amended 2006 Senior Credit Agreement consists of:

- a $1,200 million revolving credit facility (of which up to $400 million is available for letters of credit, up to $400 million is available for borrowings in certain non-U.S. currencies, up to $150 million is available as swing line loans in U.S. dollars, up to $250 million is available as a competitive loan facility and up to $50 million is available as swing line loans in certain non-U.S. currencies, the total of which cannot exceed $1,200 million) which will be due and payable on March 31, 2013.
- a term loan facility ("Term Loan A") of $1,275 million, also scheduled to mature on March 31, 2013. The Company is making quarterly repayments of $30 million, with the remaining amount outstanding due on March 31, 2013.
- a term loan facility ("Term Loan B") of $1,530 million scheduled to mature on March 31, 2013. Repayment is arranged in 3 remaining quarterly payments of $4.0 million followed by 4 quarterly payments of $379.4 million.

Interest on these facilities will be, at the Company's option, depending on the interest periods chosen, at a rate equal to either (i) LIBOR plus an applicable margin or (ii) the higher of (a) BofA's prime rate or (b) the Federal Funds rate plus 0.5%, plus an applicable margin.

The applicable margin is variable and depends on the Company's Consolidated Leverage Ratio which is a ratio of its Consolidated Funded Debt less up to $250 million cash and cash equivalents to Consolidated EBITDA (as these terms are defined in the Amended 2006 Senior Credit Agreement).

In addition to scheduled principal payments, indebtedness outstanding under the Amended 2006 Senior Credit Agreement will be reduced by mandatory prepayments utilizing portions of the net cash proceeds from certain sales of assets, securitization transactions other than the Company's existing A/R Facility, the issuance of subordinated debt other than certain intercompany transactions, certain issuances of equity and excess cash flow.

Obligations under the Amended 2006 Senior Credit Agreement are secured by pledges of capital stock of certain material subsidiaries in favor of the lenders. The Amended 2006 Senior Credit Agreement contains affirmative and negative covenants with respect to the Company and its subsidiaries and other payment restrictions. Certain of the covenants limit indebtedness of the Company and investments by the Company, and require the Company to maintain certain financial ratios. Additionally, the Amended 2006 Senior Credit Agreement provides for a limitation on dividends and other restricted payments which is $330 million for dividends in 2011, and increases by $30 million in each of the subsequent years. The Company paid dividends of $281 million in May of 2011 which was in compliance with the restrictions set forth in the 2006 Senior Credit Agreement. In default, the outstanding balance under the Amended 2006 Senior Credit Agreement becomes immediately due and payable at the option of the lenders. As of June 30, 2011 and December 31, 2010, the Company was in compliance with all covenants under the Amended 2006 Senior Credit Agreement.

The Company incurred fees of approximately $86 million in conjunction with the 2006 Senior Credit Agreement and fees of approximately $21 million in conjunction with the Amended 2006 Senior Credit Agreement, which are being amortized over the life of this agreement.

6⅞% Senior Notes

In July 2007, FMC Finance III S.A. ("Finance III"), then a wholly-owned subsidiary of Fresenius Medical Care AG & Co. KGaA, issued $500 million aggregate principal amount of 6⅞% Senior Notes at a discount resulting in an effective interest rate of 7⅛%. In June 2011, Fresenius Medical Care US Finance, Inc. ("US Finance"), a wholly-owned subsidiary of Fresenius Medical Care AG & Co. KGaA, acquired substantially all of the assets of Finance III and assumed the obligations on the 6⅞% Senior Notes and under the related indenture. The 6⅞% Senior Notes are due 2017 and are guaranteed on a senior basis jointly and severally by Fresenius Medical Care AG & Co. KGaA and by FMCH and D-GmbH. US Finance may redeem the 6⅞% Senior Notes at any time at 100% of principal plus accrued interest and a premium calculated pursuant to the terms of the indenture. The holders have a right to request that US Finance repurchase the 6⅞% Senior Notes at 101% of principal plus accrued interest upon the occurrence of a change of control followed by a decline in the rating of the 6⅞% Senior Notes.

5.50% Senior Notes

In January 2010, FMC Finance VI S.A. ("Finance VI"), a wholly-owned subsidiary of Fresenius Medical Care AG & Co. KGaA, issued €250 million aggregate principal amount of 5.50% Senior Notes at a discount resulting in an effective interest rate of 5.75%. The 5.50% Senior Notes are due 2016 and are guaranteed on a senior basis jointly and severally by Fresenius Medical Care AG & Co. KGaA, FMCH and D-GmbH. Finance VI may redeem the 5.50% Senior Notes at any time at 100% of principal plus accrued interest and a premium calculated pursuant to

the terms of the indenture. The holders have a right to request that Finance VI repurchase the 5.50% Senior Notes at 101% of principal plus accrued interest upon the occurrence of a change of control followed by a decline in the rating of the 5.50% Senior Notes. Proceeds were used to repay short-term indebtedness and for general corporate purposes.

5.75% Senior Notes and 5.25% Senior Notes

On February 3, 2011, US Finance issued $650 million aggregate principal amount of senior unsecured notes with a coupon of 5.75% (the "5.75% Senior Notes") at an issue price of 99.060% and FMC Finance VII S.A. ("Finance VII"), a wholly-owned subsidiary of Fresenius Medical Care AG & Co. KGaA, issued €300 million aggregate principal amount ($412.35 million at date of issuance) of senior unsecured notes with a coupon 5.25% (the "5.25% Senior Notes") at par. The 5.75% Senior Notes had a yield to maturity of 5.875%. Both the 5.75% Senior Notes and the 5.25% Senior Notes are due February 15, 2021. US Finance and Finance VII may redeem the 5.75% Senior Notes and 5.25% Senior Notes, respectively, at any time at 100% of principal plus accrued interest and a premium calculated pursuant to the terms of the applicable indenture. The holders of the 5.75% Senior Notes and the 5.25% Senior Notes have a right to request that the respective issuers of the notes repurchase the applicable issue of notes at 101% of principal plus accrued interest upon the occurrence of a change of control of Fresenius Medical Care AG & Co. KGaA followed by a decline in the rating of the respective notes. We used the net proceeds of approximately $1.035 million to repay indebtedness outstanding under our A/R Facility and the revolving credit facility of the Amended 2006 Senior Credit Agreement, for acquisitions, including payments under our recent acquisition of International Dialysis Centers, and for general corporate purposes to support our renal dialysis products and services business. The 5.75% Senior Notes and the 5.25% Senior Notes are guaranteed on a senior basis jointly and severally by Fresenius Medical Care AG & Co. KGaA, FMCH and D-GmbH.

Euro Notes *(Schuldscheindarlehen)*

In April, 2009, Fresenius Medical Care AG & Co. KGaA issued euro denominated notes or *Schuldscheindarlehen* ("Euro Notes") totalling €200 million. These Euro Notes, which are senior, unsecured and guaranteed by FMCH and D-GmbH, consist of 4 tranches having terms of 3.5 and 5.5 years with floating and fixed interest rate tranches. Proceeds were used to repay Euro Notes issued in 2005.

EIB Agreements

We entered into various credit agreements with the European Investment Bank ("EIB") in 2005, 2006 and 2009 totalling €271 million. The EIB is a not-for-profit long-term lending institution of the European Union and lends funds at favorable rates for the purpose of capital investment and R&D projects, normally for up to half of the funds required for such projects. We have four credit facilities available at June 30, 2011 under these agreements. The maximum amount available under these facilities is €271 million and outstanding balances at June 30, 2011, December 31, 2010 and December 31, 2009 were $367 million, $352 million and $213 million, respectively. For additional information regarding our EIB loans, see Note 9, "Long-Term Debt and Capital Lease Obligations" in the notes to our audited consolidated financial statements.

Trust Preferred Securities

In June 2001 we issued Trust Preferred Securities through Fresenius Medical Care Capital Trusts, statutory trusts organized under the laws of the State of Delaware (the "Trust Preferred Securities"). The Company acquired all of the common securities of these trusts. The sole asset of each trust was a senior subordinated note of the Company or a wholly-owned subsidiary of the Company. The Company, D-GmbH and FMCH guaranteed payment and performance of the senior subordinated notes to the respective Fresenius Medical Care Capital Trusts. The Trust Preferred Securities were guaranteed by the Company through a series of undertakings by the Company and FMCH and D-GmbH.

The Trust Preferred Securities entitled the holders to distributions at a fixed annual rate of the stated amount and were mandatorily redeemable after 10 years. Earlier redemption at the option of the holders could also occur upon a change of control followed by a ratings decline or defined events of default including a failure to pay interest. Upon liquidation of the trusts, the holders of Trust Preferred Securities were entitled to a distribution equal to the stated amount. On June 15, 2011, the mandatory redemption date, we redeemed all of the outstanding Trust Preferred Securities ($225 million and €300 million ($428.8 million on the redemption date) aggregate amount).

A/R Facility

Our A/R Facility has typically been renewed in October of each year, but was most recently renewed for a term expiring on July 31, 2014 and increased from $700 million to $800 million in August 2011. Under the A/R Facility,

certain receivables are sold to NMC Funding Corporation ("NMC Funding"), a wholly-owned subsidiary. NMC Funding then assigns percentage ownership interests in the accounts receivable to certain bank investors. Under the terms of the A/R Facility, NMC Funding retains the right, at any time, to recall all the then outstanding transferred interests in the accounts receivable. Consequently, the receivables remain on our consolidated balance sheet and the proceeds from the transfer of percentage ownership interests are recorded as short-term borrowings.

At June 30, 2011 and December 31, 2010 there were outstanding short-term borrowings under the A/R Facility of $640 million and $510 million, respectively. NMC Funding pays interest to the bank investors, calculated based on the commercial paper rates for the particular tranches selected. The average interest rate at June 30, 2011 and December 31, 2010 was 1.25% and 1.33%, respectively.

Short-term borrowings from Fresenius SE

We are party to an Amended and Restated Subordinated Loan Note (the "FSE Note") with Fresenius SE dated March 31, 2006 which amended the Subordinated Loan Note dated May 18, 1999. Under the FSE Note, we or our subsidiaries may request and receive one or more advances (each an "Advance") up to an aggregate amount of $400 million during the period ending March 31, 2013. The Advances may be repaid and reborrowed during the period but Fresenius SE is under no obligation to make an Advance. Each Advance is repayable in full one, two or three months after the date of the Advance or any other date as agreed to by the parties to the Advance or, if no maturity date is so agreed, the Advance will have a one-month term. All Advances bear interest at a variable rate per annum equal to LIBOR or EURIBOR, as applicable, plus an applicable margin that is based upon our consolidated leverage ratio, as defined in the Amended 2006 Senior Credit Agreement. Advances are subordinated to outstanding loans under the Amended 2006 Senior Credit Agreement and all our other indebtedness.

DESCRIPTION OF THE NOTES

The Dollar-denominated Notes and the Euro-denominated Notes will be issued under and will be governed by separate Indentures, each to be dated on or prior to September 14, 2011 (individually, an "Indenture" and collectively, the "Indentures"). Each Indenture will be entered into by the relevant Issuer, the Guarantors and U.S. Bank National Association, as Trustee. Copies of the forms of the Indentures are available upon request to the relevant Issuer.

You will find the definitions of capitalized terms used in this description either in the body of this section or at the end of this section under "— Certain Definitions." For purposes of this description, references to "the Company" refer only to Fresenius Medical Care AG & Co. KGaA and not to its subsidiaries.

We have applied to list the Notes on the official list of the Luxembourg Stock Exchange and for admission for trading on the regulated market of the Luxembourg Stock Exchange.

The Indentures will not be qualified under the Trust Indenture Act of 1939, as amended. The terms of the Notes will include those stated in the Indentures and those made part of each Indenture by reference to the Trust Indenture Act.

General

The Dollar-denominated Notes

The Dollar-denominated Notes:

- are general unsecured, senior obligations of the Dollar Issuer;
- are being offered in an aggregate principal amount of $400 million;
- mature on September 15, 2018;
- will be issued in denominations of $2,000 and integral multiples of $1,000 in excess thereof;
- will be represented by one or more registered Dollar-denominated Notes in global form, but in certain circumstances may be represented by registered Dollar-denominated Notes in definitive form. See "Book-Entry, Delivery, and Form";
- rank equally in right of payment to any existing and future senior Indebtedness of the Dollar Issuer; and
- will be repaid at par in dollars at maturity and not be subject to any sinking fund provision.

The Euro-denominated Notes

The Euro-denominated Notes:

- are general unsecured, senior obligations of the Euro Issuer;
- are being offered in an aggregate principal amount of €400 million;
- mature on September 15, 2018;
- will be issued in denominations of €1,000 and integral multiples of €1,000 in excess thereof;
- will be represented by one or more registered Euro-denominated Notes in global form, but in certain circumstances may be represented by registered Euro-denominated Notes in definitive form. See "Book-Entry, Delivery, and Form";
- rank equally in right of payment to any existing and future senior Indebtedness of the Euro Issuer; and
- will be repaid at par in Euros at maturity and not be subject to any sinking fund provision.

Additional Notes

An Issuer in a supplemental indenture relating to additional notes in the applicable currency may issue additional notes ("Additional Dollar-denominated Notes," or "Additional Euro-denominated Notes", as the case may be and, collectively, "Additional Notes"), from time to time after this offering subject to the provisions of the applicable Indenture described below under "— Certain Covenants," including, without limitation, the covenant set forth under "— Certain Covenants — Limitation on Incurrence of Indebtedness." The Notes offered hereby and, if issued, any Additional Dollar-denominated Notes or Additional Euro-denominated Notes subsequently issued under an Indenture will be treated as a single class for all purposes under that Indenture, including, without limitation, waivers,

amendments, redemptions and offers to purchase (provided that, if any Additional Notes are not fungible with existing notes of the same class for U.S. federal income tax purposes, such Additional Notes shall have a separate CUSIP, if any).

Interest

Interest on the Dollar-denominated Notes, and the Euro-denominated Notes will:

- accrue at the rates of 6.50% per annum, 6.50%, per annum, respectively;
- accrue from the date of issuance or the most recent interest payment date;
- be payable in cash semi-annually in arrears on March 15 and September 15 commencing on March 15, 2012, with the first interest payment covering the period from the Issue Date to March 15, 2012.
- be payable semi-annually on March 15 and September 15 of each year to the holders of record on March 1 and September 1, respectively, as the case may be, immediately preceding the related interest payment dates; and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

The yields calculated at issuance of the Dollar-denominated Notes and the Euro-denominated Notes were 6.75% and 6.75%, respectively. Such yield is calculated in accordance with the ICMA (International Capital Market Association) method, which determines the effective interest rate of notes taking into account accrued interest on a daily basis. Your yield will depend on the price at which you purchase Dollar-denominated Notes or Euro-denominated Notes.

Description of the Guarantees

The obligations of the Issuers under their respective Notes, including the repurchase obligation of the Issuers resulting from a Change of Control, will be unconditionally and irrevocably guaranteed, on a joint and several basis, by the Company, Fresenius Medical Care Deutschland GmbH and Fresenius Medical Care Holdings, Inc. (the "Guarantors"). At a time when a Guarantor (other than the Company) is no longer an obligor under the Credit Facility, such Guarantor will no longer be a Guarantor of the Notes. Each Note Guarantee by a subsidiary will not exceed the maximum amount that can be guaranteed by the applicable subsidiary Guarantor without rendering the subsidiary's Guarantee, as it relates to the subsidiary Guarantor, voidable or unenforceable under applicable laws affecting the rights of creditors generally. In the case of Fresenius Medical Care Deutschland GmbH, the maximum amount of its Note Guarantee and its enforcement may be limited in circumstances that could otherwise give rise to personal liability of the managing directors under applicable laws of Germany, including German Federal Supreme Court decisions. In this description, we refer to the guarantee of each of the Guarantors as the "Note Guarantees."

Under each Indenture, a Guarantor may consolidate with, merge with or into, or transfer all or substantially all of its assets to any other Person as described below under "— Certain Covenants — Limitation on Mergers and Sales of Assets." However, if the other Person is not an Issuer or a Guarantor, such Guarantor's obligations under its Note Guarantees must be expressly assumed by such other Person. Upon the sale or other disposition (including by way of consolidation or merger) of a Guarantor, or the sale or disposition of all or substantially all the assets of a Guarantor (in each case other than to the Issuer), such Guarantor will be released and relieved from all its obligations under its Note Guarantees, subject to the limitations below under "— Certain Covenants — Limitation on Mergers and Sales of Assets."

For certain combining financial information for the Company, segregated between the issuers of the Outstanding Senior Notes, Fresenius Medical Care AG & Co. KGaA, D-GmbH and FMCH as guarantors, and the Company's non-guarantor subsidiaries, see Note 18, "Supplemental Condensed Combining Information," of the notes to our unaudited consolidated financial statements, and Note 23, "Supplemental Condensed Combining Information," of the notes to our audited consolidated financial statements included in this prospectus/offering memorandum.

Ranking

The Dollar-denominated Notes and the Euro-denominated Notes will be senior unsecured obligations of the applicable Issuer and the Note Guarantees will be senior unsecured obligations of the Guarantors. The payment of

the principal of, premium, if any, and interest on the Notes and the obligations of the Guarantors under the Note Guarantees will:

- rank *pari passu* in right of payment with all other Indebtedness of the applicable Issuer and the Guarantors, as applicable, that is not by its terms expressly subordinated to other Indebtedness of the Issuer and the Guarantors, as applicable;
- rank senior in right of payment to all Indebtedness of the applicable Issuer and the Guarantors, as applicable, that is, by its terms, expressly subordinated to the senior Indebtedness of the Issuers and the Guarantors, as applicable;
- be effectively subordinated to the Secured Indebtedness of the applicable Issuer and the Guarantors, as applicable, to the extent of the value of the collateral securing such Indebtedness, and to the Indebtedness of the Subsidiaries that are not Guarantors of the Notes; and
- in the case of the Note Guarantee of Fresenius Medical Care Deutschland GmbH, be effectively subordinated to the claims of such Guarantor's third-party creditors as a result of limitations applicable to the Note Guarantee.

Form of Notes

The Notes will be represented initially by global notes in registered form. Dollar-denominated Notes and Euro-denominated Notes initially offered and sold in reliance on Rule 144A under the Securities Act ("Rule 144A") will be represented by global Notes (the "Rule 144A Global Notes"); Dollar-denominated Notes and Euro-denominated Notes initially offered and sold in reliance on Regulation S under the Securities Act ("Regulation S") will be represented by additional global Notes (the "Regulation S Global Notes"). The combined principal amounts of the Rule 144A Dollar-denominated Global Note and the Regulation S Dollar-denominated Global Note (together, the "Dollar Global Notes") will at all times equal the outstanding principal amount of the Dollar-denominated Notes represented thereby. The combined principal amounts of the Rule 144A Euro-denominated Global Note and the Regulation S Euro-denominated Global Note (together, the "Global Euro Notes") will at all times represent the total outstanding principal amount of the Euro-denominated Notes represented thereby.

Holders of beneficial interest in the Notes will be entitled to receive definitive Notes in registered form ("Definitive Registered Notes") in exchange for their holdings of beneficial interest in the Notes only in the limited circumstances set forth in "Book Entry, Delivery, and Form — Certificated Notes." Title to the Definitive Registered Notes will pass upon registration of transfer in accordance with the provisions of the applicable Indenture. In no event will definitive Notes in bearer form be issued. Ownership of registered Notes shall be established by an entry in the noteholders' register maintained under each Indenture.

Payment on the Notes

Principal of, premium, if any, interest and Additional Amounts, if any, on the Dollar Global Notes and the Global Euro Notes will be payable at the office of the Paying Agent for the Dollar-denominated Notes or the Euro-denominated Notes, as the case may be, and the Dollar Global Notes and the Global Euro Notes may be exchanged or transferred at the corporate trust office or agency of the Trustee. Payment of principal of, premium, if any, interest and Additional Amounts, if any, on Dollar-denominated Notes in global form registered in the name of or held by DTC or its nominee will be made in immediately available funds to DTC or its nominee, as the case may be, as the registered holder of the Dollar Global Notes, and payment of such amounts on Euro-denominated Notes in global form registered in the name of or held by the common depositary or its nominee will be made in immediately available funds to the common depositary or its nominee, as the case may be, as the registered holder of the Global Euro Notes, *provided*, that at the option of an Issuer, payment of interest on the Notes of such Issuer may be made by check mailed to the holders of such Notes as such addresses appear in the applicable Note register. Upon the issuance of Definitive Notes, holders of the Notes will be able to receive principal and interest on the Notes at the office of the applicable Paying and Transfer Agent, subject to the right of the Issuers to mail payments in accordance with the terms of each Indenture. The Issuers will pay interest on the Notes to Persons who are registered holders at the close of business on the record date immediately preceding the interest payment date for such interest. Such holders must surrender the Notes to the Paying Agent to collect principal payments.

Paying Agent and Registrar

U.S. Bank National Association and Deutsche Bank Aktiengesellschaft will initially act as paying agents (each a "Paying Agent") for the Dollar-denominated Notes and the Euro-denominated Notes, respectively. U.S.

Bank National Association will initially act as registrar (the "Registrar") for the Notes. An Issuer may change the Paying Agent or Registrar for such Issuer's Notes, and an Issuer may act as Registrar for its Notes.

Transfer and Exchange

A holder of Notes may transfer or exchange Notes in accordance with the applicable Indenture. The Registrar and the Trustee for the Notes may require a holder of a Note, among other things, to furnish appropriate endorsements and transfer documents, and the Issuer of such Note may require such holder to pay any taxes and fees required by law or permitted by the relevant Indenture. The Issuers are not required to transfer or exchange any Note selected for redemption. Also, the Issuers are not required to transfer or exchange any Note for a period of 15 days before a selection of Notes to be redeemed. The registered holder of a Note will be treated as the owner of it for all purposes. No service charge will be made for any registration of transfer or exchange of Notes, but the Issuer may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

Optional Redemption

An Issuer may redeem all or, from time to time, a part of the Notes issued by it, at its option, at redemption prices equal to 100% of the principal amount of such Notes being redeemed plus accrued interest, if any, to the redemption date, plus the excess of:

- as determined by the calculation agent (which shall initially be the Trustee), the sum of the present values of the remaining scheduled payments of principal and interest on the Notes being redeemed not including any portion of such payment of interest accrued on the date of redemption, from the redemption date to the maturity date, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (in the case of the Dollar-denominated Notes) or the Bund Rate (in the case of the Euro-denominated Notes) plus, in each case, 50 basis points; over
- 100% of the principal amount of the Notes being redeemed.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to beneficial holders whose Notes will be subject to redemption by the Issuer.

In the case of any partial redemption, the Trustee will select the Dollar-denominated Notes or Euro-denominated Notes, as applicable, for redemption in compliance with the requirements of the principal securities exchange, if any, on which the Notes are listed or, if the Notes are not listed, then on a pro rata basis, by lot or by such other method as the Trustee in its sole discretion will deem to be fair and appropriate, although no Dollar-denominated Note of $2,000 in original principal amount or less, and no Euro-denominated Note of €1,000 in original principal amount or less, will be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to that Note will state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion thereof will be issued and delivered to the Trustee, or in the case of Definitive Registered Notes, issued in the name of the holder thereof upon cancellation of the original Note.

Redemption for Changes in Withholding Taxes

The Issuer is entitled to redeem the Dollar-denominated Notes or the Euro-denominated Notes issued by it, at its option, in whole but not in part, upon not less than 30 nor more than 60 days' notice, at 100% of the principal amount of such Notes, plus accrued and unpaid interest (if any) to the date of redemption (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), in the event the Issuer has become or would become obligated to pay, on the next date on which any amount would be payable with respect to such Notes, any additional amounts as a result of:

(a) a change in or an amendment to the laws, treaties, regulations or rulings of any Relevant Taxing Jurisdiction (as defined below); or

(b) any change in or amendment to any official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including by virtue of a holding, judgment or order by a court of competent jurisdiction);

which change or amendment to such laws or official position is announced and becomes effective after the issuance of the Notes (or, if the applicable Relevant Taxing Jurisdiction did not become a Relevant Taxing Jurisdiction until a later date, after such later date); *provided* that the Issuer determines, in its reasonable judgment, that the obligation to pay

such additional amounts cannot be avoided by the use of reasonable measures available to it; *provided*, *further*, that at the time such notice is given, such obligation to pay Additional Amounts (as defined below) remains in effect.

Notice of any such redemption must be given within 270 days of the earlier of the announcement or effectiveness of any such change.

Additional Amounts

All payments made under or with respect to the Notes under an Indenture or pursuant to any Note Guarantee must be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) imposed or levied by or on behalf of the (1) the United States, Germany, Luxembourg, the United Kingdom or any political subdivision or governmental authority thereof or therein having the power to tax, (2) any jurisdiction from or through which payment on the Notes or any Note Guarantee is made, or any political subdivision or governmental authority thereof or therein having the power to tax or (3) any other jurisdiction in which the payor is organized or otherwise considered to be a resident or engaged in business for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each a "Relevant Taxing Jurisdiction"), collectively, "Taxes", unless the applicable Issuer, Guarantor or other applicable withholding agent is required to withhold or deduct Taxes by law or by the interpretation or administration thereof by the relevant government authority or agency *provided, however,* that in determining what withholding is required by law for U.S. federal income and withholding tax purposes, the relevant Issuer, Guarantor or other applicable withholding agent shall be entitled to treat any payments on or in respect of the Notes of such Issuer or any Note Guarantee as if the Notes or any Note Guarantee were issued by a U.S. person as defined in section 7701(a)(30) of the Internal Revenue Code. If an Issuer, Guarantor or other applicable withholding agent is so required to withhold or deduct any amount for or on account of Taxes from any payment made under or with respect to the Notes or any Note Guarantee, such Issuer or such Guarantor, as the case may be, will be required to pay such amount — "Additional Amounts" — as may be necessary so that the net amount (including Additional Amounts) received by each holder after such withholding or deduction (including any withholding or deduction on such Additional Amounts) will not be less than the amount such holder would have received if such Taxes had not been withheld or deducted; *provided, however,* that no Additional Amounts will be payable with respect to payments made to any holder or beneficial owner to the extent such Taxes are imposed by reason of (i) such holder or beneficial owner being considered to be or to have been connected with a Relevant Taxing Jurisdiction, otherwise than by the acquisition, ownership, holding or disposition of the Notes, the enforcement of rights under the Notes or under any Note Guarantee or the receipt of payments in respect of the Notes or any Note Guarantee, or (ii) such holder or beneficial owner not completing any procedural formalities that it is legally eligible to complete and are necessary for the Issuer, Guarantors or other applicable withholding agent to make or obtain authorization to make payments without such Taxes (including, without limitation, providing prior to the receipt of any payment on or in respect of a Note or any Note Guarantee a complete, correct and executed IRS Form W-8 or W-9 or successor form, as applicable, with all appropriate attachments); *provided, however*, that for purposes of this obligation to pay Additional Amounts, the Issuer, Guarantor or other applicable withholding agent shall be entitled, for U.S. federal income and withholding tax purposes, to treat any payments on or in respect of the Notes as if the Notes were issued by a U.S. person as defined in section 7701(a)(30) of the Internal Revenue Code. Further, no Additional Amounts shall be payable with respect to (i) any Tax imposed by the United States or any political subdivision or governmental authority thereof or therein on interest by reason of any holder or beneficial owner holding or owning, actually or constructively, 10% or more of the total combined voting power of all classes of stock of an Issuer or any Guarantor entitled to vote or (ii) any Tax imposed by the United States or any political subdivision or governmental authority thereof or therein on interest by reason of any holder or beneficial owner being a controlled foreign corporation that is a related person within the meaning of Section 864(d)(4) of the Internal Revenue Code with respect to the Issuer or any Guarantor. Each Issuer or Guarantor (as applicable) required to withhold any Taxes will make such withholding or deduction and remit the full amount deducted or withheld to the relevant authority as and when required in accordance with applicable law. Each Issuer or Guarantor (as applicable) will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment by such Issuer or Guarantor (as applicable) of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes and will provide such certified copies to the Trustee.

Wherever in the Indenture or the Notes or any Note Guarantee there are mentioned, in any context, (1) the payment of principal, (2) purchase prices in connection with a purchase of Notes under the Indenture or the Notes, (3) interest or (4) any other amount payable on or with respect to any of the Notes or any Note Guarantee, such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

At least 30 days prior to each date on which payment of principal, premium, if any, interest or other amounts on the Notes is to be made (unless an obligation to pay Additional Amounts arises shortly before or after the 30th day prior to such date, in which case it shall be promptly thereafter), if an Issuer, Guarantor or other applicable withholding agent will be obligated to pay Additional Amounts with respect to any such payment, such Issuer will promptly furnish the Trustee and the Paying Agent, if other than the Trustee, with an Officers' Certificate stating that such Additional Amounts will be payable and the amounts so payable, and will set forth such other information necessary to enable the Trustee or the Paying Agent to pay such Additional Amounts to the holders on the payment date. The Issuer or a Guarantor (as applicable) will pay to the Trustee or the Paying Agent such Additional Amounts and, if paid to a Paying Agent other than the Trustee, shall promptly provide the Trustee with documentation evidencing the payment of such Additional Amounts. Copies of such documentation shall be made available to the holders upon request.

The applicable Issuer will pay any present stamp, court or documentary taxes, or any other excise, property or similar taxes, charges or levies (including any penalties, interest or other liabilities related thereto) which arise in Luxembourg (in the case of the Euro Issuer) or the United States (in the case of the Dollar Issuer), or any political subdivision thereof or therein, from the execution, delivery and registration of Notes issued by it upon original issuance and initial resale of the Notes or any other document or instrument referred to therein, or in connection with the enforcement of the Notes or any Note Guarantee or any other document or instrument referred to therein. If at any time an Issuer changes its place of organization to outside of Luxembourg or the United States (as applicable) or there is a new issuer organized outside of Luxembourg or the United States (as applicable), the applicable Issuer or new issuer, as applicable, will pay any stamp, court or documentary taxes, or any other excise, property or similar taxes, charges or levies (including any penalties, interest or other liabilities related thereto) which arise in the jurisdiction in which the Issuer or new issuer is organized (or any political subdivision thereof or therein) and are payable by the holders of the Notes in respect of the Notes or any other document or instrument referred to therein under any law, rule or regulation in effect at the time of such change.

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture. References in this section ("— Additional Amounts") to the Issuer or any Guarantor shall apply to any successor(s) thereto.

Change of Control

Each holder of the Notes, upon the occurrence of a Change of Control Triggering Event, will have the right to require that the Issuer of such Notes repurchase such holder's Notes, at a purchase price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Within 30 days following a Change of Control Triggering Event, each Issuer will mail a notice to each holder of such Issuer's Notes with a copy to the Trustee stating:

(1) that a Change of Control Triggering Event has occurred and that such holder has the right to require the Issuer to purchase such holder's Notes, at a purchase price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest on the relevant interest payment date);

(2) the circumstances and relevant facts regarding such Change of Control Triggering Event (including information with respect to pro forma historical income, cash flow and capitalization after giving effect to such Change of Control Triggering Event);

(3) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed);

(4) that each Note will be subject to repurchase only in integral multiples of $2,000 (in the case of Dollar-denominated Notes), or €1,000 (in the case of Euro-denominated Notes); and

(5) the instructions determined by the Issuer, consistent with the covenant described hereunder, that a holder must follow in order to have its Notes purchased.

Each Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations or applicable listing requirements conflict with the provisions of this covenant, the Issuers will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

The Change of Control Triggering Event repurchase feature is a result of negotiations between the Company and the initial purchasers. We have no present intention to engage in a transaction involving a Change of Control, although it is possible that we would decide to do so in the future. See "Management-Significant Shareholders — Security Ownership Certain Beneficial Owners of the Company" for information regarding the effects of Fresenius SE's redemption of its Mandatory Exchangeable Bonds on its ownership of our ordinary shares. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to Incur additional Indebtedness are contained in the covenant described under "— Certain Covenants — Limitation on Incurrence of Indebtedness." These restrictions can only be waived with the consent of the holders of a majority in principal amount of the Notes then outstanding under the applicable Indenture. Except so long as the limitations contained in such covenants are effective, the Indentures will not contain any covenants or provisions that may afford holders of the Notes protection in the event of a highly leveraged transaction.

An Issuer's ability to repurchase Notes upon a Change of Control Triggering Event may be limited by a number of factors. The occurrence of some of the events that constitute a Change of Control would constitute a default under the Credit Facility and could constitute a default under certain other Indebtedness of the Company or its Subsidiaries which, in the event of a Change of Control, could make it difficult for the Issuer to repurchase the Notes. Our future Indebtedness may contain prohibitions on the occurrence of certain events that would constitute a Change of Control Triggering Event or require such Indebtedness to be repurchased upon a Change of Control Triggering Event. Moreover, the exercise by the holders of their right to require the Issuers to repurchase Notes could cause a default under such Indebtedness, even if the Change of Control Triggering Event itself does not, due to the financial effect of such repurchase on us. Finally, an Issuer's ability to pay cash to the holders of Notes following the occurrence of a Change of Control Triggering Event may be limited by our then existing financial resources. We cannot assure you that sufficient funds will be available when necessary to make any required repurchases. The provisions under an Indenture relating to the Issuer's obligation to make an offer to repurchase Notes as a result of a Change of Control Triggering Event may be waived or modified with the written consent of the holders of a majority in principal amount of the Notes issued under the applicable Indenture.

Certain Covenants

Limitation on Incurrence of Indebtedness

(a) Neither an Issuer nor the Company shall, and they shall not permit any of their Subsidiaries to, Incur, directly or indirectly, any Indebtedness; *provided, however,* that the Company and any Subsidiary may Incur Indebtedness (and the Company and any Subsidiary may Incur Acquired Indebtedness) if on the date thereof:

(1) the Consolidated Coverage Ratio of the Company is at least 2.0 to 1.0; and

(2) no Default or Event of Default will have occurred and be continuing or would occur as a consequence of Incurring the Indebtedness.

(b) The foregoing limitations contained in paragraph (a) do not apply to the Incurrence of any of the following Indebtedness:

(1) Indebtedness Incurred under the Revolving Credit Facility in an aggregate amount not to exceed $1.2 billion outstanding at any time;

(2) Indebtedness in respect of Receivables Financings in an aggregate principal amount which, together with all other Indebtedness in respect of Receivables Financings outstanding on the date of such Incurrence (other than Indebtedness permitted by paragraph (a) or clause (3) of this paragraph (b)), does not exceed 85% of the sum of (1) the total amount of accounts receivables shown on the Company's most recent consolidated quarterly balance sheet, plus (2) without duplication, the total amount of accounts receivable already subject to a Receivables Financing;

(3) Indebtedness of the Company owed to and held by another Guarantor, Indebtedness of a Wholly Owned Subsidiary owed to and held by another Wholly Owned Subsidiary or Indebtedness of a Wholly Owned Subsidiary owing to and held by the Company; *provided, however,* that any subsequent issuance or transfer of any Capital Stock that results in any such Indebtedness being held by a Person other than the Company or another Wholly Owned Subsidiary or any subsequent transfer of such Indebtedness (other than to the Company or another Wholly Owned Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the Company or the Subsidiary, as the case may be;

(4) Indebtedness in respect of the Notes issued on the Issue Date, and the related Note Guarantees by the Company and the other Guarantors;

(5) Capital Lease Obligations and Indebtedness Incurred, in each case, to provide all or a portion of the purchase price or cost of construction of an asset or, in the case of a Sale and Leaseback Transaction, to finance the value of such asset owned by the Company or a Subsidiary;

(6) Indebtedness (other than Indebtedness of the type covered by clause (1) or clause (2)) outstanding on the Issue Date after giving effect to the application of proceeds from the Notes;

(7) Refinancing Indebtedness in respect of Indebtedness Incurred pursuant to paragraph (a) or pursuant to clause (4) or (6) of this paragraph (b);

(8) Hedging Obligations entered into in the ordinary course of the business and not for speculative purposes as determined in good faith by the Company;

(9) customer deposits and advance payments received from customers for goods purchased in the ordinary course of business;

(10) Indebtedness arising under the Cash Management Arrangements; and

(11) Indebtedness Incurred by the Company or a Subsidiary in an aggregate principal amount which, together with all other Indebtedness of the Company and its Subsidiaries outstanding on the date of such Incurrence (other than Indebtedness permitted by paragraph (a) or clauses (1) through (10) of this paragraph (b)), does not exceed $900 million.

(c) For purposes of determining compliance with the foregoing covenant:

(1) in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, the Company, in its sole discretion, will classify and from time to time may reclassify such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the above clauses, provided that any Indebtedness outstanding on the Issue Date and Indebtedness Incurred under clause (b)(5) above may not be reclassified to clause (a) above; and

(2) an item of Indebtedness may be divided and classified, or reclassified, in more than one of the types of Indebtedness described above, provided that any Indebtedness outstanding on the Issue Date and Indebtedness Incurred under clause (b)(5) above may not be reclassified to clause (a) above.

(d) If during any period the Notes have achieved and continue to maintain Investment Grade Status and no Event of Default has occurred and is continuing (such period is referred to herein as an "Investment Grade Status Period"), then upon notice by the Company to the Trustee by the delivery of an Officers' Certificate that it has achieved Investment Grade Status, this covenant will be suspended and will not during such period be applicable to the Company and its Subsidiaries and shall only be applicable if such Investment Grade Status Period ends.

As a result, during any such period, the Notes will lose the protection initially provided under this covenant. No action taken during an Investment Grade Status Period or prior to an Investment Grade Status Period in compliance with this covenant will require reversal or constitute a default under the Notes in the event that this covenant is subsequently reinstated or suspended, as the case may be. An Investment Grade Status Period will not commence until the Company has delivered the Officers' Certificate referred to above and will terminate immediately upon the failure of the Notes to maintain Investment Grade Status or upon an Event of Default.

Limitation on Liens

Each Indenture provides that the Issuer thereunder and the Company may not, and may not permit any Guarantor or any of their respective Subsidiaries to directly, or indirectly, create, Incur or suffer to exist any Lien (other than Permitted Liens) upon any of its property or assets (including Capital Stock), whether owned on the date of the Indenture or acquired after that date, securing any Indebtedness, unless contemporaneously with (or prior to) the Incurrence of the Liens effective provision is made to secure the Indebtedness due under the Indenture and the Notes, equally and ratably with (or prior to in the case of Liens with respect to Subordinated Obligations) the Indebtedness secured by such Lien for so long as such Indebtedness is so secured.

Limitation on Mergers and Sales of Assets

Each Indenture provides that the Issuer thereunder and the Company may not, and may not permit any Guarantor to consolidate or merge with or into (whether or not such Issuer or such Guarantor is the Surviving

Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties and assets in one or more related transactions, to another Person unless:

(1) the Surviving Person is an entity organized and existing under the laws of Germany, the United Kingdom, any other member state of the European Union (as of December 31, 2003), Luxembourg, Switzerland, the United States of America, or any State thereof or the District of Columbia, or the jurisdiction of formation of such Issuer or any Guarantor; or, if the Surviving Person is an entity organized and existing under the laws of any other jurisdiction, such Issuer delivers to the Trustee an Opinion of Counsel to the effect that the rights of the holders of the Notes, would not be affected adversely as a result of the law of the jurisdiction of organization of the Surviving Person, insofar as such law affects the ability of the Surviving Person to pay and perform its obligations and undertakings in connection with the Notes (in a transaction involving an Issuer) or its Note Guarantee or the ability of the Surviving Person to obligate itself to pay and perform such obligations and undertakings or the ability of the holders to enforce such obligations and undertakings;

(2) the Surviving Person (if other than such Issuer or a Guarantor) shall expressly assume, (A) in a transaction or series of transactions involving such Issuer, by a supplemental indenture in a form satisfactory to the Trustee, all of the obligations of such Issuer under the relevant Indenture, or (B) in a transaction or series of transactions not involving the Issuer, by a Guarantee Agreement, in a form satisfactory to the Trustee, all of the obligations of such Guarantor under its Note Guarantee;

(3) at the time of and immediately after such transaction, no Default or Event of Default shall have occurred and be continuing; and

(4) such Issuer or such Guarantor delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, transfer, assignment, sale, lease or other disposition and such supplemental indenture and Guarantee Agreement, if any, comply with the Indenture.

Limitation on Sale and Leaseback Transactions

Each Indenture provides that the Issuer thereunder and the Company may not, and may not permit any Guarantor or any Subsidiary to, enter into any Sale and Leaseback Transaction unless:

(1) such Issuer or such Guarantor or Subsidiary, as the case may be, receives consideration at the time of such Sale and Leaseback Transaction at least equal to the fair market value (as evidenced by an Officers' Certificate of a Responsible Officer, or, if the value exceeds $25 million, a resolution of the Board of Directors of the Issuer or such Guarantor or Subsidiary), of the property subject to such transaction;

(2) such Issuer or such Guarantor or Subsidiary, as the case may be, could have created a Lien on the property subject to such Sale and Leaseback Transaction if such transaction was financed with Indebtedness without securing the Notes by the covenant described under "— Limitation on Liens"; and

(3) such Issuer or such Guarantor or Subsidiary, as the case may be, can Incur an amount of Indebtedness equal to the Attributable Debt in respect of such Sale and Leaseback Transaction.

Reports

For so long as any Notes are outstanding, the Company will provide the Trustee with:

(1) its annual financial statements and related notes thereto for the most recent two fiscal years prepared in accordance with U.S. GAAP (or IFRS or any other internationally generally acceptable accounting standard in the event the Company is required by applicable law to prepare its financial statements in accordance with IFRS or such other standard or is permitted and elects to do so, with appropriate reconciliation to U.S. GAAP, unless not then required under the rules of the SEC) and including segment data, together with an audit report thereon, together with a discussion of the "Operating Results" and "Liquidity" for such fiscal years prepared in a manner substantially consistent with the "Operating and Financial Review and Prospects" required by Form 20-F under the Exchange Act (or any replacement or successor form) appearing herein and a "Business Summary of the Financial Year" and discussion of "Business Segments" provided in a manner consistent with its annual report, a description of "Related Party Transaction", and a description of Indebtedness, within 90 days of the end of each fiscal year; and

(2) quarterly financial information as of and for the period from the beginning of each year to the close of each quarterly period (other than the fourth quarter), together with comparable information for the corresponding period of the preceding year, and a summary "Management's Discussion and Analysis of

Financial Condition and Results of Operations" to the extent and in the form required under the Exchange Act providing a brief discussion of the results of operations for the period within 45 days following the end of the fiscal quarter.

In addition, so long as any of the Notes remain outstanding and during any period when the Issuer or the Company is not subject to Section 13 or 15(d) of the Exchange Act other than by virtue of the exemption therefrom pursuant to Rule 12g3-2(b), the Company will furnish to any holder or beneficial owner of Notes initially offered and sold in the United States to "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act of 1933 pursuant to such rule and any prospective purchaser in the United States designated by such holder or beneficial owner, upon request, any information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act of 1933.

Ownership of the Issuers

Each Indenture provides that the Company will continue to directly or indirectly maintain 100% ownership of the Capital Stock of the Issuer thereunder or any permitted successor of such Issuer, provided, that any permitted successor of the Company under an indenture may succeed to the Company's ownership of such Capital Stock.

The Company will cause each Issuer or its successor to engage only in those activities that are necessary, convenient or incidental to issuing and selling the Notes of such Issuer and any additional Indebtedness permitted by the Indenture (including the Issuer's Guarantee of the Credit Facility and any Additional Notes), and advancing or distributing the proceeds thereof to the Company and its Subsidiaries and performing its obligations relating to the Notes and any such additional Indebtedness, pursuant to the terms thereof and of the Indenture and any other applicable indenture.

Substitution of an Issuer

The Company, any other Guarantor or a Finance Subsidiary (a "Successor") may assume the obligations of an Issuer under the Notes of such Issuer, by executing and delivering to the Trustee (a) a supplemental indenture which subjects such person to all of the provisions of the relevant Indenture and (b) an opinion of counsel to the effect that such supplemental indenture has been duly authorized and executed by such Person, and constitutes the legal, valid, binding and enforceable obligation of such Person, subject to customary exceptions; provided that (i) the Successor is formed under the laws of the United States of America, or any State thereof or the District of Columbia, Germany, the United Kingdom or any other member state of the European Union as of December 31, 2003 and (ii) no Additional Amounts would be or become payable with respect to the Notes at the time of such assumption, or as result of any change in the laws of the jurisdiction of formation of such Successor that was reasonably foreseeable at such time. The Successor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the relevant Indenture with the same effect as if it were the Issuer thereunder, and the former Issuer shall be discharged from all obligations and covenants under the relevant Indenture and Notes.

Events of Default

Each Indenture provides that any one or more of the following described events, which has occurred and is continuing, constitutes an "Event of Default" with respect to the Notes issued under such Indenture:

(1) failure for 30 days to pay interest on any of the Notes, including any Additional Amounts in respect thereof, when due; or

(2) failure to pay principal of or premium, if any, on any of the Notes when due, whether at maturity, upon redemption, by declaration or otherwise; or

(3) failure to observe or perform any other covenant contained in the Indenture for 60 days after notice as provided in the Indenture; or

(4) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Subsidiaries (or the payment of which is Guaranteed by the Company), whether such Indebtedness or Guarantee now exists or is Incurred after the Issue Date, if (A) such default results in the acceleration of such Indebtedness prior to its express maturity or will constitute a default in the payment of such Indebtedness and (B) the principal amount of any such Indebtedness that has been accelerated or not paid at maturity, when added to the aggregate principal amount of all other such Indebtedness, at such time, that has been accelerated or not paid at maturity, exceeds $100 million; or

(5) any final judgment or judgments (not covered by insurance) which can no longer be appealed for the payment of money in excess of $100 million shall be rendered against the Issuer thereunder or the Company or any of its Subsidiaries and shall not be discharged for any period of 60 consecutive days during which a stay of enforcement shall not be in effect; or

(6) any Note Guarantee shall cease to be in full force and effect in accordance with its terms for any reason except pursuant to the terms of the Indenture governing the release of Note Guarantees or the satisfaction in full of all the obligations thereunder or shall be declared invalid or unenforceable other than as contemplated by its terms, or any Guarantor shall repudiate, deny or disaffirm any of its obligations thereunder; or

(7) certain events in bankruptcy, insolvency or reorganization of the Company, the Guarantors, the Issuer thereunder or any of the Company's Significant Subsidiaries.

A default under clause (3) of this paragraph will not constitute an Event of Default under an Indenture unless the Trustee or holders of 25% in principal amount of the outstanding Notes under such Indenture notify the Issuer party to such Indenture and the Company of such default and such default is not cured within the time specified in clause (3).

The Trustee or the holders of not less than 25% in aggregate outstanding principal amount of the Notes under the relevant Indenture may declare the principal of, premium, if any, and accrued and unpaid interest (including any Additional Amounts) on such Notes due and payable immediately on the occurrence of an Event of Default (other than under clause (7)); *provided, however,* that, after such acceleration, the holders of a majority in aggregate principal amount of the outstanding Notes may, under certain circumstances, rescind and annul such acceleration if the rescission would not conflict with any judgment or decree of a court of competent jurisdiction and all Events of Default, other than the nonpayment of accelerated principal, premium, if any and interest have been cured or waived as provided in the applicable Indenture. If an Event of Default described in clause (7) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holders. For information as to waiver of defaults, see "— Amendments and Waivers."

Subject to the provisions of the Indentures relating to the duties of the Trustee, in case an event of default shall occur and be continuing, the Trustee will be under no obligation to exercise any of its rights or powers under the relevant Indenture at the request or direction of any holders of Notes issued thereunder unless such holders shall have offered to the Trustee reasonable indemnity. Subject to the provisions for the indemnification of the Trustee, the holders of a majority in aggregate principal amount of the Notes issued thereunder then outstanding, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee.

No holder of any Note will have any right to institute any proceeding with respect to the Indenture governing such Note or for any remedy thereunder, unless written notice of a continuing Event of Default shall have previously been given in accordance with the terms of such Indenture and reasonable indemnity shall have been offered, to the Trustee to institute such proceeding as Trustee, and the Trustee will not have received from the holders of a majority in aggregate principal amount of the outstanding Notes under such Indenture a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days. However, such limitations do not apply to a suit instituted by a holder of a Note for enforcement of payment of the principal of and premium, if any, or interest on such Note on or after the respective due dates expressed in such Note.

The holders of a majority in aggregate outstanding principal amount of the Dollar-denominated Notes or the Euro-denominated Notes affected thereby may, on behalf of the holders of all the applicable issue of Notes, waive any existing default, except a default in the payment of principal, premium, if any, or interest or a default in respect of a covenant or provision that cannot be modified or amended without consent of the holder of each Note affected. Each Issuer and the Company are required to file annually with the Trustee a certificate as to whether or not such Issuer and the Company are in compliance with all the conditions and covenants under the applicable Indenture.

Amendments and Waivers

Subject to certain exceptions, each Indenture may be amended or supplemented with the consent of the holders of a majority in principal amount of the Notes issued under such Indenture then outstanding (including without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes) and, subject to certain exceptions, any existing default or compliance with any provisions may be waived with the consent of the holders of a majority in principal amount of such Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes).

However, without the consent of each holder of an outstanding Note adversely affected, no amendment or waiver may, among other things:

(1) reduce the percentage of principal amount of any Note whose holders must consent to an amendment;

(2) reduce the stated rate of or extend the stated time for payment of interest on any Note;

(3) reduce the principal of or extend the Stated Maturity of any Note;

(4) reduce the premium payable upon the redemption of any such Note or change the time at which any Note may be redeemed as described above under "Optional Redemption";

(5) reduce the premium payable upon the repurchase of any Note, change the time at which any Note may be repurchased, or change any of the associated definitions related to the provisions of "Change of Control" once the obligation to repurchase the Notes has arisen;

(6) make any Note payable in money other than that stated in the Note;

(7) impair the right of any holder to receive payment of premium, if any, principal of and interest on such holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder's Notes;

(8) make any change in the amendment provisions which require each holder's consent or in the waiver provisions; or

(9) release the Company from its Note Guarantee applicable to any Note.

Without the consent of any holder, an Issuer and the Trustee may amend the applicable Indenture to:

(1) cure any ambiguity, omission, defect or inconsistency;

(2) provide for the assumption by an entity of the obligations of the Issuer under the Indenture or of a Guarantor (other than the Company) under the Note Guarantees;

(3) provide for uncertificated Notes in addition to or in place of certificated Notes;

(4) add Note Guarantees with respect to the Notes;

(5) secure the Notes;

(6) add to the covenants of such Issuer and the Guarantors for the benefit of the holders or surrender any right or power conferred upon the Issuer;

(7) evidence and provide for the acceptance and appointment of a successor trustee;

(8) comply with the rules of any applicable securities depositary;

(9) issue Additional Notes in accordance with such Indenture; or

(10) make any change that does not adversely affect the rights of any holder.

The consent of the holders is not necessary under either Indenture to approve the particular form of any proposed amendment or waiver to or under such Indenture. It is sufficient if such consent approves the substance of the proposed amendment or waiver. After an amendment, supplement or waiver under an Indenture becomes effective, the Issuer under such Indenture is required to mail to the holders a notice briefly describing such amendment, supplement or waiver. However, the failure to give such notice to all the holders, or any defect in the notice, will not impair or affect the validity of the amendment, supplement or waiver.

Defeasance

An Issuer at any time may terminate all its obligations under the Dollar-denominated Notes or the Euro-denominated Notes issued by it and the related Indenture ("legal defeasance"), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of any Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent in respect of any Notes.

An Issuer at any time may terminate its obligations under covenants described under "Certain Covenants" (other than "— Limitation on Mergers and Sales of Assets"), the operation of the cross-default upon a payment default, cross-acceleration provisions, the bankruptcy provisions with respect to Subsidiaries, the judgment default provision described under "Events of Default" above and the limitations contained in clause (4) under "Certain Covenants — Limitation on Mergers and Sales of Assets" above ("covenant defeasance").

An Issuer may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If an Issuer exercises its legal defeasance option, payment of such Issuer's defeased Notes may not be accelerated because of an Event of Default with respect to such Notes. If an Issuer exercises its covenant defeasance option, payment of such Issuer's defeased Notes may not be accelerated because of an Event of Default specified in clause (3), (4), (5) or (7) under "Events of Default" above or because of the failure of the Issuer to comply with clause (4) under "Certain Covenants — Limitation on Mergers and Sales of Assets" above.

In order to exercise either defeasance option, an Issuer must irrevocably deposit in trust (the "defeasance trust") with the Trustee for the benefit of the holders Designated Government Obligations for the payment of principal, premium, if any, and interest on the Notes to be defeased of such Issuer to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

(a) an Opinion of Counsel (subject to customary exceptions and exclusions) to the effect that holders of such Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred. In the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or other change in applicable U.S. Federal income tax law;

(b) an Opinion of Counsel in the Federal Republic of Germany (subject to customary exceptions and exclusions) to the effect that holders of such Notes will not recognize income, gain or loss for income tax purposes of the Federal Republic of Germany as a result of such deposit and defeasance and will be subject to income tax in the Federal Republic of Germany on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred; and

(c) an Opinion of Counsel in Luxembourg (or the jurisdiction of organization of any successor to the Issuer, subject to customary exceptions and exclusions) to the effect that holders of such Notes will not recognize income, gain or loss for income tax purposes of Luxembourg as a result of such deposit and defeasance and will be subject to income tax in Luxembourg on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred.

No Personal Liability of Directors, Officers, Employees and Stockholders

No member of the Board of Directors, director, officer, employee, incorporator or stockholder of either Issuer, Fresenius SE, the general partner of Fresenius SE, the Company, its General Partner or the Guarantors, as such, shall have any liability for any obligations of the Issuers or any Guarantor under the Notes, the Indenture or the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder by accepting a Note waives and releases all such liability and agrees not to enforce any claim in respect of the Notes, the Indentures or the Note Guarantees to the extent that it would give rise to such personal liability. The waiver and release are part of the consideration for issuance of the Notes and the Note Guarantees. Such waiver and release may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy. In addition, such waiver and release may not be effective under the laws of the Federal Republic of Germany.

Consent to Jurisdiction and Service of Process

Each Indenture provides that the Issuer thereunder and the Company irrevocably agree to accept notice and service of process in any suit, action or proceeding with respect to the Indentures and the Notes, as the case may be, brought in any U.S. federal or state court located in the Borough of Manhattan in the City of New York and that the Issuer thereunder and the Company submit to the jurisdiction thereof.

Concerning the Trustee

U.S. Bank National Association is the Trustee under each Indenture and has been appointed by each Issuer as Registrar (in the case of Definitive Registered Notes) with regard to the Notes. The Trustee is a national banking association organized under the laws of the United States of America. The Trustee's principal office is located at 800 Nicollet Mall, Minneapolis, Minnesota, U.S.A. 55402 and its corporate trust office is at 225 Asylum Street, 23rd Floor, Hartford, Connecticut, U.S.A. 06103. The Trustee authenticates each Global Note and each Definitive Note and, as Registrar, is responsible for the transfer and registration of Notes exchanged in accordance with the Indentures. Upon the occurrence of an Event of Default as defined under an Indenture, the Trustee must notify the holders of the Notes issued thereunder of such default and thereafter the Trustee may pursue various actions and remedies on behalf of the holders of such Notes as set out in the Indenture and approved by the holders of the Notes.

In its capacity as Trustee, the Trustee may sue on its own behalf the holders of the Notes. The Trustee will not be liable for any action it takes or omits to take in good faith which it reasonably believes to be authorized under the Indenture. The Trustee is further entitled to require and rely in good faith on an Officers' Certificate, Issuer Order (as applicable) or Opinion of Counsel before taking action. The Trustee is indemnified by the Issuer under each Indenture for any and all loss, damage, claim proceedings, demands, costs, expenses or liability including taxes incurred by the Trustee without negligence or willful misconduct on its part in connection with the acceptance of administration of the trust under such Indenture. The Trustee may resign at any time by notifying the relevant Issuer in writing. The Trustee may be removed by the holders of a majority in principal amount of the Dollar-denominated Notes or the Euro-denominated Notes as the case may be, by notifying the relevant Issuer and the Trustee in writing, and such majority holders may appoint a successor trustee with the Issuer's consent. In addition an Issuer may remove the Trustee upon certain bankruptcy and similar events relating to the Trustee or if the Trustee becomes incapable of acting with respect to its duties under the Indenture.

Validity of Claims

The time of validity for a payment of interest, principal, the redemption price or another amount payable under each Indenture is six years from the date on which such payment is due.

Governing Law

Each Indenture and the Notes will be governed by, and construed in accordance with, the laws of the State of New York. The Note Guarantees will be governed by, and construed in accordance with, the laws of the State of New York, except that certain matters concerning the limitations thereof will be construed in accordance with the laws of the Federal Republic of Germany.

Certain Definitions

As used in each Indenture (except as specifically noted below):

"Accounting Principles" means U.S. GAAP, or, upon adoption thereof by the Company and notice to the Trustee, IFRS or any other accounting standards which are generally acceptable in the jurisdiction of organization of the Company, approved by the relevant regulatory or other accounting bodies in that jurisdiction and internationally generally acceptable and, in the case of IFRS or such other accounting standards, as in effect from time to time.

"Acquired Indebtedness" means Indebtedness of a Person existing at the time such Person becomes a Subsidiary or is merged into or consolidated with any other Person or that is assumed in connection with the acquisition of assets from such Person and, in each case, not Incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Subsidiary or such merger, consolidation or acquisition.

"A/R Facility" means the accounts receivable facility established pursuant to the Fifth Amended and Restated Transfer and Administration Agreement dated as of November 17, 2009, by and among NMC Funding Corporation, as transferor, National Medical Care, Inc., as initial collection agent, Compass US Acquisition LLC, and the other conduit investors party thereto, the financial institutions party thereto, The Bank of Nova Scotia, Barclays Bank PLC, Credit Agricole Corporate and Investment Bank, New York Branch, and Royal Bank of Canada, as administrative agents, and WestLB AG, New York Branch, as administrative agent and as agent (as amended, modified, renewed, refunded, replaced, restated or refinanced from time to time).

"Affiliate" of any specified Person means:

(1) any other Person, directly or indirectly, controlling or controlled by, or

(2) under direct or indirect common control with such specified Person.

For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Asset Disposition" means any direct or indirect sale, issuance, conveyance, transfer, lease (other than operating leases entered into in the ordinary course of business), assignment or other transfer for value by the Company or any of its Subsidiaries (including any Sale and Leaseback Transaction) to any Person other than

the Company or a Wholly Owned Subsidiary of the Company, including any disposition by means of a merger, consolidation or similar transaction (each referred to for the purposes of this definition as a "disposition"), of:

(1) any shares of Capital Stock of any Subsidiary (other than directors qualifying shares or shares required by applicable law to be held by a Person other than the Company or a Subsidiary),

(2) all or substantially all the assets of any division or line of business of the Company or any Subsidiary, or

(3) any other assets of the Company or any Subsidiary outside of the ordinary course of business of the Company or such Subsidiary,

other than, in the case of (1), (2) and (3) above,

(A) a disposition of assets or issuance of Capital Stock by a Subsidiary to the Company or by the Company or a Subsidiary to a Wholly Owned Subsidiary,

(B) transactions permitted under "Certain Covenants — Limitation on Mergers and Sales of Assets", and

(C) dispositions in connection with Permitted Liens, foreclosures on assets and any release of claims which have been written down or written off.

"Attributable Debt" means, in respect of any Sale and Leaseback Transaction, as of the time of determination, the total obligation (discounted to present value at the rate per annum equal to the discount rate which would be applicable to a Capital Lease Obligation with the like term in accordance with Accounting Principles) of the lessee for rental payments (other than amounts required to be paid on account of property taxes, maintenance, repairs, insurance, water rates and other items which do not constitute payments for property rights) during the remaining portion of the initial term of the lease included in such Sale and Leaseback Transaction.

"Average Life" means, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing:

(1) the sum of the products of numbers of years from the date of determination to the dates of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by,

(2) the sum of all such payments.

"Board of Directors" means, with respect to an Issuer or any Guarantor, as the case may be, the Board of Directors (or other body performing functions similar to any of those performed by a Board of Directors including those performed, in the case of a German stock corporation, by the management board, or in the case of a KGaA, by the General Partner) of such Person or any committee thereof duly authorized to act on behalf of such Board (or other body).

"Bund Rate" means, solely for purposes of the Euro-denominated Notes, the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (*Bund* or *Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that have become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the redemption date to September 15, 2018; *provided, however* that if the period from the redemption date to September 15, 2018 is not equal to the constant maturity of the direct obligations of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to September 15, 2018 is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used.

"Business Day" means any day other than:

(1) a Saturday or Sunday,

(2) for purposes of the Dollar-denominated Notes only, a day on which banking institutions in New York City, Frankfurt am Main or the jurisdiction of organization of the Issuer or of the office of the Paying Agent (other than the Trustee) are authorized or required by law or executive order to remain closed,

(3) for purposes of the Euro-denominated Notes only, a day on which banking institutions in Frankfurt am Main or the jurisdiction of organization of the Issuer or of the office of the Paying Agent (other than the Trustee) are authorized or required by law or executive order to remain closed, or

(4) except for purposes of payments made on or in respect of the Euro-denominated Notes by a Paying Agent other than the Trustee, a day on which the corporate trust office of the Trustee is closed for business.

"Capital Lease Obligations" means an obligation that is required to be classified and accounted for as a capital lease for financial reporting purposes in accordance with Accounting Principles, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with Accounting Principles; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"Capital Stock" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"Cash Management Arrangements" means the cash management arrangements of the Company and its Affiliates (including any Indebtedness arising thereunder) which arrangements are in the ordinary course of business consistent with past practice.

"Change of Control" means the occurrence of one or more of the following events:

(1) so long as the Company is organized as a KGaA, if the General Partner of the Company charged with management of the Company shall at any time fail to be a Subsidiary of Fresenius SE, or if Fresenius SE shall fail at any time to own and control more than 25% of the capital stock with ordinary voting power in the Company;

(2) if the Company is no longer organized as a KGaA, any event the result of which is that (A) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than Fresenius SE, is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that such Person or group shall be deemed to have "beneficial ownership" of all shares that any such Person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the total voting power of the Voting Stock of the Company and (B) the Permitted Holders do not "beneficially own" (as defined in Rules 13d-3 and 13d-5 of the Exchange Act), directly or indirectly, in the aggregate a greater percentage of the total voting power of the Voting Stock of the Company;

(3) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company to any Person or group of related Persons for purposes of Section 13(d) of the Exchange Act (a "Group"), together with any Affiliates thereof (whether or not otherwise in compliance with the provisions of the Indenture).

"Change of Control Triggering Event" means the occurrence of a Change of Control and a Ratings Decline.

"Consolidated Coverage Ratio" of any Person as of any date of determination means the ratio of (x) the aggregate amount of EBITDA for such Person's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of such determination to (y) Consolidated Interest Expense for such four fiscal quarters; *provided, however,* that:

(1) if such Person or any of its Subsidiaries has Incurred or repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness under any revolving credit facility unless such Indebtedness has been permanently repaid and any related commitment has been terminated) any Indebtedness since the beginning of such period that remains outstanding or discharged or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence or

discharge of Indebtedness, or both, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been Incurred or discharged on the first day of such period and the Incurrence or discharge of any other Indebtedness as if such Incurrence or discharge had occurred on the first day of such period,

(2) if since the beginning of such period such Person or any of its Subsidiaries shall have made any Asset Disposition, the EBITDA for such period shall be reduced by an amount equal to the EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Disposition for such period, or increased by an amount equal to the EBITDA (if negative), directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Indebtedness of such Person or any of its Subsidiaries repaid, repurchased, defeased or otherwise discharged with respect to such Person and its continuing Subsidiaries in connection with such Asset Disposition for such period (or, if the Capital Stock of any Subsidiary is sold, the Consolidated Interest Expense for such period of credit and directly attributable to the Indebtedness of such Subsidiary to the extent such Person and its continuing Subsidiaries are no longer liable for such Indebtedness after such Asset Disposition),

(3) if since the beginning of such period such Person or any of its Subsidiaries (by merger or otherwise) shall have made an Investment in any Subsidiary (or any Person which becomes a Subsidiary) or an acquisition of assets, which constitutes all or substantially all of an operating unit of a business, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition occurred on the first day of such period, and

(4) if since the beginning of such period any Person (that subsequently became a Subsidiary or was merged with or into such Person or any of its Subsidiaries since the beginning of such period) shall have made any Asset Disposition, any Investment or acquisition of assets that would have required an adjustment pursuant to clause (2) or (3) above if made by such Person or a Subsidiary of such Person during such period, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto as if such Asset Disposition, Investment or acquisition occurred on the first day of such period.

For purposes of this definition, whenever pro forma effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred in connection therewith, the pro forma calculations shall be determined in good faith by a responsible financial or accounting officer of the Company, as applicable. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest of such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months).

"Consolidated Interest Expense" means, with respect to any Person for any period, the total interest expense of such Person and its consolidated Subsidiaries, including the amortization of debt discount and premium, the interest component under capital leases and the implied interest component (if any) under any Receivables Financing, in each case on a consolidated basis determined in accordance with Accounting Principles.

"Consolidated Net Income" means, with respect to any Person for any period, the net income of such Person and its consolidated Subsidiaries (including any net income attributable to non-controlling interest of such Person and its consolidated Subsidiaries), in each case as determined on a consolidated basis in accordance with Accounting Principles; *provided* that extraordinary gains and losses shall be excluded from Consolidated Net Income.

"Consolidated Net Tangible Assets" means, as of any date of determination, the total amount of all assets of the Company and its Subsidiaries, determined on a consolidated basis in accordance with Accounting Principles, as of the end of the most recent fiscal quarter for which the Company's financial statements are available, less the sum of:

(1) the Company's consolidated current liabilities as of such quarter end, determined on a consolidated basis in accordance with Accounting Principles; and

(2) the Company's consolidated assets that are properly classified as intangible assets as of such quarter end, determined on a consolidated basis in accordance with Accounting Principles.

"Credit Facility" means (i) the bank credit agreement entered into as of March 31, 2006 among the Company, Fresenius Medical Care Holdings, Inc., the other borrowers identified therein, the guarantors identified therein, the lenders party thereto and Bank of America, N.A., as administrative agent, as extended on September 29, 2010 and as amended, modified, renewed, refunded, replaced, restated or refinanced from time to time (the "Revolving Credit Facility") and (ii) the term loan credit agreement entered into as of March 31, 2006 among the Company, Fresenius Medical Care Holdings, Inc., the other borrowers identified therein, the guarantors identified therein, the lenders party thereto and Bank of America, N.A., as administrative agent, as extended on September 29, 2010 and as amended, modified, renewed, refunded, replaced, restated or refinanced from time to time.

"Currency Agreement" means any foreign currency exchange contract, currency swap agreement or other similar agreement or arrangement.

"Default" means any event that is, or after notice or passage of time or both would be, an Event of Default (as defined herein).

"Designated Government Obligations" means direct non-callable and non-redeemable obligations (in each case, with respect to the issuer thereof) of any member state of the European Union that is a member of the European Union as of the Issue Date or of the United States of America (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is secured by the full faith and credit of the applicable member state or of the United States of America, as the case may be.

"Disqualified Stock" means, with respect to any Person, any Capital Stock that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

(1) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise,

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock; or

(3) is redeemable at the option of the holder thereof, in whole or in part,

in each case on or prior to the first anniversary of the Stated Maturity of the Notes; *provided, however,* that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the first anniversary of the Stated Maturity of the Notes shall not constitute Disqualified Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the provisions described under "— Change of Control."

"EBITDA" for any Person for any period means the sum of Consolidated Net Income of such Person, plus Consolidated Interest Expense of such Person plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) all income tax expense of such Person and its Subsidiaries,

(2) depreciation expense, and

(3) amortization expense, in each case for such period.

Notwithstanding the foregoing, the provision for taxes based on the income or profits of, and the depreciation and amortization of, a Subsidiary that is not a Wholly Owned Subsidiary shall be added to Consolidated Net Income to compute EBITDA only to the extent (and in the same proportion) that the net income of such Subsidiary was included in calculating Consolidated Net Income and only if a corresponding amount would be permitted at the date of determination to be dividended to such Person by such Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to such Subsidiary or its stockholders.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

"Finance Subsidiary" means any Wholly Owned Subsidiary of the Company created for the sole purpose of issuing evidences of Indebtedness and which is subject to similar restrictions on its activities as the Issuer.

"Fresenius SE" means Fresenius SE & Co. KGaA, a partnership limited by shares (*Kommanditgesellschaft auf Aktien*) resulting from the change of legal form of Fresenius SE, a European Company (Societas Europaea) previously called Fresenius AG, a German stock corporation.

"General Partner" means Fresenius Medical Care Management AG, a German stock corporation, including its successors and assigns and other Persons, in each case who serve as the general partner (*persönlich haftender Gesellschafter*) of the Company from time to time.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any Person (other than, in the case of Subsidiaries, obligations which would not constitute Indebtedness) and any obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise), or

(2) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning. The term "guarantor" shall mean any Person Guaranteeing any obligation.

"Guarantee Agreement" means, in the context of a consolidation, merger or sale of all or substantially all of the assets of a Guarantor, an agreement by which the Surviving Person from such a transaction expressly assumes all of the obligations of such Guarantor under its Note Guarantee.

"Hedging Obligations" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement or Currency Agreement.

"IFRS" means international financial reporting standards and interpretations issued by the International Accounting Standards Board and adopted by the European Commission, as in effect from time to time.

"Incur" means issue, assume, guarantee, incur or otherwise become liable for; *provided, however,* that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Subsidiary at the time it becomes a Subsidiary. The term "Incurrence" when used as a noun shall have a correlative meaning. The accretion of principal of a non-interest bearing or other discount security shall be deemed the Incurrence of Indebtedness.

"Indebtedness" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of and premium (if any) in respect of (A) Indebtedness of such Person for money borrowed and (B) Indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable,

(2) all Capital Lease Obligations of such Person,

(3) all obligations of such Person issued or assumed as the deferred purchase price of property or services, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (other than (x) customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business, (y) trade debt Incurred in the ordinary course of business and not overdue by 90 days or more and (z) obligations Incurred under a pension, retirement or deferred compensation program or arrangement regulated under the Employee Retirement Income Security Act of 1974, as amended, or the laws of a foreign government),

(4) all obligations of such Person for the reimbursement of any obligor on any letter of credit, bank guarantee, banker's acceptance or similar credit transaction (except to the extent such reimbursement obligation relates to trade debt in the ordinary course of business and such reimbursement obligation is paid within 30 days after payment of the trade debt),

(5) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any subsidiary of such Person, any Preferred Stock (but excluding, in each case, any accrued dividends),

(6) all obligations of the type referred to in clauses (1) through (5) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee,

(7) all obligations of the type referred to in clauses (1) through (6) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the value of such property or assets or the amount of the obligation so secured, and

(8) to the extent not otherwise included in this definition, Hedging Obligations of such Person.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date. For the avoidance of doubt, the following will not be treated as Indebtedness:

(1) Indebtedness Incurred in respect of workers' compensation claims, self insurance obligations, performance, surety and similar bonds and completion guarantees provided in this ordinary course of business;

(2) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred or assumed in connection with the disposition or acquisition of any business, assets or Capital Stock of a Subsidiary, provided, that the maximum aggregate liability in respect of all such Indebtedness (other than in respect of tax and environmental indemnities) shall at no time exceed, in the case of a disposition, the gross proceeds actually received by the Company and its Subsidiaries in connection with such disposition and, in the case of an acquisition, the fair market value of any business assets or Capital Stock acquired;

(3) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business, provided that such Indebtedness is extinguished within five Business Days of the Incurrence.

"Interest Rate Agreement" means any interest rate swap agreement, interest rate cap agreement or other similar financial agreement or arrangement.

"Investment" in any Person means any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of such Person) or other extensions of credit (including by way of Guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by such Person; *provided, however,* that advances, loans or other extensions of credit arising under the Cash Management Arrangements shall not be deemed Investments.

"Investment Grade" means a rating of BBB− or higher by S&P and Baa3 or higher by Moody's or the equivalent of such ratings by S&P or Moody's and the equivalent in respect of Rating Categories of any Rating Agencies substituted for S&P or Moody's.

"Investment Grade Status" exists as of any time if at such time both (i) the rating assigned to the Notes by Moody's is at least Baa3 (or the equivalent) or higher and (ii) the rating assigned to the Notes by S&P is at least BBB− (or the equivalent) or higher and the equivalent in respect of rating categories of any Rating Agencies substituted for S&P or Moody's.

"Issue Date" means September 14, 2011.

"KGaA" means a German partnership limited by shares (*Kommanditgesellschaft auf Aktien*).

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Note Guarantee" means the Guarantee by a Guarantor of an Issuer's obligations under the Notes of such Issuer.

"Officers' Certificate" means a certificate signed by two Responsible Officers of an Issuer or of any Guarantor.

"Opinion of Counsel" means a written opinion from legal counsel who is reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to an Issuer, a Guarantor or the Trustee.

"Permitted Holders" means Fresenius SE.

"Permitted Liens" means, with respect to any Person:

(1) pledges or deposits by such Person under workmen's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits or cash or Designated Government Obligations to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import or customs duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(2) Liens imposed by law, including carriers', warehousemen's and mechanics' Liens, in each case for sums not yet due or being contested in good faith if a reserve or other appropriate provisions, if any, as are required by Accounting Principles have been made in respect thereof;

(3) Liens for taxes, assessments or other governmental charges not yet subject to penalties for non-payment or which are being contested in good faith provided appropriate reserves, if any, as are required by Accounting Principles have been made in respect thereof;

(4) Liens in favor of issuers of surety or performance bonds or letters of credit or bankers' acceptances issued pursuant to the request of and for the account of such Person in the ordinary course of its business;

(5) encumbrances, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties or liens incidental to the conduct of the business of such Person or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(6) Liens securing Hedging Obligations so long as the related Indebtedness is, and is permitted to be under the Indenture, secured by a Lien on the same property securing such Hedging Obligation or Interest Rate Agreement;

(7) leases, subleases and licenses of real property which do not materially interfere with the ordinary conduct of the business of the Company or any of its Subsidiaries and leases, subleases and licenses of other assets in the ordinary course of business;

(8) judgment Liens not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(9) Liens for the purpose of securing the payment (or the refinancing of the payment) of all or a part of the purchase price of, or Capital Lease Obligations with respect to, assets or property acquired or constructed in the ordinary course of business; provided that:

(a) the aggregate principal amount secured by such Liens does not exceed the cost of the assets or property so acquired or constructed; and

(b) such Liens are created within 180 days of construction or acquisition of such assets or property (or, upon a refinancing, replace Liens created within such period) and do not encumber any other assets or property of the Company or any Subsidiary other than such assets or property and assets affixed or appurtenant thereto;

(10) Liens arising solely by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary institution; *provided* that such deposit account is not intended by the Company or any Subsidiary to provide collateral to the depositary institution;

(11) Liens arising from United States Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Company and its Subsidiaries in the ordinary course of business;

(12) Liens existing on the Issue Date (other than Liens under clause (19));

(13) Liens on property or shares of stock of a Person at the time such Person becomes a Subsidiary; *provided, however,* that such Liens are not created, Incurred or assumed in connection with, or in contemplation of, such other Person becoming a Subsidiary; *provided further, however,* that any such Lien may not extend to any other property owned by the Company or any Subsidiary;

(14) Liens on property at the time the Company or a Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into the Company or any Subsidiary; *provided, however,* that such Liens are not created, Incurred or assumed in connection with, or in contemplation of, such acquisition; *provided further, however,* that such Liens may not extend to any other property owned by the Company or any Subsidiary;

(15) Liens securing Indebtedness or other obligations of the Company to a Subsidiary or of a Subsidiary owing to the Company or a Subsidiary;

(16) Liens securing the Notes and all other Indebtedness which by its terms must be secured if the Notes are secured;

(17) Liens securing Indebtedness Incurred to refinance Indebtedness that was previously secured (other than Liens under clause (19)); *provided,* that such Lien is limited to all or part of the same property or assets that secured the Indebtedness refinanced;

(18) Liens arising by operation of law or by agreement to the same effect in the ordinary course of business;

(19) Liens securing Indebtedness and other obligations under the Credit Facility in an aggregate principal amount of Indebtedness secured thereby not to exceed the greater of (x) the maximum amount of Indebtedness that could be incurred under the Credit Facility as of March 31, 2006 (i.e., $4.6 billion), and (y) 2.5 times the Company's aggregate EBITDA for the most recently ended four full fiscal quarters for which internal financial statements are available;

(20) Liens securing the A/R Facility; and

(21) other Liens securing Indebtedness having an aggregate principal amount, measured as of the date of creation of any such Lien and the date of Incurrence of any such Indebtedness, not to exceed 5% of the Company's Consolidated Net Tangible Assets.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency, instrumentality or political subdivision thereof, or any other entity.

"Preferred Stock", as applied to the Capital Stock of any corporation, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such corporation, over shares of Capital Stock of any other class of such corporation.

"Qualified Capital Stock" means any Capital Stock which is not Disqualified Stock.

"Rating Agencies" means:

(1) S&P and

(2) Moody's, or

(3) if S&P or Moody's or both shall not make a rating of the Notes publicly available, despite the Company using its commercially reasonable efforts to obtain such a rating, a nationally recognized securities rating agency or agencies, as the case may be, selected by the Company, which shall be substituted for S&P or Moody's or both, as the case may be.

"Rating Category" means:

(1) with respect to S&P, any of the following categories: BB, B, CCC, CC, C and D (or equivalent successor categories),

(2) with respect to Moody's, any of the following categories: Ba, B, Caa, Ca, C and D (or equivalent successor categories), and

(3) the equivalent of any such category of S&P or Moody's used by another rating agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within rating categories (+ and − for S&P, 1, 2 and 3 for Moody's; or the equivalent gradations for another rating agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from BB+ to BB, as well as from BB− to B+, which constitute a decrease of one gradation).

"Rating Date" means the date which is 90 days prior to the earlier of (1) a Change of Control and (2) public notice of the occurrence of a Change of Control or of the intention by the Company or any Person to effect a Change of Control.

"Ratings Decline" means the occurrence on or within 90 days after the date of the first public notice of either the occurrence of a Change of Control or of a transaction which will effect a Change of Control, whichever is earlier (which period shall be extended so long as any Rating Agency has publicly announced that it is considering a possible downgrade of the Notes) of (1) in the event the Notes are rated by either Moody's or S&P on the Rating Date as Investment Grade, a decrease in the rating of the Notes by both Rating Agencies to a rating that is below Investment Grade, or (2) in the event the Notes are rated below Investment Grade by both Rating Agencies on the Rating Date, a decrease in the rating of the Notes by either Rating Agency by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

"Receivables Financings" means:

(1) the A/R Facility, and

(2) any financing transaction or series of financing transactions that have been or may be entered into by the Company or a Subsidiary pursuant to which the Company or a Subsidiary may sell, convey or otherwise transfer to a Subsidiary or Affiliate, or any other Person, or may grant a security interest in, any receivables or interests therein secured by the merchandise or services financed thereby (whether such receivables are then existing or arising in the future) of the Company or such Subsidiary, as the case may be, and any assets related thereto, including without limitation, all security interests in merchandise or services financed thereby, the proceeds of such receivables, and other assets which are customarily sold or in respect of which security interests are customarily granted in connection with securitization transactions involving such assets.

"Refinance" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue other Indebtedness in exchange or replacement for, such Indebtedness. "Refinanced" and "Refinancing" shall have correlative meanings.

"Refinancing Indebtedness" means Indebtedness that Refinances any Indebtedness of the Company or any Subsidiary existing on the Issue Date or Incurred in compliance with the Indenture including Indebtedness that Refinances Refinancing Indebtedness; *provided, however,* that:

(1) such Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced,

(2) such Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being Refinanced, and

(3) such Refinancing Indebtedness has an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding or committed (plus fees and expenses, including any premium and defeasance costs) under the Indebtedness being Refinanced; *provided further, however*, that Refinancing Indebtedness shall not include (x) Indebtedness of a Subsidiary that Refinances Indebtedness of the Company or (y) Indebtedness of the Company or a Subsidiary that Refinances Indebtedness of another Subsidiary.

"Responsible Officer" means the chief executive officer, president, chief financial officer, senior vice president-finance, treasurer, assistant treasurer, managing director, management board member or director of a company (or in the case of the Company, a Responsible Officer of its General Partner, other managing entity or other Person authorized to act on its behalf, and if such Person is also a partnership, limited liability company or similarly organized entity, a Responsible Officer of the entity that may be authorized to act on behalf of such Person).

"S&P" means Standard & Poor's Corporation and its successors.

"Sale and Leaseback Transaction" means any direct or indirect arrangement with any Person or to which any such Person is a party, providing for the leasing to the Issuer or any Guarantor or a Subsidiary of any

property, whether owned by the Issuer, a Guarantor or any Subsidiary at the Issue Date or later acquired, which has been or is to be sold or transferred by the Issuer, a Guarantor or such Subsidiary to such Person or to any other Person from whom funds have been or are to be advanced by such Person on the security of such property.

"SEC" means the U.S. Securities and Exchange Commission.

"Secured Indebtedness" means any Indebtedness of the Company secured by a Lien.

"Significant Subsidiary" means, with respect to any Person, any Subsidiary of such Person that satisfies the criteria for a "significant subsidiary" set forth in Rule 1.02 of Regulation S-X under the Exchange Act.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

"Subordinated Obligation" means any Indebtedness of the Issuer or a Guarantor (whether outstanding on the Issue Date or thereafter Incurred) that is subordinate or junior in right of payment to the Notes or such Guarantor's Note Guarantee pursuant to a written agreement to that effect.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, association, partnership or other business entity of which more than 50% of the total voting power of shares of Voting Stock is at the time owned or controlled, directly or indirectly, by:

(1) such Person;

(2) such Person and one or more Subsidiaries of such Person; or

(3) one or more Subsidiaries of such Person.

Unless otherwise provided, all references to a Subsidiary shall be a Subsidiary of the Company.

"Surviving Person" means, with respect to any Person involved in any merger, consolidation or other business combination or the sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of such Person's assets, the Person formed by or surviving such transaction or the Person to which such disposition is made.

"Treasury Rate" means, solely for purposes of the Dollar-denominated Notes, with respect to a Redemption Date, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H. 15(519) that has become publicly available at least two Business Days prior to such Redemption Date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such Redemption Date to September 15, 2018; provided, however, that if the period from the Redemption Date to such date is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the Redemption Date to such date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"U.S. GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time, including those set forth in:

(1) the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants,

(2) statements and pronouncements of the Financial Accounting Standards Board,

(3) such other statements by such other entity as approved by a significant segment of the accounting profession, and

(4) the rules and regulations of the SEC governing the inclusion of financial statements (including pro forma financial statements) in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the SEC.

"Voting Stock" of a Person means all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"Wholly Owned Subsidiary" means a Subsidiary all the Capital Stock of which (other than directors' qualifying shares and shares held by other Persons to the extent such shares are required by applicable law to be held by a Person other than its parent or a Subsidiary of its parent) is owned by the Company or by one or more Wholly Owned Subsidiaries, or by the Company and one or more Wholly Owned Subsidiaries.

Rating Agencies

Moody's is established in the European Community and has applied for registration under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies.

S&P is established in the European Community and has applied for registration under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies.

A list of registered and certified credit rating agencies is available at the website of the European Securities and Markets Authority at www.esma.europa.eu/index.php.

BOOK-ENTRY, DELIVERY AND FORM

General

Dollar-denominated Notes and Euro-denominated Notes of each series sold to qualified institutional buyers in reliance on Rule 144A under the Securities Act (the "Rule 144A Notes") will be represented by one or more global notes in registered form without interest coupons attached (collectively, the "Rule 144A Global Notes"). The Rule 144A Global Notes representing the Dollar-denominated Notes (the "Dollar Rule 144A Global Notes") will be deposited with a custodian for The Depository Trust Company ("DTC"), 55 Water Street, New York, N.Y. 10041-0099, U.S.A., and registered in the name of Cede & Co., as nominee of DTC. The Rule 144A Global Notes representing the Euro-denominated Notes (the "Euro Rule 144A Global Notes") will be deposited with, or on behalf of, a common depositary (the "Common Depositary") for the accounts of Euroclear Bank S.A./N.V. ("Euroclear"), Boulevard due Roi Albert II, 1210 Brussels, Belgium and Clearstream Banking S.A., Luxembourg ("Clearstream"), 42 Avenue JF Kennedy, 1855 Luxembourg, Luxembourg and registered in the name of the nominee of the Common Depositary.

Dollar-denominated Notes and Euro-denominated Notes sold in reliance on Regulation S under the Securities Act (the "Regulation S Notes") will be represented by one or more global notes in registered form without interest coupons attached (collectively, the "Regulation S Global Notes" and, together with the Rule 144A Global Notes, the "Global Notes"). The Regulation S Global Notes representing the Dollar-denominated Notes (the "Dollar Regulation S Global Notes") will be registered in the name of Cede & Co., as nominee of DTC and deposited with a custodian for DTC, for credit to Euroclear and Clearstream, and the Regulation S Global Notes representing the Euro-denominated Notes (the "Euro Regulation S Global Notes") will be deposited with, or on behalf of, the Common Depositary for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the Common Depositary.

The Dollar Rule 144A Global Notes and the Dollar Regulation S Global Notes are collectively referred to herein as the "Dollar Global Notes." The Euro Rule 144A Global Notes and the Euro Regulation S Global Notes are collectively referred to herein as the "Euro Global Notes."

Ownership of interests in the Rule 144A Global Notes ("Restricted Book-Entry Interests") and in the Regulation S Global Notes (the "Unrestricted Book-Entry Interests" and, together with the Restricted Book-Entry Interests, the "Book-Entry Interests") will be limited to persons that have accounts with DTC, Euroclear and/or Clearstream, or persons that hold interests through such participants. Prior to the 40th day after the later of the commencement of this offering and the date the Notes were originally issued (the "Distribution Compliance Period"), interests in the Regulation S Global Notes may only be held through Euroclear or Clearstream. DTC, Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. Except under the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of certificated notes.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained by DTC, Euroclear and Clearstream and their participants. The laws of some jurisdictions, including some states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of Notes for any purpose.

So long as the Notes are held in global form, DTC, Euroclear and/or Clearstream (or their respective nominees), as applicable, will be considered the sole holders of the Global Notes for all purposes under the Indenture. In addition, participants in DTC, Euroclear, or Clearstream must rely on the procedures of DTC, Euroclear and Clearstream, as the case may be, and indirect participants must rely on the procedures of the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the Indenture.

None of the Issuers, the Guarantors, the Trustee, the Registrar, the Paying Agents, or any other agent will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Redemption of the Global Notes

In the event any Global Note (or any portion thereof) is redeemed, DTC, Euroclear and/or Clearstream as applicable, (or their respective nominees) will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price

payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by DTC, Euroclear and Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that, under the existing practices of DTC, Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, DTC, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or on such other basis as they deem fair and appropriate; provided, however, that no Book-Entry Interest of less than $2,000 or €1,000 principal amount may be redeemed in part.

Payments on Global Notes

Payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and Additional Amounts, if any) will be made by the Dollar Issuer to DTC or its nominee, and by the Euro Issuer to the common depositary for Euroclear and Clearstream or its nominee, which will distribute such payments to their respective participants in accordance with their respective procedures, *provided*, that at the option of an Issuer, payment of interest on the Notes of such Issuer may be made by check mailed to the holders of such Notes as such addresses appear in the applicable Note register. Payments of all such amounts will be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made by any applicable law or regulation or otherwise as described under "Description of the Notes — Payment of Additional Amounts" then, to the extent described under "Description of the Notes — Payment of Additional Amounts," such Additional Amounts will be paid as may be necessary in order that the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding will equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. We expect that payments by participants to owners of Book-Entry Interests held through those participants will be governed by standing customer instructions and customary practices.

Under the terms of each Indenture, we, the Issuer under each Indenture, and the Trustee, the Registrar and the Agents will treat the registered holders of the Global Notes (e.g., DTC, Euroclear or Clearstream (or their respective nominees)) as the owners thereof for the purpose of receiving payments and for all other purposes. Consequently, none of us, either Issuer, the Trustee, the Registrar, the Agents or any of their respective agents has or will have any responsibility or liability for:

(1) any aspect of the records of DTC, Euroclear, Clearstream or any participant or indirect participant relating to payments made on account of a Book-Entry Interest for any such payments made by DTC, Euroclear or Clearstream or any participant or indirect participant or for maintaining, supervising or reviewing the records of DTC, Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest;

(2) DTC, Euroclear, Clearstream or any participant or indirect participant; or

(3) the records of the common depositary for the Euro Global Notes.

Currency of Payment for the Global Notes

Except as may otherwise be agreed between DTC and any holder, the principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Dollar Global Notes will be paid to holders of interests in such Dollar-denominated Notes through DTC in U.S. dollars. Except as may otherwise be agreed between Euroclear and/or Clearstream and any holder, the principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Euro Global Notes will be paid to holders of interests in such Notes through Euroclear or Clearstream in euro.

Action by Owners of Book-Entry Interests

DTC, Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. DTC, Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the Notes, each of DTC, Euroclear and Clearstream, at the request of the holders of the Notes, reserve the right to exchange the Global Notes for definitive registered Notes in certificated form (the "Definitive Registered notes"), and to distribute such Definitive Registered Notes to its participants.

Transfers

Transfers between participants in DTC, Euroclear and Clearstream will be effected in accordance with DTC's Euroclear's and Clearstream's rules and will be settled in immediately available funds. If a holder of Notes requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder of Notes must transfer its interest in the Global Notes in accordance with the normal procedures of DTC, Euroclear and Clearstream and in accordance with the procedures set forth in the applicable Indenture.

The Global Notes will bear a legend to the effect set forth in "Notice to Investors." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements as discussed in "Notice to Investors."

Transfers of Restricted Book-Entry Interests to persons wishing to take delivery of Restricted Book-Entry Interests will at all times be subject to such transfer restrictions.

Restricted Book-Entry Interests may be transferred to a person who takes delivery in the form of any Unrestricted Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the relevant Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 (if available) under the U.S. Securities Act. Unrestricted Book-Entry Interests may be transferred to a person who takes delivery in the form of Restricted Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "Transfer Restrictions" and in accordance with any applicable securities laws of any other jurisdiction.

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first-mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Definitive Registered Notes

Under the terms of each Indenture, owners of the Book-Entry Interests will receive Definitive Registered Notes only:

(1) in the case of a Dollar Global Note, if DTC notifies the Dollar Issuer that it is unwilling or unable to continue as depositary for the Dollar Global Note, or DTC ceases to be a clearing agency registered under the Exchange Act and, in either case, a qualified successor depositary is not appointed by the Issuer within 120 days;

(2) in the case of a Euro Global Note, if either Euroclear or Clearstream notifies the Euro Issuer that it is unwilling or unable to continue to act as a depositary for the Euro Global Note and a successor is not appointed by the issuer within 120 days;

(3) if DTC, Euroclear or Clearstream so requests following an Event of Default under the Indenture; or

(4) at any time if we, in our sole discretion, determine that all the Dollar Global Notes or all Euro Global Notes, as the case may be, should be exchanged for Definitive Registered Notes.

Upon the issuance of Definitive Registered Notes, and for so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such stock exchange so require, holders of the Notes will be able to receive principal and interest on the Notes at the Luxembourg office of the Paying Agent, subject to the right of an Issuer to mail payments in accordance with the terms of the applicable Indenture. An Issuer will pay interest on its Notes to Persons who are registered holders at the close of business on the record date immediately preceding the interest payment date for such interest. Such holders must surrender the Notes to a Paying Agent to collect principal payments.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Notes have been lost, destroyed or wrongfully taken or if such Definitive Registered Notes are mutilated and are surrendered to the Registrar or at the office of a transfer agent, the applicable Issuer shall issue and the Trustee shall authenticate a replacement Definitive Registered Note if the Trustee's and such Issuer's requirements are met. The Trustee or the applicable Issuer may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both the Trustee and such Issuer to protect the Issuer, the Trustee or the Paying Agent appointed pursuant to the Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. The Issuer may charge for its expenses in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by the Issuer pursuant to the provisions of the Indenture, the Issuer in its discretion may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only in accordance with the applicable Indenture and, if required, only after the transferor first delivers to the transfer agent a written certification (in the form provided in the Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such Notes and the Issuer may require a holder to pay any taxes and fees required by law or permitted by the applicable Indenture and the Notes. See "Notice to Investors."

Information Concerning DTC, Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of DTC or of Euroclear and Clearstream, as applicable. The following summaries of those operations and procedures are provided solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that respective settlement system and may be changed at any time. Neither the Issuers nor the initial purchasers are responsible for those operations or procedures.

We understand as follows with respect to DTC, Euroclear and Clearstream:

DTC. DTC is:

- a limited purpose trust company organized under the New York Banking Law;
- a "banking organization" under New York Banking Law;
- a member of the Federal Reserve System;
- a "clearing corporation" within the meaning of the New York Uniform Commercial Code; and
- a "clearing agency" registered under Section 17A of the U.S. Securities Exchange Act of 1934, as amended.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of transactions among its participants. It does this through electronic book-entry changes in the accounts of securities participants, eliminating the need for physical movement of securities certificates. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a direct participant also have access to the DTC system and are known as indirect participants.

Euroclear and Clearstream. Like DTC, Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Because DTC, Euroclear and Clearstream can act only on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the DTC, Euroclear or Clearstream systems, as the case may be, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the DTC system will receive distributions attributable to the Dollar Global Notes only through DTC participants, and owners of beneficial interests through Euroclear or Clearstream systems will receive distributions attributable to the Euro Global Notes only through Euroclear or Clearstream participants.

Global Clearance and Settlement Under the Book-Entry System

We have applied to list the Notes represented by the Global Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange, a market appearing on the list of regulated markets issued by the European Commission pursuant to Directive 2004/39/EC of

April 21, 2004 on markets in financial instruments. The Dollar-denominated Notes are expected to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such Dollar-denominated Notes will, therefore, be required by DTC to be settled in immediately available funds. The Issuers expect that secondary trading in any certificated Notes will also be settled in immediately available funds. Subject to compliance with the transfer restrictions applicable to the Global Notes, cross-market transfers of Book-Entry Interests in the Dollar-denominated Notes between the participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be done through DTC in accordance with DTC's rules on behalf of each of Euroclear or Clearstream by its common depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream will, if the transaction meets its settlement requirements, deliver instructions to the common depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the Dollar Global Notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the common depositary.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Dollar Global Note from a participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. Cash received in Euroclear and Clearstream as a result of a sale of an interest in a Dollar Global Note by or through a Euroclear or Clearstream participant to a participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as at the business day for Euroclear or Clearstream following DTC's settlement date.

Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in the Dollar Global Notes among participants in DTC, Euroclear or Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuers, the Trustee, the initial purchasers, the Registrar, any transfer agent or any Paying Agent will have any responsibility for the performance by DTC, Euroclear or Clearstream, or their respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations.

Trustee's Powers

In considering the interests of the holders of the Notes, while title to the Notes is registered in the name of a nominee for a clearing system, the Trustee may have regard to, and rely on, any information provided to it by that clearing system as to the identity (either individually or by category) or its accountholders with entitlements to Notes and may consider such interests as if such accountholders were the holders of the Notes.

Enforcement

For the purposes of enforcement of the provisions of the Indenture against the Trustee, the persons named in a certificate of the holder of the Notes in respect of which a Global Note is issued shall be recognized as the beneficiaries of the trust set out in the Indenture to the extent of the principal amounts of their interests in the Notes set out in the certificate of the holder, as if they were themselves the holders of Notes in such principal amounts.

CERTAIN INCOME TAX CONSIDERATIONS

Federal Republic of Germany

The following section is a discussion of certain German tax consequences resulting from the investment in the Notes. This discussion does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase the Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser of notes but is of a general nature only and neither intended as, nor to be understood as, legal or tax advice. This summary is based on the laws of Germany in force as at the date of this prospectus/offering memorandum, all of which are subject to change, including changes in effective dates or possibly differing interpretations. Although any information given hereafter reflects the opinion of the Issuer, it must not be misunderstood as a representation or guarantee, and courts or other relevant authorities may come to different interpretations of the applicable laws. Further, the information given hereafter is not intended as a sole basis for an investment in the Notes, and the individual tax position of the investor should always be investigated.

Prospective purchasers of notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Notes and the receipt of interest thereon, including the effect of any state or local taxes, under the tax laws of Germany and each country of which they are residents or citizens.

Taxation of German Resident Noteholders

Private Investors

For German resident private investors holding the Notes as private (and not as business assets), interest payments on the Notes and gains from the sale or redemption of the Notes qualify as investment income pursuant to Sec. 20 Income Tax Act and are basically subject to the flat tax rate ("*Abgeltungssteuer*") of 25% (plus 5.5% solidarity surcharge thereon, and, if applicable, church tax). Losses resulting from the sale or redemption of the Notes can only be off-set against other investment income. In the event that a set-off is not possible in the assessment period in which the losses have been realized, such losses can be carried forward into future assessment periods and can be offset against investment income generated in future assessment periods.

Gains and losses are determined by taking the difference between the sales/redemption price (after the deduction of expenses incurred directly in connection with the sale/redemption) and the acquisition price of the Notes.

Withholding Tax

Interest payments on the Notes are subject to German withholding tax if the Notes are held in the custodial account with a German resident credit institution, financial services institution (including a German permanent establishment of such foreign institution), securities trading company or securities trading bank (the "Disbursing Agent" — inländische Zahlstelle). The Disbursing Agent withholds tax at a rate of 25% (plus 5.5% solidarity surcharge thereon and, if applicable, church tax).

For private investors, the withholding tax regime should also apply to any gains from the sale or redemption of the Notes held in custody with the Disbursing Agent. The tax base is the difference between sales/redemption proceeds after the deduction of expenses directly connected to the sale/redemption and the acquisition costs for the Notes, if the Notes were held in custody by such institution since their acquisition. If the custody account has changed since the acquisition of the Notes and the relevant acquisition data (*Anschaffungsdaten*) has not been evidenced to the satisfaction of the Disbursing Agent, the withholding tax is imposed on an lump sum amount equal to 30% of the proceeds arising from the sale or redemption of the Notes.

For private investors the withholding tax is definitive. Private investors having a lower personal income tax rate may, upon application, include the capital investment income in their personal income tax return to achieve a lower tax rate. Income from the Notes not subject to a definitive withholding tax must be included into the personal income tax return.

Business Investors

For investors holding the note as business assets, interest payments (if any) under the Notes and gains and losses from the investment in the Notes are subject to corporate income tax or income tax plus solidarity surcharge at the level of the investor with the individual tax rate of the respective investor. Such income has also be considered for trade tax purposes, if the investor is subject to trade tax.

Any withholding tax withheld by the Disbursing Agent is credited against the investors's personal (corporate) income tax liability (and solidarity surcharge) in the course of the tax assessment or will be refunded. For German resident corporate investors and — after notifying the Disbursing Agent about the allocation of the Notes to a business in Germany — other business investors, no withholding tax should be levied on gains resulting from the sale or redemption of the Notes (i.e. for these investors only interest payments are subject to withholding tax).

Taxation of Foreign Resident Noteholders

Investors not being tax resident in Germany should basically not be subject to German withholding tax on interest payments on the Notes and gains resulting from the sale or redemption or the Notes even if the Notes are held in custody with a Disbursing Agent. Exceptions may apply, e.g. if the Notes are held as business assets of a German permanent establishment or by a German representative of the investor.

Inheritance and Gift Tax

The receipt of Notes in case of succession upon death, or by way of a gift among living persons is subject to German inheritance and/or gift tax if the deceased, donor and/or the recipient is a resident of Germany. German inheritance and gift tax is also triggered if neither the deceased, nor the donor, nor the recipient of the Notes, are residents of Germany should the Notes be attributable to German business activities for which a German permanent establishment is maintained or a permanent representative is appointed in Germany. In specific situations, German expatriates that are residents of Germany for tax purposes may be subject to inheritance and gift tax. However, double taxation treaties may provide for exceptions to the domestic inheritance and gift tax regulations.

Other Taxes

No stamp, issue, registration or similar direct or indirect taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. As at the date of the prospectus/offering memorandum, net assets tax is not levied in Germany.

United States

The following discussion sets forth certain U.S. federal income tax considerations relating to the purchase, ownership and disposition of the Notes. This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), applicable U.S. Treasury regulations, published rulings, administrative pronouncements and court decisions, all as of the date of this prospectus/offering memorandum and all of which are subject to change or differing interpretations at any time, possibly with retroactive effect. We have not and will not seek any rulings from the Internal Revenue Service ("IRS") regarding the matters discussed below. There can be no assurance that the IRS will not take positions concerning the tax consequences of the purchase, ownership or disposition of the Notes that are different from those discussed below. This summary does not discuss all aspects of U.S. federal income taxation that may be relevant to a prospective investor in light of the investor's particular circumstances, or to certain types of investors subject to special treatment under U.S. federal income tax laws (including, but not limited to, financial institutions, tax-exempt organizations, insurance companies, regulated investment companies, partnerships or other pass through entities (or investors in such entities), U.S. expatriates, persons subject to the alternative minimum tax, dealers, persons holding notes as part of a straddle or a hedging transaction or U.S. Holders (as defined below) whose functional currency (as defined in section 985 of the Code) is not the U.S. dollar). In addition, this discussion does not consider the effect of any non-U.S. laws or U.S. state or local income tax laws and it does not discuss U.S. tax considerations other than income tax (e.g., estate or gift tax or the newly enacted Medicare tax on investment income) considerations. In addition, this discussion is limited to the U.S. federal income tax consequences to investors that purchase the Notes for cash, at their original issue price, pursuant to this offering and who hold the Notes as capital assets (generally property held for investment).

If a partnership or other entity taxable as a partnership holds the Notes, the tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership.

To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that: (i) any discussion of U.S. federal tax issues in this document is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed under the Code; (ii) such discussion is written in connection with the promotion or marketing of the transactions or matters addressed herein; and (iii) prospective investors should seek advice based on their particular circumstances from their own independent tax advisors.

The following discussion does not purport to be legal advice to prospective investors generally or to any particular prospective investor. Each prospective investor in the Notes is urged to consult its own tax advisors concerning the application of U.S. federal income tax laws to its particular situation.

Certain debt instruments that provide for one or more contingent payments are subject to Treasury regulations governing contingent payment debt instruments. Payments are not treated as contingent payments under these regulations if, as of the issue date of the debt instrument, the likelihood that such payments will be made (in the aggregate) is remote or the payments (in the aggregate) are incidental. In certain circumstances, we may pay amounts on the Notes that are in excess of the stated interest or principal of the Notes. We intend to take the position that the possibility that such payments will be made is remote and/or the payments are incidental and therefore the Notes are not subject to the rules governing contingent debt instruments. Our determination that these contingencies are remote and/or incidental is binding on you unless you disclose your contrary position to the IRS in the manner that is required by applicable Treasury regulations. Our determination is not, however, binding on the IRS. It is possible that the IRS might take a different position from that described above, in which case the

timing, character and amount of taxable income in respect of the Notes may differ adversely from that described herein. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments.

U.S. Holders

As used herein, the term "U.S. Holder" means a beneficial owner of a Note that is for U.S. federal income tax purposes (i) an individual who is a citizen or resident of the U.S., (ii) a corporation (or other entity treated as a corporation for purposes of the Code) created or organized in or under the laws of the U.S. or of any state thereof or of the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust the administration of which is subject to the primary supervision of a U.S. court and with respect to which one or more United States persons (within the meaning of section 7701(a)(30) of the Code) have the authority to control all substantial decisions, or a trust that has a valid election in effect to be treated as a U.S. person under the Code.

Interest

Generally, the amount of any stated interest payments on a Note (including Additional Amounts, if any) will be taxable to a U.S. Holder as ordinary income in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes. See the discussion below of currency exchange income with respect to interest payments on Euro-denominated Notes.

In respect of the Euro-denominated Notes, it is uncertain whether the Issuer, or alternatively, one or more of the Guarantors, will be treated as the obligor under the Notes for U.S. federal income tax purposes. U.S. Holders should consult their own tax advisors regarding the source of payments of interest on the Notes for purposes of the U.S. foreign tax credit. Payments of interest on the Dollar-denominated Notes should be considered to have a U.S. source.

Disposition of a Note

Upon the sale, exchange, redemption, retirement or other disposition of a Note, a U.S. Holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange, redemption, retirement or other disposition (other than amounts representing accrued interest, which will be taxable as such), and such U.S. Holder's adjusted tax basis in the Note. Your adjusted tax basis in a Note generally is the price you paid for the Note. Subject to the discussion below of currency exchange gain or loss, such gain or loss generally will be long-term capital gain or loss if the Note was held for more than one year at the time of disposition. Long-term capital gains of noncorporate U.S. holders are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Foreign Currency Considerations for Euro-denominated Notes

A U.S. Holder of a Euro-denominated Note will have a tax basis in the Note in U.S. dollars translated at the spot rate on the date of purchase. A U.S. Holder who purchases a Note with previously owned Euros will realize ordinary income or loss in an amount equal to the difference, if any, between such U.S. Holder's tax basis in the Euros and the U.S. dollar fair market value of the Note on the date of purchase.

A U.S. Holder will be required to convert Euro denominated interest (including a payment attributable to accrued but unpaid interest upon the sale, exchange, retirement, redemption or other disposition of a Euro-denominated Note) into U.S. dollars, based on its regular method of accounting for U.S. federal income tax purposes. A cash basis U.S. Holder will include in income as interest the U.S. dollar value of the interest payment, translated at the spot rate in effect on the date of receipt of the interest payment, regardless of whether the payment is in fact converted into U.S. dollars on that date. A cash basis U.S. Holder will not recognize any currency exchange gain or loss as a result of the interest payment.

Generally, an accrual basis U.S. Holder will include in income as interest (including a payment attributable to accrued but unpaid interest upon the sale, exchange, retirement, redemption or other disposition of a Euro-denominated Note) the U.S. dollar value of the accrued amounts, translated using the average spot rate in effect for each business day during the interest accrual period (unless an election is made pursuant to U.S. Treasury regulations to use a different exchange rate). Upon receipt of an interest payment, an accrual basis U.S. Holder will realize currency exchange gain or loss, treated as ordinary income or loss which is not interest income or expense, measured by the difference between the U.S. dollar value of the interest payment received, translated at the spot rate in effect on the date of receipt, and the U.S. dollar value of the interest income that has

accrued during the accrual period or periods to which such interest payment relates (generally determined at the average rate as described above).

Gain or loss realized upon the sale, exchange, redemption, retirement or other disposition of a Euro-denominated Note that is attributable to currency exchange gain or loss will be treated as ordinary income or loss which is not interest income or expense. Subject to the discussion in the next paragraph, the amount of currency exchange gain or loss will be the difference between (1) the U.S. dollar amount value of the Euro principal amount of the Note, translated at the spot rate determined on the date of disposition, and (2) the U.S. dollar value of the Euro principal amount of the Note determined on the date the U.S. Holder acquired the Note. For purposes of determining currency exchange gain or loss, a Euro-denominated Note will be treated as having a principal amount equal to the U.S. Holder's purchase price (in Euros). A U.S. Holder's currency exchange gain or loss arising upon the disposition of a Euro-denominated Note, including gain or loss with respect to both principal and any accrued interest, will be realized only to the extent of the total gain or loss realized by the U.S. Holder on the disposition of the Note.

If the Notes are traded on an established securities market, there is a special rule for purchases and sales of those Notes by a cash basis taxpayer under which Euro paid or received are translated into U.S. dollars at the spot rate on the settlement date of the purchase or sale. An accrual basis taxpayer may elect the foregoing rule, provided the election is applied consistently. Such election cannot be changed without the consent of the IRS. An accrual basis taxpayer that does not make such an election will recognize ordinary income or loss if exchange rates change between the sale date and the settlement date.

A U.S. Holder will have a tax basis in any Euro received as interest, or as proceeds upon the sale, exchange, retirement, redemption or other disposition of a Note, equal to the U.S. dollar value thereof at the time the interest is or the proceeds are received. Any gain or loss realized by a U.S. Holder on a sale or other disposition of the Euro, including their exchange for U.S. dollars or their use to purchase Notes, will be ordinary income or loss.

Possible Disclosure Requirements

Certain Treasury regulations meant to require the reporting of certain tax shelter transactions ("Reportable Transactions") cover some transactions generally not regarded as tax shelters, including certain foreign currency transactions, such as the receipt or accrual of interest on, or a sale, exchange, retirement, redemption or other taxable disposition of, a foreign currency note. Persons considering the purchase of notes should consult with their own tax advisor to determine the tax return disclosure obligations, if any, with respect to an investment in the notes, including any requirement to file IRS Form 8886 (Reportable Transaction Statement).

Recently enacted legislation may require certain U.S. Holders to report to the IRS certain information with respect to their beneficial ownership of certain foreign financial assets, such as the Euro-denominated Notes, if the aggregate value of such assets exceeds $50,000. U.S. holders who fail to report required information could be subject to substantial penalties.

Information Reporting and Backup Withholding

Backup withholding (currently at a rate of 28%, scheduled to increase to 31% in 2013) of U.S. federal income tax may apply to interest payments (including payments of Additional Amounts, if any) on the Notes to U.S. Holders that are not exempt recipients and that fail to provide certain certifications and identifying information (such as the U.S. Holder's taxpayer identification number) in the required manner. Generally, corporations and certain other entities are exempt from backup withholding on interest payments, provided that they may be required to certify their exempt status. In addition, upon the sale, exchange, redemption, retirement or other taxable disposition of a Note to (or through) certain U.S. or U.S.-related brokers, the broker generally must withhold backup withholding tax from the purchase price, unless either (i) the broker determines that the seller is an exempt recipient or (ii) the seller provides, in the required manner, certain certifications and identifying information.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner's U.S. federal income tax liability provided that such beneficial owner timely provides the required information to the IRS. We will furnish annually to the IRS and to record holders of the Notes to whom we are required to furnish such information, information relating to the amount of interest paid and the amount of tax withheld, if any, with respect to payments on the Notes. Information reporting also may apply to proceeds from the sale, exchange, redemption, retirement or other taxable disposition of a Note.

Non-U.S. Holders

You are a non-U.S. Holder for purposes of this discussion if you are a beneficial owner of Notes that, for U.S. federal income tax purposes, is an individual, corporation, estate or trust and is not a U.S. Holder.

Payments of Interest

With respect to the Dollar-denominated Notes, under the portfolio interest exemption ("Portfolio Interest Exemption"), payments of interest to a Non-U.S. Holder that are not effectively connected with a U.S. trade or business of the Non-U.S. Holder will not be subject to U.S. federal income or withholding tax, provided that:

(1) the Non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Dollar Issuer entitled to vote;

(2) the Non-U.S. Holder is not a controlled foreign corporation with respect to which the Dollar Issuer is a related person (within the meaning of section 864(d)(4) of the Code); and

(3) either (A) the beneficial owner of the Notes certifies to the applicable withholding agent on IRS Form W-8BEN (or successor form), under penalties of perjury, that it is not a U.S. person and provides its name and address, or (B) the Notes are held through certain foreign intermediaries that have entered into a "qualified intermediary" or similar agreement with the IRS and the beneficial owner of the Notes satisfies certification requirements of applicable Treasury Regulations.

With respect to the Euro-denominated Notes, it is uncertain whether the Euro Issuer, or alternatively, one or more of the Guarantors, will be treated as the obligor under the Notes for U.S. federal income and withholding tax purposes, and therefore, whether payments of interest on the Notes to a Non-U.S. Holder could be subject to U.S. federal withholding tax. In this respect, we intend to comply with the U.S. federal income tax withholding obligations that would apply if the obligor under the Euro-denominated Notes were considered a U.S. person. In any event, under the Portfolio Interest Exemption, payments of interest on the Notes to a Non-U.S. Holder that are not effectively connected with a U.S. trade or business of the Non-U.S. Holder will not be subject to U.S. federal income or withholding tax, *provided* that the tests set forth in the above paragraph, numbered (1) — (3) (applied by substituting "Fresenius Medical Care Holdings, Inc." for "the Dollar Issuer" under the tests numbered (1) and (2)) are satisfied.

If a Non-U.S. Holder of a Dollar-denominated Note or Euro-denominated Note cannot satisfy the requirements of the Portfolio Interest Exemption with respect to payments of interest that are not effectively connected with a U.S. trade or business of the Non-U.S. Holder, there will be withholding on such payments made to such Non-U.S. Holder at the regular 30% U.S. federal withholding tax rate unless a treaty applies to reduce or eliminate such withholding (as certified on IRS Form W-8BEN or successor form). Provided the Notes are represented by the Global Notes held by the DTC or its nominee, responsibility for any such withholding of tax is imposed on the applicable withholding agent for U.S. tax purposes and not on the relevant Issuer.

If interest on a Note is effectively connected with the conduct of a U.S. trade or business of the beneficial owner, the Non-U.S. Holder generally will be subject to U.S. federal income tax on such interest on a net income basis in the same manner as if it were a U.S. Holder (unless a treaty provides otherwise), and will not be subject to U.S. federal withholding tax provided that a properly completed IRS Form W-8ECI or IRS Form W-8BEN (or successor form) is delivered to the applicable withholding agent. If you are a corporate Non-U.S. Holder, you should consult your own tax advisor regarding the possible application of the branch profits tax.

Disposition of Notes

Generally, no U.S. federal withholding tax will be required with respect to any gain realized by a Non-U.S. Holder upon the sale, exchange, retirement, redemption or other disposition of a Note. A Non-U.S. Holder will not be subject to U.S. federal income tax on gain realized on the sale, exchange, retirement, redemption or other disposition of a Note unless (a) the Non-U.S. Holder is an individual who is present in the United States for a period or periods aggregating 183 or more days in the taxable year of the disposition and certain other conditions are met (in which case, unless a treaty provides otherwise, the Non-U.S. Holder generally will be subject to a 30% U.S. federal income tax on any gain recognized, which may be offset by certain U.S. losses) or (b) such gain is effectively connected with the Non-U.S. Holder's U.S. trade or business (in which case the Non-U.S. Holder will be subject to tax in the same manner as discussed above with respect to effectively connected interest).

If you are engaged in a U.S. trade or business, please see the discussion above under "Possible Disclosure Requirements" with respect to possible information reporting requirements.

Information Reporting and Backup Withholding

Information reporting may apply with respect to interest payments that we make to a Non-U.S. Holder and proceeds from the sale, exchange, redemption, retirement or other taxable disposition of a note. Backup withholding (currently at a rate of 28%, scheduled to increase to 31% in 2013) generally will not apply if the Non-U.S. Holder properly certifies its non-U.S. status.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner's U.S. federal income tax liability provided that such beneficial owner timely provides the required information to the IRS.

Luxembourg

The following is a summary discussion of certain material Luxembourg tax consequences with respect to the Notes. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to any particular holder of Notes, and does not purport to include tax considerations that arise from rules of general application or that are generally assumed to be known to holders of Notes. It is not intended to be, nor should it be construed to be, legal or tax advice. This discussion is based on Luxembourg laws and regulations as they stand on the date of this prospectus/offering memorandum and is subject to any change in law or regulations or changes in interpretation or application thereof that may take effect after such date. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws and regulations, including Luxembourg tax law and regulations, to which they may be subject.

All payments of interest and principal by the Issuers under the Notes can be made free of withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein in accordance with applicable law, subject however to:

(i) the application of the Luxembourg law of 21 June 2005 implementing the EU Savings Directive and providing for the possible application of a withholding tax (15% from 1 July 2005 to 30 June 2008, 20% from 1 July 2008 to 30 June 2011 and 35% from 1 July 2011) on interest paid to certain non-Luxembourg resident investors (individuals and certain types of entities called "residual entities") in the event the Issuer appoints a paying agent in Luxembourg within the meaning of the above-mentioned directive (see *"*— EU Savings Directive," below); and

(ii) the application of the Luxembourg law of 23 December 2005 which has introduced a 10% final withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg law of 21 June 2005 implementing the EU Savings Directive) in respect of Luxembourg resident individuals. The law of 17 July 2008 (amending the law of 23 December 2005) extended the possibility to benefit, under conditions, from such final withholding tax of 10% for interest payments to Luxembourg resident individuals not holding the Notes as business assets, that are made through a paying agent established in another EU-Member State, in a Member State of the European Economic Area or in a jurisdiction that has concluded an international accord in relation to the EU Savings Tax Directive.

Responsibility for the withholding of tax in connection with the above-mentioned Luxembourg laws of 21 June 2005 and 23 December 2005 shall be assumed by the Luxembourg paying agent within the meaning of these laws and not by the relevant Issuer.

As of 1 January 2006 a 10% withholding tax applies on interest payments made by Luxembourg paying agents to Luxembourg individual residents. This withholding tax also applies on accrued interest received upon sale, redemption or repurchase of the Notes. Regarding individual resident in another European Union member state, the withholding tax treatment is subject to the EU Savings Directive.

A holder of a Note who derives income from such Note or who realizes a gain on the disposal or redemption or exchange thereof will not be subject to Luxembourg taxation on income or capital gains unless:

(i) such holder is, or is deemed to be, resident in Luxembourg; or

(ii) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg.

Luxembourg net wealth tax will not be levied on a holder of a Note unless:

(i) such holder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions; or

(ii) such Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg.

In respect of individuals, the Luxembourg law of 23 December 2005 has abolished the net wealth tax with effect from 1 January 2006.

No Luxembourg inheritance tax is levied on the transfer of the Notes upon death of a Noteholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes.

Luxembourg gift tax will be levied in case the gift is made pursuant to a notarial deed signed before a Luxembourg notary.

It is not compulsory that the Notes be filed, recorded or enrolled with any court, or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the Notes, in accordance therewith, except that, in case of use of the Notes, either directly or by way of reference, (i) in a public deed, (ii) in a judicial proceeding in Luxembourg or (iii) before any other Luxembourg official authority *(autorité constituée),* registration will in principle be ordered which implies the application of a fixed or an ad valorem registration duty and calculated on the amounts mentioned in the Notes.

There is no Luxembourg value-added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of Notes, provided that Luxembourg value-added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value-added tax purposes such services are rendered, or are deemed to be rendered, in Luxembourg and an exemption from Luxembourg value-added tax does not apply with respect to such services.

A holder of a Note will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of such Note or the execution, performance, delivery and/or enforcement of that or any other Note.

EU Savings Directive

On 3 June 2003, the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income (the "EU Savings Directive"). The EU Savings Directive is, in principle, applied by Member States as from 1 July 2005 and has been implemented in Luxembourg by the Law of 21 June 2005.

Under the EU Savings Directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a paying agent within the meaning of the EU Savings Directive to an individual resident or certain types of entities called "residual entities" established in that other Member State (or certain dependent and associated territories).

For a transitional period, however, Austria and Luxembourg are permitted to apply an optional information reporting system whereby if a beneficial owner does not comply with one of two procedures for information reporting, the Member State will levy a withholding tax on payments to such beneficial owner. The withholding tax system will apply for a transitional period during which the rate of withholding will be 15% from 1 July 2005 to 30 June 2008, 20% from 1 July 2008 to 30 June 2011 and 35% as of 1 July 2011. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from 1 July 2005, a number of non-EU countries (Switzerland, Andorra, Liechtenstein, Monaco and San Marino), have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent within its jurisdiction to, or collected by such a paying agent for, an individual resident or a residual entity established in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories (Jersey, Guernsey, Isle of Man, Montserrat, British Virgin Islands, Netherlands Antilles and Aruba) in relation to payments made by a paying agent in a Member State to, or collected by such a paying agent for, an individual residual or an entity established in one of those territories.

PLAN OF DISTRIBUTION AND OFFER OF THE NOTES

Under the terms and conditions contained in the purchase agreements, each Issuer will agree to sell the Notes to be issued by it to the initial purchasers named therein and below and, subject to certain conditions contained therein, the initial purchasers party to the applicable purchase agreement will severally agree to purchase Dollar-denominated Notes or Euro-denominated Notes, as applicable, from such Issuer pursuant to the terms of the purchase agreements. Each initial purchaser party to a purchase agreement is obligated to purchase and accept delivery of all the Notes of an Issuer it has agreed to purchase under such purchase agreement if any such Notes are purchased.

The following table sets forth the amount of Dollar-denominated Notes to be purchased by each initial purchaser in the offering of the Dollar-denominated Notes:

Initial Purchasers[(1)]	Principal Amount of Dollar-denominated Notes
J.P. Morgan Securities LLC	$ 88,000,000
Credit Suisse Securities (Europe) Limited	88,000,000
Barclays Capital Inc.	64,000,000
Morgan Stanley & Co. International plc	40,000,000
DnB NOR Markets, Inc.	24,000,000
HSBC Securities (USA) Inc.	24,000,000
Scotia Capital (USA) Inc.	24,000,000
TD Securities (USA) LLC	24,000,000
Wells Fargo Securities, LLC	24,000,000
Total	$400,000,000

(1) Sales of Dollar-denominated Notes made outside the United States may be made through affiliates of the initial purchasers noted in the table above.

The following table sets forth the amount of Euro-denominated Notes to be purchased by each initial purchaser in the offering of the Euro-denominated Notes:

Initial Purchasers[(1)]	Principal Amount of Euro-denominated Notes
Credit Suisse Securities (Europe) Limited	€ 80,000,000
J.P. Morgan Securities Ltd.	80,000,000
Morgan Stanley & Co. International plc	48,000,000
Société Générale	48,000,000
Commerzbank Aktiengesellschaft	12,000,000
Bayerische Landesbank	12,000,000
Banco Bilbao Vizcaya Argentaria, S.A.	12,000,000
BNP Paribas	12,000,000
Crédit Agricole Corporate and Investment Bank	12,000,000
DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main	12,000,000
Landesbank Hessen-Thüringen Girozentrale	12,000,000
Landesbank Baden-Württemberg	12,000,000
Raiffeisen Bank International AG	12,000,000
The Royal Bank of Scotland plc	12,000,000
UniCredit Bank AG	12,000,000
WestLB AG	12,000,000
Total	€400,000,000

(1) Sales of Euro-denominated Notes made in the United States may be made through affiliates of the initial purchasers noted in the table above.

The initial purchasers of the Dollar-denominated Notes are entitled, under certain circumstances, to terminate the purchase agreement for the Dollar-denominated Notes. In such event, no Dollar-denominated Notes will be delivered to the investors.

The initial purchasers of the Euro-denominated Notes are entitled, under certain circumstances, to terminate the purchase agreement for the Euro-denominated Notes. In such event, no Euro-denominated Notes will be delivered to the investors.

We have agreed to indemnify the initial purchasers and their controlling persons against certain liabilities in connection with this offering, including liabilities under the Securities Act, and to contribute to payments that the initial purchasers may be required to make in respect thereof.

We have been advised by the respective initial purchasers that they initially propose to offer and sell the respective Notes at the respective prices set forth on the cover page of this prospectus/offering memorandum. Any of these initial prices may be changed at any time without notice.

The initial purchasers propose to offer the Notes for resale in transactions not requiring registration under the Securities Act or applicable U.S. state securities laws, including sales pursuant to Rule 144A under the Securities Act. The initial purchasers will not offer or sell the Notes except to persons they reasonably believe to be "qualified institutional buyers" as defined in Rule 144A, or pursuant to offers and sales to non-U.S. persons that occur outside the United States within the meaning of Regulation S under the Securities Act. Each purchaser of the Notes offered hereby in making its purchase will be deemed to have made by its purchase certain acknowledgments, representations, warranties and agreements as set forth under the section entitled "Transfer Restrictions."

In connection with sales outside the U.S., other than sales pursuant to Rule 144A, the initial purchasers have agreed that they will not offer, sell or deliver the Notes to, or for the account or benefit of, U.S. persons (1) as a part of the initial purchasers' distribution at any time or (2) otherwise until 40 days after the later of the commencement of the offering or the date the Notes are originally issued. The initial purchasers will send to each dealer to whom they sell such Notes during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the U.S. or to, or for the account or benefit of, U.S. persons.

The initial purchasers of the Dollar-denominated Notes may make offers and sales of the Dollar-denominated Notes outside the U.S. and the initial purchasers of the Euro-denominated Notes may make offers and sales of the Euro-denominated Notes in the United States through certain of their respective affiliates. Sales in the United States may be made through certain affiliates of the Initial Purchasers. One or more of the initial purchasers may sell through affiliates or other appropriately licensed entities for sales of the Notes in jurisdictions in which they are otherwise not permitted.

Each initial purchaser has represented and agreed that:

(a) if such initial purchaser is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, the Notes purchased by it in the offering will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer and resale to, persons in the United Kingdom other than to Qualified Investors, or in circumstances in which the prior consent of the Issuer has been given to the proposed offer or resale;

(b) (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell the Notes in the United Kingdom other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes has or would otherwise constitute an offer to the public within the meaning of Section 85(1) of the Financial Services Markets Act 2000 ("FSMA") by the Issuers;

(c) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuers or the Guarantors; and

(d) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom;

(e) if it is located in the United Kingdom, it is a Qualified Investor.

Persons who purchase Notes from the initial purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page of this prospectus/offering memorandum.

This prospectus/offering memorandum constitutes a prospectus within the meaning of Article 5 para. 3 of the Prospectus Directive, since application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and to admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange, a market appearing on the list of regulated markets issued by the European Commission pursuant to Directive 2004/39/EC of April 21, 2004 on markets in financial instruments. This prospectus/offering memorandum will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.bourse.lu). This prospectus/offering memorandum has been approved by the Commission de Surveillance du Secteur Financier (the "CSSF") of the Grand Duchy of Luxembourg ("Luxembourg") in its capacity as competent authority under the Luxembourg law relating to prospectuses dated July 10, 2005 (*Loi relative aux prospectus pour valeurs mobilières,* the "Luxembourg Prospectus Law"), which implements the Prospectus Directive into Luxembourg law. This prospectus/offering memorandum will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.bourse.lu). We have requested the CSSF to provide the competent authority in the Federal Republic of Germany ("Germany") with a certificate of approval attesting that this prospectus/offering memorandum has been prepared in accordance with the Luxembourg Prospectus Law (the "Notification"). Until such time as such Notification is given in Germany, and at all times in other Member States of the European Economic Area, offers will be made only pursuant to an exception under Section 3 of the German Securities Prospectus Act or an applicable exception under the national legislation of the Member State implementing the Prospectus Directive, as the case may be.

Except as expressly set forth in the preceding paragraph with regard to action taken under the Prospectus Directive under Luxembourg law and in Germany, no action has been taken in any other jurisdiction, including the United States and the United Kingdom, by us or the initial purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this prospectus/offering memorandum or any other material relating to us or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this prospectus/offering memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any such other country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This prospectus/offering memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this prospectus/offering memorandum comes are advised to inform themselves about and to observe any restrictions relating to the offering of the Notes, the distribution of this prospectus/offering memorandum and resale of the Notes. See "Transfer Restrictions."

For the avoidance of doubt, this prospectus/offering memorandum may not be used in any country for the purpose of any public offer of the Notes other than as described above.

The Dollar-denominated Notes and the Euro-denominated Notes are new issues of securities for which there currently is no market. The Issuers have applied to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange, a market appearing on the list of regulated markets issued by the European Commission pursuant to Directive 2004/39/EC of April 21, 2004 on markets in financial instruments; however, the Issuer cannot assure you that such listing will be maintained. The initial purchasers of Dollar-denominated Notes and the initial purchasers of Euro-denominated Notes have advised the Issuers that they intend to make a market in the respective Notes as permitted by applicable law. The initial purchasers are not obligated, however, to make a market in the Notes, and any market-making may be discontinued at any time at their sole discretion without notice. In addition, any such market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, the Issuers cannot assure you that any market for the Notes will develop, or that it will be liquid if it does develop.

We have agreed that, for a period of 30 days from the date of this prospectus/offering memorandum, we will not, without the prior written consent of J.P. Morgan Securities LLC and Credit Suisse Securities (Europe) Limited, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce the offering of any nonconvertible debt securities issued or guaranteed by an Issuer or any Guarantor. J.P. Morgan Securities LLC and Credit Suisse Securities (Europe) Limited in their sole discretion may release us from this lock-up agreement at any time without notice.

In connection with this offering, the applicable Stabilizing Manager (as defined below), or any person acting for it may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on the Stabilizing Manager or its agent to do this. Such stabilizing, if commenced, may be discontinued at any time, and must be brought to an end after a limited period.

In connection with this offering, J.P. Morgan Securities LLC with respect to the Dollar-denominated Notes and Credit Suisse Securities (Europe) Limited with respect to Euro-denominated Notes (each a "Stabilizing Manager") or any person acting for them may engage in over-allotment, stabilizing transactions, syndicate covering and transactions in accordance with Regulation M under the Exchange Act.

Over-allotment involves sales in excess of the offering size, which creates a short position for the initial purchasers.

Stabilizing transactions permit bids to purchase the Notes in the open market for the purpose of pegging, fixing or maintaining the price of the Notes so long as the stabilizing bids do not exceed a specified maximum.

Syndicate covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions.

Penalty bids permit the Stabilizing Manager to reclaim a selling concession from a broker/dealer when the Notes originally sold by that broker/dealer are purchased in a stabilizing or syndicate covering transaction to cover short positions.

These stabilizing transactions, syndicate covering transactions and penalty bid may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions, if commenced, may be discontinued at any time.

The initial purchasers and certain of their affiliates have provided and may provide in the future certain commercial banking, financial advisory and investment banking services for us, our subsidiaries, the guarantors and certain of our affiliates, for which they receive, or will receive, customary fees and expense reimbursement. JPMorgan Chase Bank, National Association, an affiliate of J.P. Morgan Securities LLC and J.P. Morgan Securities Ltd., and Credit Suisse, Cayman Islands Branch, an affiliate of Credit Suisse Securities (Europe) Limited, are Co-Documentation Agents and lenders under our Amended 2006 Senior Credit Agreement and certain other initial purchasers or their affiliates are lenders under the Amended 2006 Senior Credit Agreement and as such may receive a portion of the net proceeds from this offering in such capacity. In addition, certain of the initial purchasers and/or certain of their affiliates are agents and lenders under our A/R Facility and, as such, may receive a portion of the net proceeds of the offering in such capacity. There are no interests of natural and legal persons other than the Issuers or the Guarantors involved in the issue, including conflicting ones, that are material to the issue.

Offer of the Notes

The respective Notes will be offered and sold by the applicable initial purchasers only to (i) institutional investors in the European Economic Area in compliance with Regulation S under the Securities Act, and (ii) "qualified institutional buyers" as defined in Rule 144A under the Securities Act. A public offer may be made in Luxembourg only following the approval of the prospectus/offering memorandum by the CSSF and publication of the prospectus/offering memorandum. A public offer may be made in Germany only following the Notification of the prospectus/offering memorandum by the CSSF according to Article 18 of the Prospectus Directive and publication of the prospectus/offering memorandum. Following the publication of this prospectus/offering memorandum in Luxembourg and Germany, the Notes may be offered with the approval of the Issuers to the public in Luxembourg and Germany in compliance with all applicable laws, rules and regulations in such jurisdiction. Until such time as publication is made in Luxembourg and Germany, and at all times in other Relevant Member States (as defined below), offers will be made only pursuant to an exception under Article 3 of the Prospectus Directive as implemented in the Relevant Member State. In the case of a secondary market public offer, specific procedures relating to the (i) time period, including any possible amendments, during which the offer will be open and the description of the application process, (ii) details of the minimum and/or maximum amount of application (whether in number of Notes or aggregate amount to invest), (iii) method and time limits for paying and for delivery of the Notes, (iv) the full description of the manner in and the date on which results of the offer are to be made public and (v) plan of distribution and allotment (including the various categories of potential investors to which the Notes are offered, the process for notification to applicants of the amount allotted and indication whether dealing may begin before this notification is made) may be determined and communicated by any person making an offer. Any investor intending to acquire or acquiring any Notes from any person making an offer ("offeror") should be aware that, in the context of an offer to the public as defined in the Prospectus Directive, the Issuers may be responsible to the investor for the prospectus/offering memorandum only if the Issuers are acting in association with that offeror to make the offer to the investor. **Each investor should therefore verify with the offeror whether or not the offeror is acting in association with the Issuers. If the offeror is not acting in association with the Issuers, the investor should confirm with the offeror whether anyone is responsible for a prospectus for the purposes of Article 6 of the Prospectus Directive as implemented by the national legislation of each Relevant**

Member State in the context of the offer to the public and, if so, who that person is. If the investor is in any doubt about whether it can rely on the prospectus/offering memorandum and/or who is responsible for its contents it should seek legal advice.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each initial purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Notes to the public in that Relevant Member State, other than the offers contemplated by the prospectus/offering memorandum in Luxembourg and Germany from the time the prospectus/offering memorandum has been approved by the CSSF and published and notified to the relevant competent authority in accordance with the Prospectus Directive as implemented in Germany, except that it may make an offer of such Notes in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant initial purchaser or initial purchasers nominated by the Issuer for any such offer; or

(c) in any other circumstances falling within Article 3 para. 2 of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuers or any initial purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Any investor who has submitted an order in relation to the Notes whose order is accepted will be notified of its allotment of Notes. Before an investor receives a confirmation that its purchase order for the Notes has been accepted, the investor may reduce or withdraw its purchase orders. There is no minimum or maximum amount of Notes to be purchased. Investors may place offers to purchase Notes in any amount, subject to minimum denomination requirements.

The Issuers will not charge any costs, expenses or taxes directly to any investor to participate in the offer of the Notes. Investors must inform themselves about any costs, expenses or taxes in connection with the purchase of Notes which are generally applicable in their respective country of residence, including any charges of their own depository banks, financial intermediaries or other entities in connection with the purchase or holding of securities.

We expect to deliver the Notes in book-entry form to investors on September 14, 2011, which will be the business day following the date of this prospectus/offering memorandum (such settlement being referred to as "T+4"). The Notes will be delivered via book-entry through the Clearing Systems and their participants against payment of the Issue Price. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes prior to delivery of the Notes will be required, by virtue of the fact that the Notes initially settle in T+4, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes prior to their date of delivery should consult with their advisors.

TRANSFER RESTRICTIONS

These Notes have not been registered under the Securities Act and they may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes offered hereby are being offered and sold only (a) to Qualified Institutional Buyers in compliance with Rule 144A under the Securities Act and (b) pursuant to offers and sales that occur outside the United States to persons other than U.S. persons ("foreign purchasers," which term includes dealers or other professional fiduciaries in the United States acting on a discretionary basis for foreign beneficial owners, other than an estate or trust) in offshore transactions meeting the requirements of Rule 903 of Regulation S under the Securities Act. As used herein, the terms "offshore transaction," "United States" and "U.S. person" have the respective meanings given to them in Regulation S.

Each purchaser of Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with us and the initial purchasers as follows:

(1) It understands and acknowledges that the Notes have not been registered under the Securities Act or any other applicable securities law, are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A under the Securities Act, and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities law, pursuant to an exemption therefrom, or in a transaction not subject thereto, and in each case in compliance with the conditions for transfer set forth in paragraph (4) below.

(2) It is not an "affiliate," as defined in Rule 144 under the Securities Act, of us, or acting on our behalf and it is either:

(a) a Qualified Institutional Buyer within the meaning of Rule 144A under the Securities Act and is aware that any sale of Notes to it will be made in reliance on Rule 144A. Such acquisition will be for its own account or for the account of another Qualified Institutional Buyer, or

(b) an institution that, at the time the buy order for the Notes was originated, was outside the United States and was not a U.S. person (and was not purchasing for the account or benefit of a U.S. person) within the meaning of Regulation S under the Securities Act.

(3) It acknowledges that none of us or the initial purchasers or any person representing us or the initial purchasers has made any representation to it with respect to us or the offering or sale of any Notes, other than the information contained in this prospectus/offering memorandum, which has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes. Accordingly, it acknowledges that no representation or warranty is made by the initial purchasers as to the accuracy or completeness of such materials. It has had access to such financial and other information concerning us and the Notes as it has deemed necessary in connection with its decision to purchase any of the Notes, including an opportunity to ask questions of and request information from us and the initial purchasers.

(4) It is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell Notes pursuant to Rule 144A, Regulation S or any exemption from registration available under the Securities Act.

It agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will agree, to offer, sell or otherwise transfer such Notes during the holding period then imposed by Rule 144, or its successor, after the later of the date of

the original issue and the last date on which we or any of our affiliates were the owner of such Notes, or any predecessor thereto (the "Resale Restriction Termination Date"), only:

(a) to us or any of our subsidiaries,

(b) pursuant to a registration statement which has been declared effective under the Securities Act,

(c) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person it reasonably believes is a Qualified Institutional Buyer that purchases for its own account or for the account of a Qualified Institutional Buyer to whom notice is given that the transfer is being made in reliance on Rule 144A,

(d) pursuant to offers and sales to non-U.S. persons that occur outside the United States within the meaning of Regulation S under the Securities Act, or

(e) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and in compliance with any applicable state securities laws.

Each purchaser acknowledges that we and the trustee reserve the right prior to any offer, sale or other transfer of the Notes pursuant to clause (e) above prior to the Resale Restriction Termination Date to require delivery of an opinion of counsel, certifications and/or other information satisfactory to us and the trustee. Each purchaser acknowledges that each security will contain a legend substantially to the following effect:

"THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE ISSUER THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (1)(a) INSIDE THE UNITED STATES TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (b) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (c) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF APPLICABLE) OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL ACCEPTABLE TO THE ISSUER IF THE ISSUER SO REQUESTS), (2) TO THE ISSUER OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN CLAUSE (A) ABOVE. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALE OF THE SECURITY EVIDENCED HEREBY."

(5) It agrees that it will give to each person to whom it transfers Notes notice of any restrictions on transfer of such security.

(6) If it is a purchaser in a sale that occurs outside the United States within the meaning of Regulation S, it acknowledges that until the expiration of the 40-day distribution compliance period within the meaning of Rule 903 of Regulation S, any offer or sale of the Notes shall not be made by it to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902(k) of the Securities Act except in accordance with Regulation S.

(7) It acknowledges that the trustee will not be required to accept for registration of transfer any Notes acquired by it, except upon presentation of evidence satisfactory to us and the trustee that the restrictions set forth herein have been complied with.

(8) It acknowledges that we, the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements, and agrees that if any of the acknowledgments, representations, warranties and agreements deemed to have been made by it by its purchase of the Notes are no longer accurate, it shall promptly notify us and the initial purchasers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such investor account.

(9) It shall not sell or otherwise transfer such Notes to, and each purchaser represents and covenants that it is not acquiring the Notes for or on behalf of, and will not transfer the Notes to (i) any employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), (ii) "plan" (as defined in Section 4975(e)(1) of the Code) or (iii) any entity whose underlying assets include assets of any such employee benefit plan or plan pursuant to 29 C.F.R. Section 2510.3-101 (as modified by Section 3(42) of ERISA) or otherwise (each of the foregoing, a "Plan"), except that such a purchase for or on behalf of a "Plan" shall be permitted:

(a) to the extent such purchase is made by or on behalf of a bank collective investment fund maintained by the purchaser in which no Plan (together with any other Plans maintained by the same employer or employee organization) has an interest in excess of 10% of the total assets in such collective investment fund and the conditions of Section III of Prohibited Transaction Class Exemption 91-38 issued by the Department of Labor are satisfied;

(b) to the extent such purchase is made by or on behalf of an insurance company pooled separate account maintained by the purchaser in which no Plan (together with any other Plans maintained by the same employer or employee organization) has an interest in excess of 10% of the total assets in such pooled separate account and the conditions of Section III of Prohibited Transaction Class Exemption 90-1 issued by the Department of Labor are satisfied;

(c) to the extent such purchase is made on behalf of a Plan by (i) an investment adviser registered under the U.S. Investment Advisers Act 1940, as amended (the "Advisers Act"), that has total client assets under its management and control in excess of $85,000,000 as of the last day of its most recent fiscal year, and had shareholders' or partners' equity in excess of $1,000,000 as shown in its most recent balance sheet prepared in accordance with generally accepted accounting principles, (ii) a bank as defined in Section 202(a)(2) of the Advisers Act, that has the power to manage, acquire or dispose of assets of a Plan, with equity capital in excess of $1,000,000 as of the last day of its most recent fiscal year, (iii) an insurance company which is qualified under the laws of more than one U.S. State to manage, acquire or dispose of any assets of a Plan, which insurance company has, as of the last day of its most recent fiscal year, net worth in excess of $1,000,000 and which is subject to supervision and examination by a U.S. State authority having supervision over insurance companies; or (iv) a savings and loan association, the accounts of which are insured by the Federal Deposit Insurance Corporation, that has made application for and been granted trust powers to manage, acquire or dispose of assets of a Plan by a U.S. State or Federal authority having supervision over savings and loan associations, which savings and loan association has, as of the last day of its most recent fiscal year, equity capital or net worth in excess of $1,000,000 and, in any case, such investment adviser, bank, insurance company or savings and loan is otherwise a "qualified professional asset manager" and is an "independent fiduciary" as such terms are used in Prohibited Transaction Class Exemption 84-14 issued by the Department of Labor, with respect to such Plan, and the assets of such Plan managed by such investment advisor, bank, insurance company or savings and loan, when combined with the assets of other Plans established or maintained by the same employer (or affiliate thereof, as defined in such exemption) or employee organization and managed by such investment adviser, bank, insurance company or savings and loan do not represent more than 20% of the total client assets managed by such investment adviser, bank, insurance company or savings and loan, and the conditions of Part I of such exemption are otherwise satisfied;

(d) to the extent such purchase is made by or on behalf of an insurance company with assets in its insurance company general account, if no Plan (together with any other Plans maintained by the same employer or employee organization) has an interest in the general account, the amount of reserves and liabilities for which exceed 10% of the total reserves and liabilities of the general account plus surplus, determined as set forth in Prohibited Transaction Class Exemption 95-60 issued by the Department of Labor, and the conditions of Sections I and IV of such exemption are otherwise satisfied;

(e) to the extent such purchase is made on behalf of a Plan by an "in-house asset manager" (the "INHAM") as defined in Part IV of Prohibited Transaction Class Exemption 96-23 issued by the Department of Labor, Plans maintained by affiliates of the INHAM and/or the INHAM have aggregate assets in excess of $250 million, and the conditions of Part I of such exemption are otherwise satisfied;

(f) to the extent such Plan is a governmental plan (as defined in Section 3(32) of ERISA), church plan (as defined in Section 3(33) of ERISA) or foreign plan which is not subject to the provisions of Title I of ERISA, Section 4975 of the Code, or any other federal, state, local or foreign law or regulation that is substantially similar to the foregoing provisions of ERISA and the Code ("Similar Law") or

(g) to the extent such purchase is exempt from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code pursuant to Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code.

SERVICE OF PROCESS AND ENFORCEABILITY OF CIVIL LIABILITIES

We are a German company. Some of our directors and executive officers and some of the experts named in this prospectus/offering memorandum are residents of Germany. A substantial portion of our assets and the assets of those individuals is located outside the U.S. As a result, it may be difficult or impossible for investors to effect service of process upon those persons within the U.S. with respect to matters arising under the U.S. federal securities laws or to enforce against them in U.S. courts judgments of U.S. courts predicated on the civil liability provisions of the U.S. federal securities laws. We have been advised by our German counsel, Noerr LLP, that there may be doubt as to the enforceability in Germany, in original actions, of liabilities predicated on the U.S. federal securities laws and that in Germany both recognition and enforcement of court judgments with respect to the civil liability provisions of the U.S. federal securities laws are solely governed by the provisions of the German Civil Procedure Code (*Zivilprozessordnung*). In some cases, especially when according to the German statutory provisions, the international jurisdiction of the U.S. court will not be recognized or if the judgment conflicts with basic principles of German law (e.g., the restrictions to compensatory damages and pre-trial discovery), the U.S. judgment might not be recognized by a German court. The service of process in U.S. proceedings on persons in Germany is regulated by a multilateral treaty guaranteeing service of writs and other legal documents in civil cases if the current address of the defendant is known.

INDEPENDENT AUDITORS

The consolidated financial statements of Fresenius Medical Care AG & Co. KGaA prepared in accordance with U.S. GAAP as of December 31, 2010 and 2009, and for each of the years in the three-year period ended December 31, 2010, have been included herein in reliance upon the report of KPMG AG Wirtschaftsprüfungsgesellschaft, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Fresenius Medical Care AG & Co. KGaA prepared in accordance with IFRS as of December 31, 2010 and December 31, 2009, and for the years ended December 31, 2010 and December 31, 2009, have been incorporated by reference into this prospectus/offering memorandum in reliance upon the report of KPMG AG Wirtschaftsprüfungsgesellschaft, independent public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

LEGAL MATTERS

The validity of the Notes and the guarantees and certain matters with respect to the Dollar Issuer and Fresenius Medical Care Holdings, Inc. will be passed upon for the Company by Baker & McKenzie LLP, and certain matters with respect to the Company and Fresenius Medical Care Deutschland GmbH will be passed upon by Noerr LLP. Dr. Dieter Schenk, a partner of Noerr LLP, is Vice Chairman of the Supervisory Board of the Company's general partner and of the Company's Supervisory Board, and is also a member of the Supervisory Board of Fresenius SE. Dr. Schenk is one of the executors of the estate of the late Mrs. Else Kröner. Else Kröner-Fresenius-Stiftung, a charitable foundation established under the will of the late Mrs. Kröner, owns 100% of the voting shares of the general partner of Fresenius SE. Dr. Schenk is also the Chairman of the administration board of Else Kröner-Fresenius-Stiftung. Certain matters with respect to the Euro Issuer will be passed on by Wildgen, Partners in Law. Certain matters will be passed upon for the initial purchasers by Cahill Gordon & Reindel LLP.

AVAILABLE INFORMATION

We file annual reports on Form 20-F and furnish periodic reports on Form 6-K to the United States Securities and Exchange Commission (the "SEC"). You may read and copy any of these reports at the SEC's public reference room at 100 F Street, N.E., Washington, D.C., 20549, U.S.A., and its public reference rooms in New York, New York, U.S.A. and Chicago, Illinois, U.S.A. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. The reports may also be obtained from the web site maintained by the SEC at http://www.sec.gov, which contains reports and other information regarding registrants that file electronically with the SEC. The New York Stock Exchange currently lists American Depositary Shares representing our ordinary shares and American Depositary Shares representing our preference shares. Our periodic reports, registration statements and other information that we file with the SEC are also available for inspection and copying at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, U.S.A. Our SEC filings are also available to the public from commercial document retrieval services.

We prepare annual and interim period reports both in conformity with U.S. generally accepted accounting principles as well as in conformity with IFRS. Our annual reports contain financial statements examined and

reported upon, with opinions expressed by, our independent auditors. The consolidated financial statements of Fresenius Medical Care AG & Co. KGaA included in the annual reports that we file with the SEC are prepared in conformity with U.S. GAAP. We publish our consolidated annual financial statements, according to IFRS on our website and through the Electronic Federal Gazette (*elektronischer Bundesanzeiger*), in accordance with German laws. These annual and quarterly reports to our shareholders are posted on our web site at www.fmc-ag.com. In furnishing our web site address in this prospectus/offering memorandum, however, we do not intend to incorporate any information on our web site into this prospectus/offering memorandum, and you should not consider any information on our web site to be part of this prospectus/offering memorandum.

GENERAL INFORMATION

Information Regarding Listing and Admission to Trading

We have applied to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange, a market appearing on the list of regulated markets issued by the European Commission pursuant to Directive 2004/39/EC of April 21, 2004 on markets in financial instruments in accordance with the rules of that exchange. Notice of any optional redemption, change of control or any change in the rate of interest payable on the Notes will be published in a Luxembourg newspaper of general circulation (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

For so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange require, copies of the following documents may be inspected and obtained at the registered office of the Euro Issuer or at the specified office of the listing agent in Luxembourg during normal business hours on any weekday:

- the organizational documents, including the by-laws, of each Issuer and the Guarantors;
- each Issuer's most recent audited annual accounts;
- the most recent audited consolidated financial statements of FMC-AG & Co. KGaA, and any interim quarterly financial statements published by FMC-AG & Co. KGaA;
- the Indenture relating to the Dollar-denominated Notes (which includes the form of the Dollar-denominated Notes);
- the guarantees of the Dollar-denominated Notes;
- the Indenture relating to the Euro-denominated Notes (which includes the form of the Euro-denominated Notes); and
- the guarantees of the Euro-denominated Notes.

According to Part 1, Chapter 5, Section 502 of the Rules and Regulations of the Luxembourg Stock Exchange, the Notes will be freely transferable on the Luxembourg Stock Exchange in accordance with applicable law.

Clearing Information

Transactions in the Dollar-denominated Notes sold pursuant to Regulation S and the Dollar-denominated Notes sold pursuant to Rule 144A under the Securities Act will clear through the facilities of DTC. The CUSIP number and the international securities identification number of the Dollar-denominated Notes sold pursuant to Regulation S are U31434 AA8 and USU31434 AA85, respectively, and the CUSIP number and international securities identification number of the Dollar-denominated Notes sold pursuant to Rule 144A are 35802X AA1 and US35802X AA19, respectively. The common codes of the Dollar-denominated Notes sold pursuant to Regulation S and the Dollar-denominated Notes sold pursuant to Rule 144A are 063346942 and 063347337, respectively.

The Euro-denominated Notes sold pursuant to Regulation S and the Euro-denominated Notes sold pursuant to Rule 144A of the Securities Act have been accepted for clearance through the facilities of Clearstream and Euroclear under common codes 067522141 and 067522168, respectively. The international securities identification number for the Euro-denominated Notes sold pursuant to Regulation S is XS0675221419 and the international securities identification number for the Euro-denominated Notes sold pursuant to Rule 144A is XS0675221682.

General Information

The Dollar-denominated Notes have been issued pursuant to a resolution of the board of directors of the Dollar Issuer passed on September 1, 2011. The Euro-denominated Notes have been issued pursuant to a resolution of the board of directors of the Euro Issuer passed on September 8, 2011. The guarantees of the Dollar-denominated Notes and the Euro-denominated Notes have been authorized by a resolution of the management board of the general partner of Fresenius Medical Care AG & Co KGaA on August 10, 2011 and resolution of the supervisory board of the general partner of Fresenius Medical Care AG & Co KGaA on August 30, 2011, by a written resolution of the

shareholder of D-GmbH dated September 8, 2011 and by a resolution of the board of directors of FMCH dated September 1, 2011.

Except as described in the prospectus/offering memorandum under "Business-Legal Proceedings," during the previous 12 months none of the Dollar Issuer, the Euro Issuer or the Guarantors is involved in any pending litigation or arbitration proceedings that are material in the context of the Notes, nor so far as they are aware, is any such litigation or arbitration pending or threatened.

There has been no material adverse change in the prospects of the Dollar Issuer since the date of its balance sheet included herein, in the prospects of the Euro Issuer since the date of its balance sheet included herein or in the prospects of FMC AG & Co. KGaA since December 31, 2010.

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FRESENIUS MEDICAL CARE US FINANCE II, INC.

Independent Auditors' Report

The Shareholder
Fresenius Medical Care US Finance II, Inc.:

We have audited the accompanying balance sheet of Fresenius Medical Care US Finance II, Inc. as of August 25, 2011 the related statement of changes in equity and cash flows for the period from August 22, 2011 (date of inception) to August 25, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of August 25, 2011 and their cash flows for the period from August 22, 2011 (date of inception) to August 25, 2011 in conformity with U.S. generally accepted accounting principles.

Boston, Massachusetts
August 30, 2011

See accompanying notes to audited financial statements

FRESENIUS MEDICAL CARE US FINANCE II, INC.

Balance Sheet
August 25, 2011
(in thousands, except share and per-share data)

Assets

Current assets:	
Cash and cash equivalents	$15,000
Total assets	$15,000

Equity

Equity:	
Common stock, $0.01 par value. Authorized 1,000 shares; outstanding 100 shares	$ —
Additional paid-in capital	15,000
Total equity	$15,000

See accompanying notes to financial statements

FRESENIUS MEDICAL CARE US FINANCE II, INC.

Statement of Changes in Equity
For the period from August 22, 2011 (date of inception) to August 25, 2011
(in thousands, except share and per-share data)

	Common stock		Additional paid-in capital	Retained earnings	Total equity
	Shares	Amount			
Balance as of August 22, 2011	—	$—	$ —	$—	$ —
Proceeds from issuance of common stock	100	—	15,000	—	15,000
Balance as of August 25, 2011	100	$—	$15,000	$—	$15,000

See accompanying notes to financial statements

FRESENIUS MEDICAL CARE US FINANCE II, INC.

Statement of Cash Flows
For the period from August 22, 2011 to August 25, 2011
(dollars in thousands)

	2011
Cash flows from financing activity:	
Proceeds received from the issuance of common stock	$15,000
Net cash provided by financing activity	15,000
Change in cash and cash equivalents	15,000
Cash and cash equivalents at beginning of period	—
Cash and cash equivalents at end of period	$15,000

Note: The Company does not have any cash flows from operations or investing activities.

As a result these have been omitted from the Statement of Cash Flows.

See accompanying notes to financial statements

FRESENIUS MEDICAL CARE US FINANCE II, INC.

Notes to Financial Statements
August 25, 2011
(in thousands)

(1) The Company

Fresenius Medical Care U.S Finance II, Inc., a Delaware corporation (the Company) is a wholly-owned subsidiary of Fresenius Medical Care AG & Co. KGaA, a German partnership limited by shares (FMCAG & KGaA or the Parent Company). The Company was formed on August 22, 2011 to primarily engage in effecting any lawful financing act or activity between the Parent and Fresenius Medical Care Holdings, Inc. and any other acts related to or in furtherance thereof, for which corporations may be organized and incorporated under the general corporation law of the state of Delaware. As of the date these financials principal operations have not yet begun. The financial statements were prepared as of August 25, 2011 as that was the date of the capital contribution by the Parent Company.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). These financial statements reflect all adjustments that, in the opinion of management, are necessary for the fair presentation of the results for the period presented.

The Company has evaluated subsequent events through August 30, 2011, which is the date these financial statements were issued.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S.GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period.

(c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash funds and all short-term, liquid investments with original maturities of up to three months.

(d) Debt Issuance Costs

Costs related to issuance of debt are amortized over the term of the related obligation.

(e) Income Taxes

The Company recognizes deferred tax assets and liabilities for future consequences attributable to temporary differences between the financial statement carrying amounts of the existing assets and liabilities and their respective tax basis as well as on procedures affecting net income. Deferred Tax assets and liabilities are measured using enacted tax rates to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is recorded to reduce the carrying amount of the deferred tax assets unless it is more likely than not that such assets will be realized.

An den Verwaltungsrat der
FMC Finance VIII S.A.
28-30 Val Saint André
L-1128 Luxemburg

BERICHT DES RÉVISEUR D'ENTREPRISES AGREE

Entsprechend dem uns vom Verwaltungsrat erteilten Auftrag vom 19. August 2011 haben wir die beigefügte Eröffnungsbilanz der FMC Finance VIII S.A. geprüft, die aus der Bilanz zum 12. August 2011 sowie aus einer Zusammenfassung bedeutsamer Rechnungslegungsmethoden und anderen erläuternden Informationen besteht.

Verantwortung des Verwaltungsrats für die Eröffnungsbilanz

Der Verwaltungsrat ist verantwortlich für die Aufstellung und sachgerechte Gesamtdarstellung der Eröffnungsbilanz in Übereinstimmung mit den in Luxemburg geltenden gesetzlichen Bestimmungen und Verordnungen und für die internen Kontrollen, die er als notwendig erachtet, um die Aufstellung der Eröffnungsbilanz zu ermöglichen, die frei von wesentlichen unzutreffenden Angaben ist, unabhängig davon, ob diese aus Unrichtigkeiten oder Verstößen resultieren.

Verantwortung des Réviseur d'Entreprises agréé

In unserer Verantwortung liegt es, auf der Grundlage unserer Prüfung über diese Eröffnungsbilanz ein Prüfungsurteil zu erteilen. Wir führten unsere Prüfung nach den für Luxemburg von der Commission de Surveillance du Secteur Financier angenommenen internationalen Prüfungsstandards *(International Standards on Auditing)* durch. Diese Standards verlangen, dass wir die beruflichen Verhaltensanforderungen einhalten und die Prüfung dahingehend planen und durchführen, dass mit hinreichender Sicherheit erkannt werden kann, ob die Eröffnungsbilanz frei von wesentlichen unzutreffenden Angaben ist.

Eine Prüfung beinhaltet die Durchführung von Prüfungshandlungen zum Erhalt von Prüfungsnachweisen für die in der Eröffnungsbilanz enthaltenen Wertansätze und Informationen. Die Auswahl der Prüfungshandlungen obliegt der Beurteilung des Réviseur d'Entreprises agréé ebenso wie die Bewertung des Risikos, dass in der Eröffnungsbilanz wesentliche unzutreffende Angaben aufgrund von Unrichtigkeiten oder Verstössen enthalten sind. Im Rahmen dieser Risikoeinschätzung berücksichtigt der Réviseur d'Entreprises agréé das für die Aufstellung und die sachgerechte Gesamtdarstellung der Eröffnungsbilanz eingerichtete interne Kontrollsystem, um die unter diesen Umständen angemessenen Prüfungshandlungen festzulegen, nicht jedoch, um eine Beurteilung der Wirksamkeit des internen Kontrollsystems abzugeben.

Eine Prüfung umfasst auch die Beurteilung der Angemessenheit der angewandten Rechnungslegungsgrundsätze und -methoden und der Vertretbarkeit der vom Verwaltungsrat ermittelten geschätzten Werte in der Rechnungslegung sowie die Beurteilung der Gesamtdarstellung der Eröffnungsbilanz.

Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen.

Prüfungsurteil

Nach unserer Beurteilung vermittelt die Eröffnungsbilanz in Übereinstimmung mit den in Luxemburg geltenden gesetzlichen Bestimmungen und Verordnungen ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens- und Finanzlage der FMC Finance VIII S.A. zum 12. August 2011.

Luxemburg, 24. August 2011

KPMG Audit S.à r.l.
Cabinet de révision agréé
T. Feld

FMC FINANCE VIII S.A.
Eröffnungsbilanz zum 12. August 2011

AKTIVA	August 12, 2011 EUR	PASSIVA	August 12, 2011 EUR
Umlaufvermögen		Eigenkapital	
Bankguthaben	31,000.00	Gezeichnetes Kapital	31,000.00
	31,000.00		31,000.00

FMC Finance VIII S.A.

Anhang
zur Eröffnungsbilanz zum 12. August 2011

1 Allgemeines

Die Gesellschaft FMC FINANCE VIII S.A. ist eine Aktiengesellschaft mit Sitz in Luxemburg-Stadt. Sie wurde am 12. August 2011 gegründet. Gegenstand der Gesellschaft ist der Erwerb von Beteiligungen in welcher Form auch immer an anderen Gesellschaften, seien sie luxemburgische oder ausländischen Gesellschaften, sowie das Eigentum, die Verwaltung und die Verwertung von solchen Beteiligungen.

Der Gesellschaftszweck ist, insbesondere, der Erwerb jeder Art von Wertpapieren, seien sie übertragbar oder nicht, Aktien, Anleihen, Schuldverschreibungen, Schuldscheine und andere Papiere, einschließlich derer, die durch eine Regierung oder eine andere internationale, nationale oder örtliche Behörde herausgegeben werden, und aller dazu gehörigen Rechte, sei es durch Kauf, Einlage, Zeichnung, Kaufoption oder in jeder anderen Weise, als auch die Übertragung mittels Verkauf, Tausch oder in jeder anderen Weise. Zudem kann die Gesellschaft verbundene Patentrechte und Lizenzrechte erwerben und verwerten.

Die Gesellschaft kann in jedweder Form Leihen und Anleihen, wandelbare Anleihen und Schuldverschreibungen ausgeben. Die Gesellschaft kann den Gesellschaften, an denen sie direkt oder indirekt beteiligt ist, oder Gesellschaften, die derselben Gesellschaftsgruppe wie die Gesellschaft angehören, jede Art von Unterstützung, Darlehen, Vorschuss oder Sicherheit gewähren.

Die Gesellschaft kann ferner alle Rechtsgeschäfte vornehmen, die direkt oder indirekt den Erwerb von Beteiligungen, in jedweder Form an jedem Unternehmen oder jeder Personengesellschaft als auch die Verwaltung, Kontrolle, und Verwertung dieser Beteiligungen betreffen.

Die Gesellschaft ist eine 100%ige Tochtergesellschaft der FMC AG & Co. KGaA.

2 Bilanzierungs- und Bewertungsmethoden

Die Eröffnungsbilanz ist gemäß den gesetzlichen Bestimmungen in Luxemburg erstellt.

Die Gesellschaft ist eine kleine Kapitalgesellschaft und nimmt entsprechende Ausweiserleichterungen in Anspruch.

Die Gründungskosten der Gesellschaft in Höhe von TEUR 1 wurden durch die FMC AG & Co. KGaA getragen.

2.1 Devisenbewertung

Die Gesellschaft erstellt ihre Eröffnungsbilanz und führt ihre Buchhaltung in EUR.

2.2 Bewertung der Bankguthaben

Die Bankguthaben werden mit dem Nennwert bilanziert.

3 Eigenkapital

Das gezeichnete und voll eingezahlte Kapital der Gesellschaft beträgt EUR 31.000. Es ist eingeteilt in 310 Anteile von je EUR 100.

FRESENIUS MEDICAL CARE AG & Co. KGaA

Consolidated Statements of Income
(unaudited)
(in thousands, except share data)

	For the six months ended June 30,	
	2011	**2010**
Net revenue:		
Dialysis Care	$4,646,879	$4,395,105
Dialysis Products	1,583,561	1,433,223
	6,230,440	5,828,328
Costs of revenue:		
Dialysis Care	3,317,593	3,096,330
Dialysis Products	755,821	756,098
	4,073,414	3,852,428
Gross profit	2,157,026	1,975,900
Operating (income) expenses:		
Selling, general and administrative	1,165,928	1,043,321
Research and development	52,932	44,462
Income from equity method investees	(16,462)	(3,627)
Operating income	954,628	891,744
Other (income) expense:		
Interest income	(26,000)	(14,083)
Interest expense	172,169	149,732
Income before income taxes	808,459	756,095
Income tax expense	273,260	256,603
Net income	535,199	499,492
Less: Net income attributable to noncontrolling interests	53,737	40,107
Net income attributable to FMC-AG & Co. KGaA	$ 481,462	$ 459,385
Basic income per ordinary share	$ 1.59	$ 1.53
Fully diluted income per ordinary share	$ 1.58	$ 1.52

See accompanying notes to unaudited consolidated financial statements.

FRESENIUS MEDICAL CARE AG & Co. KGaA

Consolidated Statements of Comprehensive Income
(unaudited)
(in thousands, except share data)

	For the six months ended June 30,	
	2011	**2010**
Net Income	$535,199	$ 499,492
Gain (loss) related to cash flow hedges	2,129	(72,951)
Actuarial gains (losses) on defined benefit pension plans	3,565	2,410
Gain (loss) related to foreign currency translation	166,358	(309,906)
Income tax benefit (expense) related to components of other comprehensive income	(8,847)	19,152
Other comprehensive income (loss), net of tax	163,205	(361,295)
Total comprehensive income	$698,404	$ 138,197
Comprehensive income attributable to noncontrolling interests	54,762	39,207
Comprehensive income attributable to FMC-AG & Co. KGaA	$643,642	$ 98,990

See accompanying notes to unaudited consolidated financial statements.

FRESENIUS MEDICAL CARE AG & Co. KGaA

Consolidated Balance Sheets
At June 30, 2011 and December 31, 2010
(in thousands, except share data)

	June 30, 2011 (unaudited)	December 31, 2010 (audited)
Assets		
Current assets:		
Cash and cash equivalents	$ 449,253	$ 522,870
Trade accounts receivable less allowance for doubtful accounts of $284,171 in 2011 and $277,139 in 2010	2,947,033	2,573,258
Accounts receivable from related parties	114,873	113,976
Inventories	976,893	809,097
Prepaid expenses and other current assets	985,154	783,231
Deferred taxes	348,731	350,162
Total current assets	5,821,937	5,152,594
Property, plant and equipment, net	2,656,984	2,527,292
Intangible assets	696,707	692,544
Goodwill	8,902,372	8,140,468
Deferred taxes	91,284	93,168
Investment in equity method investees	344,986	250,373
Other assets and Notes Receivables	538,364	238,222
Total assets	$19,052,634	$17,094,661
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	$ 490,799	$ 420,637
Accounts payable to related parties	135,836	121,887
Accrued expenses and other current liabilities	1,687,871	1,537,423
Short-term borrowings and other financial liabilities	760,957	670,671
Short-term borrowings from related parties	161,363	9,683
Current portion of long-term debt and capital lease obligations	606,177	263,982
Company-obligated mandatorily redeemable preferred securities of subsidiary Fresenius Medical Care Capital Trusts holding solely Company-guaranteed debentures of subsidiaries – current portion	–	625,549
Income tax payable	120,877	117,542
Deferred taxes	29,774	22,349
Total current liabilities	3,993,654	3,789,723
Long-term debt and capital lease obligations, less current portion	5,585,103	4,309,676
Other liabilities	273,255	294,015
Pension liabilities	211,099	190,150
Income tax payable	180,931	200,581
Deferred taxes	580,866	506,896
Total liabilities	10,824,908	9,291,041
Noncontrolling interests subject to put provisions	306,723	279,709
Shareholders' equity:		
Preference shares, no par value, €1.00 nominal value, 12,356,880 shares authorized, 3,963,293 issued and outstanding	4,449	4,440
Ordinary shares, no par value, €1.00 nominal value, 373,436,220 shares authorized, 298,964,667 issued and outstanding	369,986	369,002
Additional paid-in capital	3,368,938	3,339,781
Retained earnings	4,058,893	3,858,080
Accumulated other comprehensive (loss) income	(31,865)	(194,045)
Total FMC-AG & Co. KGaA shareholders' equity	7,770,401	7,377,258
Noncontrolling interests not subject to put provisions	150,602	146,653
Total equity	7,921,003	7,523,911
Total liabilities and equity	$19,052,634	$17,094,661

See accompanying notes to unaudited consolidated financial statements.

FRESENIUS MEDICAL CARE AG & Co. KGaA

Consolidated Statements of Cash Flows
For the six months ended June 30, 2011 and 2010
(unaudited)
(in thousands)

	For the six months ended June 30,	
	2011	**2010**
Operating Activities:		
Net income	$ 535,199	$ 499,492
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	272,273	245,365
Change in deferred taxes, net	53,336	(747)
(Gain) loss on sale of investments	(115)	(1,852)
(Gain) loss on sale of fixed assets	(818)	(86)
Compensation expense related to stock options	14,631	13,712
Cash outflow from hedging	(58,581)	–
Changes in assets and liabilities, net of amounts from businesses acquired:		
Trade accounts receivable, net	(263,509)	(94,298)
Inventories	(120,325)	(33,482)
Prepaid expenses, other current and non-current assets	(78,091)	(91,264)
Accounts receivable from related parties	(2,164)	128,263
Accounts payable to related parties	6,108	(133,600)
Accounts payable, accrued expenses and other current and non-current liabilities	155,153	129,381
Income tax payable	(26,534)	(17,421)
Net cash provided by (used in) operating activities	486,563	643,463
Investing Activities:		
Purchases of property, plant and equipment	(238,384)	(226,635)
Proceeds from sale of property, plant and equipment	8,088	8,582
Acquisitions and investments, net of cash acquired, and purchases of intangible assets	(1,122,458)	(291,247)
Proceeds from divestitures	–	7,867
Net cash provided by (used in) investing activities	(1,352,754)	(501,433)
Financing Activities:		
Proceeds from short-term borrowings and other financial liabilities	69,252	72,674
Repayments of short-term borrowings and other financial liabilities	(99,760)	(65,870)
Proceeds from short-term borrowings from related parties	146,494	–
Proceeds from long-term debt and capital lease obligations (net of debt issuance costs and other hedging costs of $72,926 in 2011 and $10,218 in 2010)	1,660,189	828,735
Repayments of long-term debt and capital lease obligations	(211,568)	(495,003)
Redemption of trust preferred securities	(653,760)	–
Increase (decrease) of accounts receivable securitization program	130,000	86,000
Proceeds from exercise of stock options	31,741	28,084
Dividends paid	(280,649)	(231,967)
Distributions to noncontrolling interests	(61,735)	(67,562)
Contributions from noncontrolling interests	12,290	14,850
Net cash provided by (used in) financing activities	742,494	169,941
Effect of exchange rate changes on cash and cash equivalents	50,080	(40,345)
Cash and Cash Equivalents:		
Net increase (decrease) in cash and cash equivalents	(73,617)	271,626
Cash and cash equivalents at beginning of period	522,870	301,225
Cash and cash equivalents at end of period	$ 449,253	$ 572,851

See accompanying notes to unaudited consolidated financial statements.

FRESENIUS MEDICAL CARE AG & Co. KGaA

Consolidated Statement of Shareholders' Equity
For the six months ended June 30, 2011 (unaudited) and year ended December 31, 2010 (audited)
(in thousands, except share data)

	Preference Shares		Ordinary Shares		Additional paid in capital	Retained earnings	Accumulated Other comprehensive income (loss)	Total FMC-AG & Co. KGaA shareholders' equity	Noncontrolling interests not subject to put provisions	Total Equity
	Number of shares	No par value	Number of shares	No par value						
Balance at December 31, 2009	3,884,328	$4,343	295,746,635	$365,672	$3,243,466	$3,111,530	$ (49,724)	$6,675,287	$123,103	$6,798,390
Proceeds from exercise of options and related tax effects	72,840	97	2,532,366	3,330	98,819	–	–	102,246	–	102,246
Compensation expense related to stock options	–	–	–	–	27,981	–	–	27,981	–	27,981
Dividends paid	–	–	–	–	–	(231,967)	–	(231,967)	–	(231,967)
Purchase/ sale of noncontrolling interests	–	–	–	–	(6,263)	–	–	(6,263)	17,295	11,032
Contributions from / to noncontrolling interests	–	–	–	–	–	–	–	–	(54,225)	(54,225)
Changes in fair value of noncontrolling interests subject to put provisions	–	–	–	–	(24,222)	–	–	(24,222)	–	(24,222)
Net income	–	–	–	–	–	978,517	–	978,517	58,040	1,036,557
Other comprehensive income (loss)	–	–	–	–	–	–	(144,321)	(144,321)	2,440	(141,881)
Comprehensive income	–	–	–	–	–	–	–	834,196	60,480	894,676
Balance at December 31, 2010	3,957,168	$4,440	298,279,001	$369,002	$3,339,781	$3,858,080	$(194,045)	$7,377,258	$146,653	$7,523,911
Proceeds from exercise of options and related tax effects	6,125	9	685,666	984	29,196	–	–	30,189	–	30,189
Compensation expense related to stock options	–	–	–	–	14,631	–	–	14,631	–	14,631
Dividends paid	–	–	–	–	–	(280,649)	–	(280,649)	–	(280,649)
Purchase/ sale of noncontrolling interests	–	–	–	–	596	–	–	596	(7,071)	(6,475)
Contributions from / to noncontrolling interests	–	–	–	–	–	–	–	–	(23,787)	(23,787)
Changes in fair value of noncontrolling interests subject to put provisions	–	–	–	–	(15,266)	–	–	(15,266)	–	(15,266)
Net income	–	–	–	–	–	481,462	–	481,462	34,328	515,790
Other comprehensive income (loss)	–	–	–	–	–	–	162,180	162,180	479	162,659
Comprehensive income	–	–	–	–	–	–	–	643,642	34,807	678,449
Balance at June 30, 2011	3,963,293	$4,449	298,964,667	$369,986	$3,368,938	$4,058,893	$ (31,865)	$7,770,401	$150,602	$7,921,003

See accompanying notes to unaudited consolidated financial statements.

1. The Company and Basis of Presentation

The Company

Fresenius Medical Care AG & Co. KGaA ("FMC-AG & Co. KGaA" or the "Company"), a German partnership limited by shares (Kommanditgesellschaft auf Aktien), is the world's largest kidney dialysis company, operating in both the field of dialysis services and the field of dialysis products for the treatment of end-stage renal disease ("ESRD"). The Company's dialysis business is vertically integrated, providing dialysis treatment at dialysis clinics it owns or operates and supplying these clinics with a broad range of products. In addition, the Company sells dialysis products to other dialysis service providers. In the United States, the Company also performs clinical laboratory testing and provides inpatient dialysis services and other services under contract to hospitals.

In this report, "FMC-AG & Co. KGaA," or the "Company," "we," "us" or "our" refers to the Company or the Company and its subsidiaries on a consolidated basis, as the context requires.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The consolidated financial statements at June 30, 2011 and for the six-month periods ended June 30, 2011 and 2010 contained in this report are unaudited and should be read in conjunction with the consolidated financial statements contained in the Company's 2010 Annual Report on Form 20-F. The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Such financial statements reflect all adjustments that, in the opinion of management, are necessary for a fair presentation of the results of the periods presented. All such adjustments are of a normal recurring nature.

The accounting policies applied in the accompanying consolidated financial statements are the same as those applied in the consolidated financial statements as at and for the year ended December 31, 2010, contained in the Company's 2010 Annual Report on Form 20-F, unless indicated otherwise.

The results of operations for the six-month period ended June 30, 2011 are not necessarily indicative of the results of operations for the year ending December 31, 2011.

Certain items in the prior periods's comparative consolidated financial statements have been reclassified to conform to the current period's presentation.

2. Acquisitions

On January 4, 2011, the Company announced the signing of a purchase agreement to acquire International Dialysis Centers ("IDC"), Euromedic International's ("Euromedic") dialysis service business for €529,214 (approximately $764,873 as of June 30, 2011). The increase over the original purchase price of €485,000 reflects adjustments for the seller's final cash and debt positions at closing and the effects of the delay in closing resulting from the regulatory approval process. IDC treats over 8,200 hemodialysis patients predominantly in Central and Eastern Europe and operates a total of 70 clinics in nine countries. With the exception of Portugal, where the review is still ongoing, closing occurred on June 30, 2011 following final regulatory approvals by the relevant anti-trust authorities which includes a mandate for the divestiture of five of the acquired clinics. The Company recorded the acquired assets and liabilities at book value as of June 30, 2011, as it was unable to perform a preliminary review to determine an initial purchase price allocation due to the late date of the closing. The difference of approximately €455,631 ($658,523 at June 30, 2011) between the purchase price and the seller's book values of its assets and liabilities has been recorded by the Company as goodwill. The Company expects to complete the purchase price allocation by the end of 2011.

3. Related Party Transactions

a) Service and Lease Agreements

The Company's parent, Fresenius SE & Co. KGaA, is a German partnership limited by shares resulting from the change of legal form effective January 28, 2011, of Fresenius SE, a European Company (Societas Europaea), and which, prior to July 13, 2007, was called Fresenius AG, a German stock corporation. In these Consolidated Financial Statements, Fresenius SE refers to that company as a partnership limited by shares, effective on and after January 28, 2011, as well as both before and after the conversion of Fresenius AG from a stock corporation into a European Company. Fresenius SE owns 100% of the share capital of Fresenius Medical Care Management AG, the Company's general partner ("General Partner") and is the Company's largest shareholder owning approximately 35.7% of the Company's voting shares as of June 30, 2011. In August 2008, a subsidiary of Fresenius SE issued Mandatory Exchangeable Bonds in the aggregate principal amount of €554,400. These are due on August 14, 2011 when they will be mandatorily exchangeable into ordinary shares of the Company. Upon maturity, the issuer must deliver a certain number of the Company's ordinary shares to the bond holders. As a result, Fresenius SE's holding of the Company's ordinary shares may decrease to approximately 30-31%.

The Company is party to service agreements with Fresenius SE and certain of its affiliates (collectively the "Fresenius SE Companies") to receive services, including, but not limited to: administrative services, management information services, employee benefit administration, insurance, information technology services, tax services and treasury management services. During the six-month periods ended June 30, 2011 and 2010, amounts charged by Fresenius SE to the Company under the terms of these agreements were $34,251 and $32,099, respectively. The Company also provides certain services to the Fresenius SE Companies, including research and development, central purchasing and warehousing. The Company charged $3,144 and $3,269 for services rendered to the Fresenius SE Companies during the first six months of 2011 and 2010 respectively.

Under real estate operating lease agreements entered into with the Fresenius SE Companies, which are leases for the corporate headquarters in Bad Homburg, Germany and production sites in Schweinfurt and St. Wendel, Germany, the Company paid the Fresenius SE Companies $12,910 and $9,689 during the six-month periods ended June 30, 2011 and 2010, respectively. The majority of the leases expire in 2016 and contain renewal options.

The Company's Articles of Association provide that the General Partner shall be reimbursed for any and all expenses in connection with management of the Company's business, including remuneration of the members of the General Partner's supervisory board and the General Partner's management board. The aggregate amount reimbursed to the General Partner was $6,108 and $4,983, respectively, for its management services during the six-month periods ended June 30, 2011 and 2010.

b) Products

For the first six months of 2011 and 2010, the Company sold products to the Fresenius SE Companies for $9,812 and $7,184 respectively. During the same periods, the Company made purchases from the Fresenius SE Companies in the amount of $25,989 and $22,553, respectively.

Also, the Company has entered into agreements to provide renal products and pharmaceutical supplies to equity method investees. Under these agreements, the Company sold $3,332 of products to equity method investees during the first six months of 2011.

In addition to the purchases noted above, the Company currently purchases heparin supplied by APP Pharmaceuticals Inc. ("APP Inc."), through an independent group purchasing organization ("GPO"). APP Inc. is wholly-owned by Fresenius Kabi AG, a wholly-owned subsidiary of Fresenius SE. The Company has no direct supply agreement with APP Inc. and does not submit purchase orders directly to APP Inc. During the six-month periods ended June 30, 2011 and 2010, Fresenius Medical Care Holdings, Inc. ("FMCH") acquired approximately $12,869 and $15,591, respectively, of heparin from APP Inc. through the GPO contract, which was negotiated by the GPO at arm's length on behalf of all members of the GPO.

c) Financing Provided by and to Fresenius SE and the General Partner

On June 30, 2011, the Company borrowed €104,400 ($150,889 at June 30, 2011) from Fresenius SE at 2.45% with repayment due July 31, 2011. On July 31, 2011, the amount was increased to €109,300 ($155,682 at July 31, 2011) and the note extended to August 31, 2011 at an interest rate of 2.558%.

In January 2011, the Company reached a court settlement with the German tax authorities on a disallowed impairment charge recognized in 1997. As the Company was party to a German trade tax group with Fresenius SE and certain of Fresenius SE's other affiliates for fiscal years 1997 - 2001, the Company and Fresenius SE had entered into an agreement on how to allocate potential tax effects of the disallowed impairment charge, including interest on prepayments, upon resolution between the Company and the German tax authorities. As a result, the Company recognized €2,560 ($3,592 as of June 30, 2011) as a tax expense for interest payable to Fresenius SE in 2011.

Throughout 2010, the Company, under its cash pooling agreement, made cash advances to Fresenius SE. The balance outstanding at December 31, 2010 of €24,600 ($35,554 as of December 31, 2010) was fully repaid on January 3, 2011 at an interest rate of 1.942%.

On August 19, 2009, the Company borrowed €1,500 ($2,168 as of June 30, 2011) from the General Partner at 1.335%. The loan repayment, originally due on August 19, 2010, was extended until August 19, 2011.

During 2009, the Company reclassified an account payable to Fresenius SE in the amount of €77,745 to short-term borrowings from related parties. The amount represents taxes payable by the Company arising from the period 1997-2001 during which German trade taxes were paid by Fresenius SE on behalf of the Company. Of this amount, €5,747 ($8,306 at June 30, 2011) was outstanding at June 30, 2011 at an interest rate of 6% and will be repaid in 2011.

4. Inventories

As of June 30, 2011 and December 31, 2010, inventories consisted of the following:

	June 30, 2011	December 31, 2010
Raw materials and purchased components	$167,437	$158,163
Work in process	73,639	56,345
Finished goods	620,132	475,641
Health care supplies	115,685	118,948
Inventories	$976,893	$809,097

The Company has a contingent liability of up to $70,771, subject to renegotiation of certain supply contracts.

5. Other Assets and Notes Receivables

During the first quarter of 2011, the Company loaned $294,000 to Renal Advantage Partners LLC, the parent company of Renal Advantage, Inc., a provider of dialysis services, which included a $60,000 conversion right for a 49% minority equity interest in Renal Advantage Partners LLC. The conversion right was exercised and became effective May 1, 2011. The remaining loan is classified within "Other assets and Notes Receivables" in the balance sheet and the participation received resulting from the exercise of the conversion right is classified within "Investment in equity method investees." Additionally, the Company has entered into agreements to provide renal products and pharmaceutical supplies as well as other services to Renal Advantage Partners LLC and Liberty Dialysis, Inc. On August 2, 2011, the Company announced its plans to acquire 100% of Liberty Dialysis Holdings, Inc, the owner of all of the business of Liberty Dialysis and owner of the remaining 51% stake in Renal Advantage, Inc. See Note 17, "Subsequent Events."

6. Short-Term Borrowings, Other Financial Liabilities and Short-Term Borrowings from Related Parties

As of June 30, 2011 and December 31, 2010, short-term borrowings, other financial liabilities and short-term borrowings from related parties consisted of the following:

	June 30, 2011	December 31, 2010
Borrowings under lines of credit	$111,841	$131,791
Accounts receivable facility	640,000	510,000
Other financial liabilities	9,116	28,880
Short-term borrowings and other financial liabilities	760,957	670,671
Short-term borrowings from related parties (see Note 3.c.)	161,363	9,683
Short-term borrowings, Other financial liabilities and Short-term borrowings from related parties	$922,320	$680,354

7. Long-term Debt and Capital Lease Obligations

As of June 30, 2011 and December 31, 2010, long-term debt and capital lease obligations consisted of the following:

	June 30, 2011	December 31, 2010
Amended 2006 Senior Credit Agreement	$3,474,088	$2,953,890
Senior Notes	1,929,959	824,446
Euro Notes	289,060	267,240
EIB Agreements	366,960	351,686
Capital lease obligations	15,652	15,439
Other	115,561	160,957
	6,191,280	4,573,658
Less current maturities	(606,177)	(263,982)
	$5,585,103	$4,309,676

Amended 2006 Senior Credit Agreement

The following table shows the available and outstanding amounts under the Amended 2006 Senior Credit Agreement at June 30, 2011 and December 31, 2010:

	Maximum Amount Available		Balance Outstanding	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
Revolving Credit	$1,200,000	$1,200,000	$ 669,397	$ 81,126
Term Loan A	1,275,000	1,335,000	1,275,000	1,335,000
Term Loan B	1,529,691	1,537,764	1,529,691	1,537,764
	$4,004,691	$4,072,764	$3,474,088	$2,953,890

In addition, at June 30, 2011 and December 31, 2010, the Company had letters of credit outstanding in the amount of $180,766 and $121,518, respectively, which are not included above as part of the balance outstanding at those dates but which reduce available borrowings under the revolving credit facility.

Senior Notes

Senior Notes Issued February 2011

On February 3, 2011, Fresenius Medical Care US Finance, Inc. ("US Finance"), a wholly-owned subsidiary of the Company, issued $650,000 aggregate principal amount of senior unsecured notes with a coupon of 5.75% (the "5.75% Senior Notes") at an issue price of 99.060% and FMC Finance VII S.A. ("Finance VII"), a wholly-owned subsidiary of the Company, issued €300,000 aggregate principal amount ($412,350 at date of issuance) of senior unsecured notes with a coupon 5.25% (the "5.25% Senior Notes") at par. The 5.75% Senior Notes had a yield to maturity of 5.875%. Both the 5.75% Senior Notes and the 5.25% Senior Notes are due February 15, 2021. US Finance and Finance VII may redeem the 5.75% Senior Notes and 5.25% Senior Notes, respectively, at any time at 100% of principal plus accrued interest and a premium calculated pursuant to the terms of the applicable indenture. The holders of the 5.75% Senior Notes and the 5.25% Senior Notes have a right to request that the respective issuers of the notes repurchase the applicable issue of notes at 101% of principal plus accrued interest upon the occurrence of a change of control of the Company followed by a decline in the rating of the respective notes. The Company used the net proceeds of approximately $1,035,000 to repay indebtedness outstanding under its accounts receivable facility and the revolving credit facility of the Amended 2006 Senior Credit Agreement, for acquisitions, including payments under our recent acquisition of International Dialysis Centers announced on January 4, 2011 (see Note 2), and for general corporate purposes to support our renal dialysis products and services business. The 5.75% Senior Notes and the 5.25% Senior Notes are guaranteed on a senior basis jointly and severally by the Company, Fresenius Medical Care Holdings, Inc. ("FMCH") and Fresenius Medical Care Deutschland GmbH ("D-GmbH") (together, the "Guarantor Subsidiaries") .

6⅞% Senior Notes

On June 20, 2011, US Finance acquired substantially all of the assets of FMC Finance III S.A. ("FMC Finance III") and assumed the obligations of FMC Finance III under its $500,000 6⅞% Senior Notes due 2017 (the "6⅞% Senior Notes") and the related indenture. The guarantees of the Company and the Guarantor Subsidiaries for the 6⅞% Senior Notes have not been amended and remain in full force and effect.

8. Stock Options

Fresenius Medical Care AG & Co. KGaA Stock Option Plan 2011

On May 12, 2011, the Fresenius Medical Care AG & Co. KGaA Stock Option Plan 2011 (the "2011 Plan") was established by resolution of the Company's Annual General Meeting ("AGM") with a conditional capital increase up to €12,000 subject to the issue of up to twelve million non-par value bearer ordinary shares with a nominal value of €1.00 each. Under the 2011 Plan, up to twelve million options can be issued, each of which can be exercised to obtain one ordinary share, with up to two million options designated for members of the Management Board of the General Partner, up to two and a half million options designated for members of management boards of direct or indirect subsidiaries of the Company and up to seven and a half million options designated for managerial staff members of the Company and such subsidiaries. The Company may issue new shares to fulfill the stock option obligations or the Company may issue shares that it has acquired or which the Company itself has in its own possession. With respect to participants who are members of the General Partner's Management Board, the General Partner's Supervisory Board has sole authority to grant stock options and exercise other decision making powers under the 2011 Plan (including decisions regarding certain adjustments and forfeitures). The General Partner has such authority with respect to all other participants in the 2011 Plan.

Options under the 2011 Plan can be granted on the last Monday in July and/or the first Monday in December during the life of the plan. The exercise price of options granted under the 2011 Plan shall be the average stock exchange price on the Frankfurt Stock Exchange of the Company's ordinary shares during the 30 calendar days immediately prior to each grant date. Options granted under the 2011 Plan have an eight-year term and can be exercised only after a four-year vesting period. The vesting of options granted is subject to achievement of performance targets measured over a four-year period beginning with the first day of the year of the grant. For each such year, the performance target is achieved if the Company's adjusted basic income per ordinary share ("Adjusted EPS"), as calculated in accordance with the 2011 Plan, increases by at least 8% year over year during the vesting

period or, if this is not the case, the compounded annual growth rate of the Adjusted EPS reflects an increase of at least 8% per year of the adjusted EPS during the four-year vesting period beginning with the Adjusted EPS for the year of grant as compared to the Adjusted EPS for the year preceding such grant. At the end of the vesting period, one-fourth of the options granted are forfeited for each year in which the performance target is not met or exceeded. Vesting of the portion or portions of a grant for a year or years in which the performance target is met does not occur until completion of the four-year vesting period.

Options granted under the 2011 Plan to US participants are non-qualified stock options under the United States Internal Revenue Code of 1986, as amended. Options under the 2011 Plan are not transferable by a participant or a participant's heirs, and may not be pledged, assigned, or disposed of otherwise.

Fresenius Medical Care AG & Co. KGaA Phantom Stock Plan 2011

The Fresenius Medical Care AG & Co. KGaA Phantom Stock Plan 2011 (the "2011 Phantom Stock Plan") was established in the second quarter of 2011. Awards of phantom stock under the 2011 Phantom Stock Plan can be granted on the last Monday in July and/or the first Monday in December. Phantom stock awards under the 2011 Phantom Stock Plan entitles the holders to receive payment in Euro from the Company upon exercise of the phantom stock. The payment per Phantom Stock share in lieu of the issuance of such stock shall be based upon the stock exchange price on the Frankfurt Stock Exchange of one of the Company's ordinary shares on the exercise date. Phantom stock will be granted over a five year period of time and all phantom stock will have a five-year term but can be exercised only after a four-year vesting period, or as otherwise expressly stated in the plan, beginning with the first day of the year of the grant. The vesting of the phantom stock granted is subject to achievement of performance targets measured over a four-year period. For each such year, the performance target is achieved if the Company's adjusted EPS, as calculated in accordance with the 2011 Phantom Stock Plan ("Adjusted EPS"), increases by at least 8% year over year during the vesting period or, if this is not the case, the compounded annual growth rate of the Adjusted EPS reflects an increase of at least 8% per year of the Adjusted EPS during the four-year vesting period beginning with Adjusted EPS for the year of grant as compared to Adjusted EPS for the year preceding such grant. At the end of the vesting period, one-fourth of the phantom stock granted are forfeited for each year in which the performance target is not met or exceeded. Vesting of the portion or portions of a grant for a year or years in which the performance target is met does not occur until completion of the four-year vesting period.

Other stock option plans

On May 12, 2011, the remaining conditional capitals of the employee's participation plan of 1996 and the Stock Option Program from 1998 were cancelled by resolution of the Company's AGM. Both plans have expired and no further bonds can be converted or stock options exercised.

9. Earnings Per Share

The following table contains reconciliations of the numerators and denominators of the basic and diluted earnings per share computations for the six-month periods ended June 30, 2011 and 2010:

	For the six months ended June 30,	
	2011	2010
Numerators:		
Net income attributable to FMC-AG & Co. KGaA	$ 481,462	$ 459,385
less:		
Dividend preference on Preference shares	55	51
Income available to all classes of shares	$ 481,407	$ 459,334
Denominators:		
Weighted average number of:		
Ordinary shares outstanding	298,427,098	295,926,583
Preference shares outstanding	3,957,978	3,894,560
Total weighted average shares outstanding	302,385,076	299,821,143

	For the six months ended June 30,	
	2011	2010
Potentially dilutive Ordinary shares	2,095,345	1,594,139
Potentially dilutive Preference shares	20,432	46,919
Total weighted average Ordinary shares outstanding assuming dilution	300,522,443	297,520,722
Total weighted average Preference shares outstanding assuming dilution	3,978,410	3,941,479
Basic income per Ordinary share	$ 1.59	$ 1.53
Plus preference per Preference shares	0.02	0.02
Basic income per Preference share	$ 1.61	$ 1.55
Fully diluted income per Ordinary share	$ 1.58	$ 1.52
Plus preference per Preference shares	0.01	0.02
Fully diluted income per Preference share	$ 1.59	$ 1.54

10. Employee Benefit Plans

The Company currently has two principal pension plans, one for German employees, the other covering employees in the United States, the latter of which was curtailed in 2002. Plan benefits are generally based on years of service and final salary. As there is no legal requirement in Germany to fund defined benefit plans, the Company's pension obligations in Germany are unfunded. Each year FMCH, a wholly-owned subsidiary of the Company and its principal North American subsidiary, contributes to the plan covering United States employees at least the minimum required by the Employee Retirement Income Security Act of 1974, as amended.

The following table provides the calculations of net periodic benefit cost for the six-month periods ended June 30, 2011 and 2010.

	Six months ended June 30,	
	2011	2010
Components of net periodic benefit cost:		
Service cost	$ 5,357	$ 3,965
Interest cost	12,175	11,188
Expected return on plan assets	(8,550)	(8,732)
Amortization of unrealized losses	3,601	2,411
Net periodic benefit costs	$12,583	$ 8,832

11. Mandatorily Redeemable Trust Preferred Securities

On June 15, 2011, the Company redeemed the Trust Preferred Securities that became due on that date and that were issued in 2001 by Fresenius Medical Care Capital Trust IV and V in the amount of $225,000 and €300,000, respectively, primarily with funds obtained under existing credit facilities.

12. Noncontrolling Interests Subject to Put Provisions

The Company has potential obligations to purchase the noncontrolling interests held by third parties in certain of its consolidated subsidiaries. These obligations are in the form of put provisions and are exercisable at the third-party owners' discretion within specified periods as outlined in each specific put provision. If these put provisions were exercised, the Company would be required to purchase all or part of third-party owners' noncontrolling interests at the appraised fair value at the time of exercise. The methodology the Company uses to estimate the fair values of the noncontrolling interest subject to put provisions assumes the greater of net book value or a multiple of earnings, based on historical earnings, development stage of the underlying business and other factors. The

estimated fair values of the noncontrolling interests subject to these put provisions can also fluctuate and the implicit multiple of earnings at which these noncontrolling interest obligations may ultimately be settled could vary significantly from our current estimates depending upon market conditions.

As of June 30, 2011 and December 31, 2010 the Company's potential obligations under these put options are $306,723 and $279,709, respectively, of which, at June 30, 2011, $93,482 were exercisable. No options were exercised during the first six months of 2011.

Following is a roll forward of noncontrolling interests subject to put provisions for the six months ended June 30, 2011 and the year ended December 31, 2010:

	June 30, 2011	December 31, 2010
Beginning balance	$279,709	$231,303
Contributions to noncontrolling interests	(18,435)	(38,964)
Purchase/ sale of noncontrolling interests	6,819	28,969
Contributions from noncontrolling interests	3,409	5,289
Changes in fair value of noncontrolling interests	15,266	24,222
Net income	19,409	28,839
Other comprehensive income (loss)	546	51
Ending balance	$306,723	$279,709

13. Commitments and Contingencies

Legal Proceedings

The Company is routinely involved in numerous claims, lawsuits, regulatory and tax audits, investigations and other legal matters arising, for the most part, in the ordinary course of its business of providing healthcare services and products. The outcome of litigation and other legal matters is always difficult to accurately predict and outcomes that are not consistent with the Company's view of the merits can occur. The Company 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.

Commercial Litigation

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

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

In 2003, the Company reached agreement with the asbestos creditors' committees on behalf of the W.R. Grace & Co. bankruptcy estate and W.R. Grace & Co. in the matters pending in the Grace Chapter 11 Proceedings

for the settlement of all fraudulent conveyance and tax claims against it and other claims related to the Company that arise out of the bankruptcy of W.R. Grace & Co. Under the terms of the settlement agreement as amended (the "Settlement Agreement"), fraudulent conveyance and other claims raised on behalf of asbestos claimants will be dismissed with prejudice and the Company will receive protection against existing and potential future W.R. Grace & Co. related claims, including fraudulent conveyance and asbestos claims, and indemnification against income tax claims related to the non-NMC members of the W.R. Grace & Co. consolidated tax group upon confirmation of a W.R. Grace & Co. bankruptcy reorganization plan that contains such provisions. Under the Settlement Agreement, the Company will pay a total of $115,000 without interest to the W.R. Grace & Co. bankruptcy estate, or as otherwise directed by the Court, upon plan confirmation. No admission of liability has been or will be made. The Settlement Agreement has been approved by the U.S. District Court. In January and February 2011, the U.S. Bankruptcy Court entered orders confirming the joint plan of reorganization. These confirmation orders are pending before the U.S. District Court. Subsequent to the Merger, W.R. Grace & Co. was involved in a multi-step transaction involving Sealed Air Corporation ("Sealed Air," formerly known as Grace Holding, Inc.). The Company is engaged in litigation with Sealed Air to confirm its entitlement to indemnification from Sealed Air for all losses and expenses incurred by the Company relating to pre-Merger tax liabilities and Merger-related claims. Under the Settlement Agreement, upon final confirmation of a plan of reorganization that satisfies the conditions of the Company's payment obligation, this litigation will be dismissed with prejudice.

On April 4, 2003, FMCH filed a suit in the U.S. District Court for the Northern District of California, styled Fresenius USA, Inc., et al., v. Baxter International Inc., et al., Case No. C 03-1431, seeking a declaratory judgment that FMCH does not infringe patents held by Baxter International Inc. and its subsidiaries and affiliates ("Baxter"), that the patents are invalid, and that Baxter is without right or authority to threaten or maintain suit against FMCH for alleged infringement of Baxter's patents. In general, the asserted patents concern the use of touch screen interfaces for hemodialysis machines. Baxter filed counterclaims against FMCH seeking more than $140,000 in monetary damages and injunctive relief, and alleging that FMCH willfully infringed on Baxter's patents. On July 17, 2006, the court entered judgment on a jury verdict in favor of FMCH finding that all the asserted claims of the Baxter patents are invalid as obvious and/or anticipated in light of prior art.

On February 13, 2007, the court granted Baxter's motion to set aside the jury's verdict in favor of FMCH and reinstated the patents and entered judgment of infringement. Following a trial on damages, the court entered judgment on November 6, 2007 in favor of Baxter on a jury award of $14,300. On April 4, 2008, the court denied Baxter's motion for a new trial, established a royalty payable to Baxter of 10% of the sales price for continuing sales of FMCH's 2008K hemodialysis machines and 7% of the sales price of related disposables, parts and service beginning November 7, 2007, and enjoined sales of the touchscreen-equipped 2008K machine effective January 1, 2009. The Company appealed the court's rulings to the United States Court of Appeals for the Federal Circuit ("Federal Circuit"). In October 2008, the Company completed design modifications to the 2008K machine that eliminate any incremental hemodialysis machine royalty payment exposure under the original District Court order. On September 10, 2009, the Federal Circuit reversed the district court's decision and determined that the asserted claims in two of the three patents at issue are invalid. As to the third patent, the Federal Circuit affirmed the district court's decision; however, the Court also vacated the injunction and award of damages. These issues were remanded to the District Court for reconsideration in light of the invalidity ruling on most of the claims. As a result, FMCH is no longer required to fund the court-approved escrow account set up to hold the royalty payments ordered by the district court, although funds already contributed will remain in escrow until the case is finally concluded. On March 18, 2010, the U.S. Patent and Trademark Office (USPTO) and the Board of Patent Appeals and Interferences ruled in reexamination that the remaining Baxter patent is invalid. On October 5, 2010, Baxter appealed the Board's ruling to the Federal Circuit.

On April 28, 2008, Baxter filed suit in the U.S. District Court for the Northern District of Illinois, Eastern Division (Chicago), styled Baxter International, Inc. and Baxter Healthcare Corporation v. Fresenius Medical Care Holdings, Inc. and Fresenius USA, Inc., Case No. CV 2389, asserting that FMCH's hemodialysis machines infringe four patents issued in 2007 and 2008, all of which are based on one of the patents at issue in the April 2003 Baxter case described above. The new patents expired in April 2011 and relate to trend charts shown on touch screen interfaces and the entry of ultrafiltration profiles (ultrafiltration is the removing of liquid from a patient's body using osmotic pressure). This case is currently stayed pursuant to court order. The Company believes that its hemodialysis

machines do not infringe any valid claims of the Baxter patents at issue. All the asserted patents now stand rejected in an ongoing reexamination at the USPTO.

On October 17, 2006, Baxter and DEKA Products Limited Partnership (DEKA) filed suit in the U.S. District Court for the Eastern District of Texas which was subsequently transferred to the Northern District of California, styled Baxter Healthcare Corporation and DEKA Products Limited Partnership v. Fresenius Medical Care Holdings, Inc. d/b/a Fresenius Medical Care North America and Fresenius USA, Inc., Case No. CV 438 TJW. The complaint alleged that FMCH's Liberty™ cycler infringes nine patents owned by or licensed to Baxter. During and after discovery, seven of the asserted patents were dropped from the suit. On July 28, 2010, at the conclusion of the trial, the jury returned a verdict in favor of FMCH finding that the Liberty™ cycler does not infringe any of the asserted claims of the Baxter patents. The District Court denied Baxter's request to overturn the jury verdict and Baxter has appealed the verdict and resulting judgment to the United States Court of Appeals for the Federal Circuit.

Other Litigation and Potential Exposures

Renal Care Group, Inc. ("RCG"), which the Company acquired in 2006, is named as a nominal defendant in a complaint originally filed September 13, 2006 in the Chancery Court for the State of Tennessee Twentieth Judicial District at Nashville styled Indiana State District Council of Laborers and Hod Carriers Pension Fund v. Gary Brukardt et al. Following the trial court's dismissal of the complaint, plaintiff's appeal in part, and reversal in part by the appellate court, the cause of action purports to be a class action on behalf of former shareholders of RCG and seeks monetary damages only against the individual former directors of RCG. The individual defendants, however, may have claims for indemnification and reimbursement of expenses against the Company. The Company expects to continue as a defendant in the litigation, which is proceeding toward trial in the Chancery Court, and believes that defendants will prevail.

On July 17, 2007, resulting from an investigation begun in 2005, the United States Attorney filed a civil complaint in the United States District Court for the Eastern District of Missouri (St. Louis) against Renal Care Group, Inc., its subsidiary RCG Supply Company, and FMCH in its capacity as RCG's current corporate parent. The complaint seeks monetary damages and penalties with respect to issues arising out of the operation of RCG's Method II supply company through 2005, prior to FMCH's acquisition of RCG in 2006. The complaint is styled United States of America ex rel. Julie Williams et al. vs. Renal Care Group, Renal Care Group Supply Company and FMCH. On August 11, 2009, the Missouri District Court granted RCG's motion to transfer venue to the United States District Court for the Middle District of Tennessee (Nashville). On March 22, 2010, the Tennessee District Court entered judgment against defendants for approximately $23,000 in damages and interest under the unjust enrichment count of the complaint but denied relief under the six False Claims Act counts of the complaint. On June 17, 2011, the District Court entered summary judgment against RCG for $82,643 on one of the False Claims Act counts of the complaint. On June 23, 2011, the Company appealed to the United States Court of Appeals for the Sixth Circuit. The Company believes that RCG's operation of its Method II supply company was in compliance with applicable law, that no relief is due to the United States, that the decisions made by the District Court on March 22, 2010 and June 17, 2011 will be reversed, and that its position in the litigation will ultimately be sustained.

On November 27, 2007, the United States District Court for the Western District of Texas (El Paso) unsealed and permitted service of two complaints previously filed under seal by a qui tam relator, a former FMCH local clinic employee. The first complaint alleged that a nephrologist unlawfully employed in his practice an assistant to perform patient care tasks that the assistant was not licensed to perform and that Medicare billings by the nephrologist and FMCH therefore violated the False Claims Act. The second complaint alleged that FMCH unlawfully retaliated against the relator by discharging her from employment constructively. The United States Attorney for the Western District of Texas declined to intervene and to prosecute on behalf of the United States. On March 30, 2010, the District Court issued final judgment in favor of defendants on all counts based on a jury verdict rendered on February 25, 2010 and on rulings of law made by the Court during the trial. The plaintiff has appealed from the District Court judgment.

On February 15, 2011, a *qui tam* relator's complaint under the False Claims Act against FMCH was unsealed by order of the United States District Court for the District of Massachusetts and served by the relator. The United States has not intervened in the case United States ex rel. Chris Drennen v. Fresenius Medical Care Holdings, Inc., 2009 Civ. 10179 (D. Mass.). The relator's complaint, which was first filed under seal in February 2009, alleges

that the Company seeks and receives reimbursement from government payers for serum ferritin and hepatitis B laboratory tests that are medically unnecessary or not properly ordered by a physician. On March 6, 2011, the United States Attorney for the District of Massachusetts issued a Civil Investigative Demand seeking the production of documents related to the same laboratory tests that are the subject of the relator's complaint. FMCH will cooperate fully in responding to the additional Civil Investigative Demand, and will vigorously contest the relator's complaint.

On June 29, 2011, the Company received a subpoena from the United States Attorney for the Eastern District of New York. The subpoena is part of a criminal and civil investigation into relationships between retail pharmacies and outpatient dialysis facilities in the State of New York and into the reimbursement under government payer programs in New York for medications provided to patients with ESRD. Among the issues encompassed by the investigation is whether retail pharmacies may have received compensation from the New York Medicaid program for pharmaceutical products subsumed in the Medicaid payment to the dialysis facilities. The Company intends to cooperate in the investigation.

The Company filed claims for refunds contesting the Internal Revenue Service's ("IRS") disallowance of FMCH's civil settlement payment deductions taken by FMCH in prior year tax returns. As a result of a settlement agreement with the IRS, the Company received a partial refund in September 2008 of $37,000, inclusive of interest and preserved our right to pursue claims in the United States Courts for refunds of all other disallowed deductions. On December 22, 2008, the Company filed a complaint for complete refund in the United States District Court for the District of Massachusetts, styled as Fresenius Medical Care Holdings, Inc. v United States. On June 24, 2010, the court denied FMCH's motion for summary judgment and the litigation is proceeding towards trial.

The IRS tax audits of FMCH for the years 2002 through 2006 have been completed. The IRS has disallowed all deductions taken during these audit periods related to intercompany mandatorily redeemable preferred shares. The Company has protested the disallowed deductions and will avail itself of all remedies. An adverse determination with respect to the disallowed deductions related to intercompany mandatorily redeemable preferred shares could have a material adverse effect on our results of operations and liquidity. In addition, the IRS proposed other adjustments which have been recognized in the financial statements.

For the tax year 1997, the Company recognized an impairment of one of its subsidiaries which the German tax authorities disallowed in 2003 at the conclusion of their audit for the years 1996 and 1997. The Company has filed a complaint with the appropriate German court to challenge the tax authorities' decision. In January 2011, the Company reached an agreement with the tax authorities, estimated to be slightly more favorable than the tax benefit recognized previously. The additional benefit is expected to be recognized in 2011.

From time to time, the Company is a party to or may be threatened with other litigation or arbitration, claims or assessments arising in the ordinary course of its business. Management regularly analyzes current information including, as applicable, the Company's defenses and insurance coverage and, as necessary, provides accruals for probable liabilities for the eventual disposition of these matters.

The Company, 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 operation of manufacturing facilities, laboratories and dialysis clinics, and environmental and occupational health and safety. The Company must also comply with the Anti-Kickback Statute, the False Claims Act, the Stark Law, and 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 the Company'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 "whistle blower" actions. In May 2009, the scope of the False Claims Act was expanded and additional protections for whistle blowers and procedural provisions to aid whistle blowers' ability to proceed in a False Claims Act case were added. By virtue of this regulatory environment, the Company's business activities and practices are subject to extensive review by regulatory authorities and private parties, and continuing audits, investigative demands, subpoenas, other inquiries, claims and litigation relating to the Company's compliance with applicable laws and regulations. The Company may not

always be aware that an inquiry or action has begun, particularly in the case of "whistle blower" actions, which are initially filed under court seal.

The Company operates many facilities throughout the United States. In such a decentralized system, it is often difficult to maintain the desired level of oversight and control over the thousands of individuals employed by many affiliated companies. The Company relies upon its management structure, regulatory and legal resources, and the effective operation of its compliance program to direct, manage and monitor the activities of these employees. On occasion, the Company may identify instances where employees, deliberately or inadvertently, have submitted inadequate or false billings. The actions of such persons may subject the Company and its subsidiaries to liability under the Anti-Kickback Statute, the Stark Law and the False Claims Act, among other laws.

Physicians, hospitals and other participants in the health care industry are also subject to a large number of lawsuits alleging professional negligence, malpractice, product liability, worker's compensation or related claims, many of which involve large claims and significant defense costs. The Company has been and is currently subject to these suits due to the nature of its business and expects that those types of lawsuits may continue. Although the Company maintains insurance at a level which it believes to be prudent, it cannot assure that the coverage limits will be adequate or that insurance will cover all asserted claims. A successful claim against the Company or any of its subsidiaries in excess of insurance coverage could have a material adverse effect upon it and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

The Company has also had claims asserted against it and has had lawsuits filed against it relating to alleged patent infringements or businesses that it has acquired or divested. These claims and suits relate both to operation of the businesses and to the acquisition and divestiture transactions. The Company has, when appropriate, asserted its own claims, and claims for indemnification. A successful claim against the Company or any of its subsidiaries could have a material adverse effect upon its business, financial condition, and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

Accrued Special Charge for Legal Matters

At December 31, 2001, the Company recorded a pre-tax special charge of $258,159 to reflect anticipated expenses associated with the defense and resolution of pre-Merger tax claims, Merger-related claims, and commercial insurer claims. The costs associated with the Settlement Agreement and settlements with insurers have been charged against this accrual. With the exception of the proposed $115,000 payment under the Settlement Agreement in the Grace Chapter 11 Proceedings, all other matters included in the special charge have been resolved. While the Company believes that its remaining accrual reasonably estimates its currently anticipated costs related to the continued defense and resolution of this matter, no assurances can be given that its actual costs incurred will not exceed the amount of this accrual.

14. Financial Instruments

As a global supplier of dialysis services and products in more than 120 countries throughout the world, the Company is faced with a concentration of credit risks due to the nature of the reimbursement systems which are often provided by the governments of the countries in which the Company operates. Changes in reimbursement rates or the scope of coverage could have a material adverse effect on the Company's business, financial condition and results of operations and thus on its capacity to generate cash flow. In the past the Company experienced and, after the implementation of the new bundled reimbursement system in the U.S., also expects in the future generally stable reimbursements for dialysis services. This includes the balancing of unfavorable reimbursement changes in certain countries with favorable changes in other countries. Due to the fact that a large portion of the Company's reimbursement is provided by public health care organizations and private insurers, the Company expects that most of its accounts receivables will be collectable, albeit somewhat more slowly in the International segment in the immediate future, particularly in countries which continue to be severely affected by the global financial crisis.

Non-derivative Financial Instruments

The following table presents the carrying amounts and fair values of the Company's non-derivative financial instruments at June 30, 2011, and December 31, 2010.

	June 30, 2011		December 31, 2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Non-derivatives				
Assets				
Cash and cash equivalents	$ 449,253	$ 449,253	$ 522,870	$ 522,870
Accounts Receivable	3,061,906	3,061,906	2,687,234	2,687,234
Long-term Notes Receivable	234,215	239,701	–	–
Liabilities				
Accounts payable	626,635	626,635	542,524	542,524
Short-term borrowings	760,957	760,957	670,671	670,671
Short-term borrowings from related parties	161,363	161,363	9,683	9,683
Long term debt, excluding Amended 2006 Senior Credit Agreement, Euro Notes and Senior Notes	498,173	498,173	528,082	528,082
Amended 2006 Senior Credit Agreement	3,474,088	3,467,077	2,953,890	2,937,504
Senior Notes	1,929,959	1,957,191	824,446	880,366
Euro Notes	289,060	297,205	267,240	276,756
Trust Preferred Securities	–	–	625,549	643,828
Noncontrolling interests subject to put provisions	306,723	306,723	279,709	279,709

The carrying amounts in the table are included in the consolidated balance sheet under the indicated captions or in the case of long-term debt, in the captions shown in Note 7.

The significant methods and assumptions used in estimating the fair values of non-derivative financial instruments are as follows:

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

Short-term financial instruments such as accounts receivable, accounts payable and short-term borrowings are valued at their carrying amounts, which are reasonable estimates of the fair value due to the relatively short period to maturity of these instruments.

The valuation of the long-term notes receivable is determined using significant unobservable inputs (Level 3). It is valued using an index based upon similar instruments with comparable credit ratings, terms, tenor, interest rates and that are within the Company's industry. The Company tracked the prices of the constructed index from the note issuance date to the reporting date to determine fair value.

The fair values of the major long-term financial liabilities are calculated on the basis of market information. Instruments for which market quotes are available are measured using these quotes. The fair values of the other long-term financial liabilities are calculated at the present value of the respective future cash flows. To determine these present values, the prevailing interest rates and credit spreads for the Company as of the balance sheet date are used.

The valuation of the noncontrolling interests subject to put provisions is determined using significant unobservable inputs (Level 3). See Note 12 for a discussion of the Company's methodology for estimating the fair value of these noncontrolling interests subject to put obligations.

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

Derivative Financial Instruments

The Company is exposed to market risk from changes in interest rates and foreign exchange rates. In order to manage the risk of interest rate and currency exchange rate fluctuations, the Company enters into various hedging

transactions by means of derivative instruments with highly rated financial institutions as authorized by the Company's General Partner. On a quarterly basis the Company performs an assessment of its counterparty credit risk. The Company currently considers this risk to be low. The Company's policy, which has been consistently followed, is that financial derivatives be used only for the purpose of hedging foreign currency and interest rate exposure.

In certain instances, the Company enters into derivative contracts that do not qualify for hedge accounting but are utilized for economic purposes ("economic hedges"). The Company does not use financial instruments for trading purposes.

The Company established guidelines for risk assessment procedures and controls for the use of financial instruments. They include a clear segregation of duties with regard to execution on one side and administration, accounting and controlling on the other.

Foreign Exchange Risk Management

The Company conducts business on a global basis in various currencies, though a majority of its operations are in Germany and the United States. For financial reporting purposes, the Company has chosen the U.S. dollar as its reporting currency. Therefore, changes in the rate of exchange between the U.S. dollar and the local currencies in which the financial statements of the Company's international operations are maintained affect its results of operations and financial position as reported in its consolidated financial statements.

The Company's exposure to market risk for changes in foreign exchange rates relates to transactions such as sales and purchases. The Company has significant amounts of sales of products invoiced in euro from its European manufacturing facilities to its other international operations and, to a lesser extent, sales of products invoiced in other non-functional currencies. This exposes the subsidiaries to fluctuations in the rate of exchange between the euro and the currency in which their local operations are conducted. For the purpose of hedging existing and foreseeable foreign exchange transaction exposures the Company enters into foreign exchange forward contracts and, on a small scale, foreign exchange options. As of June 30, 2011 the Company had no foreign exchange options.

Changes in the fair value of the effective portion of foreign exchange forward contracts designated and qualifying as cash flow hedges of forecasted product purchases and sales are reported in accumulated other comprehensive income (loss) ("AOCI"). Additionally, in connection with intercompany loans in foreign currency, the Company uses foreign exchange swaps thus assuring that no foreign exchange risks arise from those loans, which, if they qualify for cash flow hedge accounting, are also reported in AOCI. These amounts recorded in AOCI are subsequently reclassified into earnings as a component of cost of revenues for those contracts that hedge product purchases or SG&A for those contracts that hedge loans, in the same period in which the hedged transaction affects earnings. The notional amounts of foreign exchange contracts in place that are designated and qualify as cash flow hedges totaled $1,027,536 and $1,026,937 at June 30, 2011 and December 31, 2010, respectively.

The Company also enters into derivative contracts for forecasted product purchases and sales and for intercompany loans in foreign currency that do not qualify for hedge accounting but are utilized for economic hedges as defined above. In these cases, the change in value of the economic hedge is recorded in the income statement and usually offsets the change in value recorded in the income statement for the underlying asset or liability. The notional amounts of economic hedges that do not qualify for hedge accounting totaled $2,139,410 and $1,607,312 at June 30, 2011 and December 31, 2010, respectively.

Interest Rate Risk Management

The Company enters into derivatives, particularly interest rate swaps and to a certain extent, interest rate options, to protect against the risk of rising interest rates. These interest rate derivatives are designated as cash flow hedges. The majority of the interest rate swap agreements effectively convert the major part of payments based on variable interest rates applicable to the Company's Amended 2006 Senior Credit Agreement denominated in U.S. dollars into payments at a fixed interest rate. The remaining interest rate swaps have been entered into in anticipation of future debt issuances. The swap agreements, all of which expire at various dates in 2012, bear an average interest rate of 4.45%. Interest payable and receivable under the swap agreements is accrued and recorded as an adjustment to interest expense.

As of June 30, 2011 and December 31, 2010, the notional amounts of interest rate swaps in place were $1,525,000 and $3,175,000, respectively.

Derivative Financial Instruments Valuation

The following table shows the carrying amounts of the Company's derivatives at June 30, 2011 and December 31, 2010.

	June 30, 2011		December 31, 2010	
	Assets[2]	Liabilities[2]	Assets[2]	Liabilities[2]
Derivatives in cash flow hedging relationships[1]				
Current				
Foreign exchange contracts	77,491	(3,070)	3,703	(51,816)
Interest rate contracts	–	(35,838)	–	(51,604)
Non-current				
Foreign exchange contracts	12	–	810	(486)
Interest rate contracts	–	(27,301)	–	(73,221)
Total	$77,503	$(66,209)	$4,513	$(177,127)
Derivatives not designated as hedging instruments[1]				
Current				
Foreign exchange contracts	17,243	(15,889)	3,517	(20,751)
Non-current				
Foreign exchange contracts	7,414	(7,202)	509	(213)
Total	$24,657	$(23,091)	$4,026	$ (20,964)

(1) As of June 30, 2011, the valuation of the Company's derivatives was determined using Significant Other Observable Inputs (Level 2) in accordance with the fair value hierarchy levels established in U.S. GAAP.

(2) Derivative instruments are marked to market each reporting period resulting in carrying amounts being equal to fair values at the reporting date.

The carrying amounts for the current portion of derivatives indicated as assets in the table above are included in Prepaid expenses and other current assets in the Consolidated Balance Sheets while the current portion of those indicated as liabilities are included in Accrued expenses and other current liabilities. The non-current portions indicated as assets or liabilities are included in the Consolidated Balance Sheets in Other assets or Other liabilities, respectively.

The significant methods and assumptions used in estimating the fair values of derivative financial instruments are 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 balance sheet date. 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 balance sheet date. The result is then discounted on the basis of the market interest rates prevailing at the balance sheet date for the applicable currency.

The Company includes its own credit risk for financial instruments deemed liabilities and counterparty-credit risks for financial instruments deemed assets when measuring the fair value of derivative financial instruments.

The Effect of Derivatives on the Consolidated Financial Statements

Derivatives in Cash Flow Hedging Relationships	Amount of Gain or (Loss) Recognized in OCI on Derivatives (Effective Portion) for the six months ended June 30, 2011	Amount of Gain or (Loss) Recognized in OCI on Derivatives (Effective Portion) for the six months ended June 30, 2010	Location of (Gain) or Loss Reclassified from AOCI in Income (Effective Portion)	Amount of (Gain) or Loss Reclassified from AOCI in Income (Effective Portion) for the six months ended June 30, 2011	Amount of (Gain) or Loss Reclassified from AOCI in Income (Effective Portion) for the six months ended June 30, 2010
Interest rate contracts	$ 9,478	$(52,710)	Interest income/expense	$ –	$ –
Foreign exchange contracts	(7,945)	(22,130)	Costs of Revenue	596	1,889
	$ 1,533	$(74,840)		$596	$1,889

Derivatives not Designated as Hedging Instruments	Location of (Gain) or Loss Recognized in Income on Derivative	Amount of (Gain) or Loss Recognized in Income on Derivatives for the six months ended June 30, 2011	Amount of (Gain) or Loss Recognized in Income on Derivatives for the six months ended June 30, 2010
Foreign exchange contracts	Selling, general and administrative expense	$(24,714)	$42,864
	Interest income/expense	5,559	(9,247)
		$(19,155)	$33,617

For foreign exchange derivatives, the Company expects to recognize $3,617 of gains deferred in accumulated other comprehensive income at June 30, 2011, in earnings during the next twelve months.

The Company expects to incur additional interest expense of $40,587 over the next twelve months which is currently deferred in accumulated other comprehensive income. This amount reflects the current fair value at June 30, 2011 of expected additional interest payments resulting from interest rate swaps.

As of June 30, 2011, the Company had foreign exchange derivatives with maturities of up to 53 months and interest rate swaps with maturities of up to 14 months.

15. Business Segment Information

The Company has identified three business segments, North America, International, and Asia Pacific, which were determined based upon how the Company manages its businesses. All segments are primarily engaged in providing dialysis care services and the distribution of products and equipment for the treatment of ESRD. In the U.S., the Company is also engaged in performing clinical laboratory testing and providing vascular access services and providing inpatient dialysis services and other services under contract to hospitals. The Company has aggregated the International and Asia Pacific operating segments as "International." The segments are aggregated due to their similar economic characteristics. These characteristics include the same services provided and products sold, the same type patient population, similar methods of distribution of products and services and similar economic environments.

Management evaluates each segment using a measure that reflects all of the segment's controllable revenues and expenses. Management believes that the most appropriate measure in this regard is operating income which measures the Company's source of earnings. Financing is a corporate function, which the Company's segments do not control. Therefore, the Company does not include interest expense relating to financing as a segment measure. Similarly, the Company does not allocate "corporate costs," which relate primarily to certain headquarters overhead charges, including accounting and finance, professional services, etc., because the Company believes that these costs are also not within the control of the individual segments. As of January 1, 2011, production of products, production asset management, quality management and procurement is centrally managed in Corporate by Global Manufacturing Operations with products being transferred to the regions at cost. This is a change from prior periods, when these services were managed within the regions. The business segment information has been adjusted

accordingly with the exception of segment assets in the prior period. In addition, certain acquisitions and intangible assets are not allocated to a segment but are accounted for as "corporate." The Company also regards income taxes to be outside the segment's control.

Information pertaining to the Company's business segments for the six-month periods ended June 30, 2011 and 2010 is set forth below.

	North America	International	Segment Total	Corporate	Total
Six months ended June 30, 2011					
Net revenue external customers	$ 4,004,707	$2,217,681	$ 6,222,388	$ 8,052	$ 6,230,440
Inter – segment revenue	3,509	–	3,509	(3,509)	–
Total net revenue	4,008,216	2,217,681	6,225,897	4,543	6,230,440
Depreciation and amortization	(134,782)	(83,171)	(217,953)	(54,320)	(272,273)
Operating Income	660,563	374,154	1,034,717	(80,089)	954,628
Income (loss) from equity method investees	16,367	95	16,462	–	16,462
Segment assets[(1)]	11,415,424	5,541,670	16,957,094	2,095,540	19,052,634
thereof investments in equity method investees	339,230	5,756	344,986	–	344,986
Capital expenditures, acquisitions and investments[(2)]	462,425	838,413	1,300,838	60,004	1,360,842
Six months ended June 30, 2010					
Net revenue external customers	$ 3,986,270	$1,841,747	$ 5,828,017	$ 311	$ 5,828,328
Inter – segment revenue	1,828	–	1,828	(1,828)	–
Total net revenue	3,988,098	1,841,747	5,829,845	(1,517)	5,828,328
Depreciation and amortization	(126,715)	(70,067)	(196,782)	(48,583)	(245,365)
Operating Income	640,003	324,025	964,028	(72,284)	891,744
Income (loss) from equity method investees	3,577	50	3,627	–	3,627
Segment assets	11,281,830	3,948,045	15,229,875	769,689	15,999,564
thereof investments in equity method investees	16,543	3,478	20,021	–	20,021
Capital expenditures, acquisitions and investments[(3)]	144,883	178,858	323,741	194,141	517,882

(1) If production was still managed within the segments, as it was in 2010, segment assets would have been $12,403,823 in North America, $6,153,751 in International and $495,060 in Corporate in 2011.

(2) North America and International acquisitions exclude $6,000 and $1,731, respectively, of non-cash acquisitions for 2011.

(3) International and Corporate acquisitions exclude $8,884 and $2,125 of non-cash acquisitions for 2010.

16. Supplementary Cash Flow Information

The following additional information is provided with respect to the consolidated statements of cash flows:

	Six months ended June 30,	
	2011	2010
Supplementary cash flow information:		
Cash paid for interest	$ 108,898	$ 128,915
Cash paid for income taxes[1]	$ 242,776	$ 261,695
Cash inflow for income taxes from stock option exercises	$ 4,980	$ 2,378
Supplemental disclosures of cash flow information:		
Details for acquisitions:		
Assets acquired	$(874,302)	$(186,560)
Liabilities assumed	37,555	11,303
Noncontrolling interest	1,441	5,741
Notes assumed in connection with acquisition	1,731	11,009
Cash paid	(833,575)	(158,507)
Less cash acquired	12,435	1,678
Net cash paid for acquisitions	$(821,140)	$(156,829)

(1) Net of tax refund

17. Subsequent Events

Acquisitions

Liberty Dialysis

On August 2, 2011, the Company announced its plans to acquire 100% of Liberty Dialysis Holdings, Inc, the owner of all of the business of Liberty Dialysis and owner of a 51% stake in Renal Advantage, Inc.. Fresenius Medical Care currently owns a 49% stake in Renal Advantage. The total investment for Fresenius Medical Care including the assumption of incremental debt will be approximately $1,700,000. The transaction remains subject to clearance under the Hart–Scott–Rodino Antitrust Improvements Act and is expected to close in early 2012. On completion, the acquired operations would add approximately 260 dialysis outpatient dialysis clinics to Fresenius Medical Care's network in the U.S and approximately $1,000,000 in annual revenue before the anticipated divestiture of some centers as a condition of the transaction. The transaction will be financed from cash flow from operations and debt and is expected to be accretive to earnings in the first year after closing of the transaction.

American Access Care

On August 2, 2011, the Company announced its plans to acquire the U.S. based company American Access Care Holdings, LLC (AAC). AAC operates 28 freestanding out-patient interventional radiology centers throughout 12 states in the U.S. primarily dedicated to the vascular access needs of dialysis patients. The transaction remains subject to clearance under the Hart–Scott–Rodino Antitrust Improvements Act and is expected to close in the fourth quarter of 2011. On completion, the acquired operations will add approximately $175,000 in annual revenue and are expected to be accretive to earnings in the first year after closing of the transaction. The transaction will be financed from cash flow from operations and available borrowing capacity.

18. Supplemental Condensed Combining Information

FMC Finance III, a former wholly-owned subsidiary of the Company, issued 6⅞% Senior Notes due 2017 in July 2007. On June 20, 2011, US Finance acquired substantially all of the assets of FMC Finance III and assumed its

obligations, including the 6⅞% Senior Notes (see Note 7) and the related indenture. The 6⅞% senior notes are fully and unconditionally guaranteed, jointly and severally on a senior basis, by the Company and by the Guarantor Subsidiaries. The 6⅞% senior notes and related guarantees were issued in an exchange offer registered under the Securities Act of 1933. For information regarding the 6⅞% senior notes and additional issues of senior notes, including the 5.75% senior notes issued by US Finance, each of which has been fully and unconditionally guaranteed, jointly and severally on a senior basis, by the Company and by the Guarantor Subsidiaries, see Note 7.

The financial statements in this report present the financial condition, results of operations and cash flows of the Company, on a consolidated basis as of June 30, 2011 and December 31, 2010 and for the six-month periods ended June 30, 2011 and 2010. The following combining financial information for the Company is as of June 30, 2011 and December 31, 2010 and for the six-month periods ended June 30, 2011 and 2010, segregated between FMC Finance III as issuer until June 20, 2011, US Finance as issuer subsequent to June 20, 2011, the Company, D-GmbH and FMCH as guarantors, and each of the Company's other businesses (the "Non-Guarantor Subsidiaries"). For purposes of the condensed combining information, the Company and the Guarantors carry their investments under the equity method. Other (income) expense includes income (loss) related to investments in consolidated subsidiaries recorded under the equity method for purposes of the condensed combining information. In addition, other (income) expense includes income and losses from profit and loss transfer agreements as well as dividends received.

	For the six months ended June 30, 2011						
	Issuer	Guarantors					
	FMC US Finance	FMC-AG & Co. KGaA	D-GmbH	FMCH	Non-Guarantor Subsidiaries	Combining Adjustment	Combined Total
Net revenue	$ –	$ –	$934,792	$ –	$6,676,858	$(1,381,210)	$6,230,440
Cost of revenue	–	–	584,172	–	4,848,221	(1,358,979)	4,073,414
Gross profit	–	–	350,620	–	1,828,637	(22,231)	2,157,026
Operating expenses (income):							
Selling, general and administrative	2	36,236	97,705	(52,627)	1,070,828	(2,678)	1,149,466
Research and development	–	–	34,212	–	18,720	–	52,932
Operating (loss) income	(2)	(36,236)	218,703	52,627	739,089	(19,553)	954,628
Other (income) expense:							
Interest, net	(1,936)	40,063	3,809	62,721	47,235	(5,723)	146,169
Other, net	–	(611,365)	144,905	(332,306)	–	798,766	–
Income (loss) before income taxes	1,934	535,066	69,989	322,212	691,854	(812,596)	808,459
Income tax expense (benefit)	715	53,604	60,749	(3,982)	291,583	(129,409)	273,260
Net Income (loss)	1,219	481,462	9,240	326,194	400,271	(683,187)	535,199
Net Income attributable to noncontrolling interests	–	–	–	–	–	53,737	53,737
Net income (loss) attributable to the FMC-AG & Co. KGaA	$ 1,219	$ 481,462	$ 9,240	$ 326,194	$ 400,271	$ (736,924)	$ 481,462

	For the six months ended June 30, 2010						
	Issuer	Guarantors					
	FMC Finance III	FMC-AG & Co. KGaA	D-GmbH	FMCH	Non-Guarantor Subsidiaries	Combining Adjustment	Combined Total
Net revenue	$ –	$ –	$784,670	$ –	$6,181,531	$(1,137,873)	$5,828,328
Cost of revenue	–	–	501,977	–	4,477,730	(1,127,279)	3,852,428
Gross profit	–	–	282,693	–	1,703,801	(10,594)	1,975,900
Operating expenses (income):							
Selling, general and administrative	8	63,750	72,357	45,197	869,660	(11,278)	1,039,694
Research and development	–	–	30,255	–	14,207	–	44,462
Operating (loss) income	(8)	(63,750)	180,081	(45,197)	819,934	684	891,744
Other (income) expense:							
Interest, net	(360)	12,953	1,429	27,293	90,660	3,674	135,649
Other, net	–	(573,536)	127,397	(289,983)	–	736,122	–
Income (loss) before income taxes	352	496,833	51,255	217,493	729,274	(739,112)	756,095
Income tax expense (benefit)	100	37,448	51,352	(28,561)	299,439	(103,175)	256,603
Net Income (loss)	252	459,385	(97)	246,054	429,835	(635,937)	499,492
Net Income attributable to noncontrolling interests	–	–	–	–	–	40,107	40,107
Net income (loss) attributable to the FMC-AG & Co. KGaA	$ 252	$ 459,385	$ (97)	$ 246,054	$ 429,835	$ (676,044)	$ 459,385

	At June 30, 2011						
	Issuer	Guarantors			Non-Guarantor Subsidiaries	Combining Adjustment	Combined Total
	FMC US Finance	FMC-AG & Co. KGaA	D-GmbH	FMCH			
Current assets:							
Cash and cash equivalents	$ 6	$ 170	$ 83	$ –	$ 448,994	$ –	$ 449,253
Trade accounts receivable, less allowance for doubtful accounts	–	–	185,556	–	2,761,477	–	2,947,033
Accounts receivable from related parties	1,274,828	3,627,849	994,836	670,736	3,885,243	(10,338,619)	114,873
Inventories	–	–	237,033	–	848,191	(108,331)	976,893
Prepaid expenses and other current assets	–	155,071	28,824	150	839,367	(38,258)	985,154
Deferred taxes	–	7,916	–	–	329,305	11,510	348,731
Total current assets	1,274,834	3,791,006	1,446,332	670,886	9,112,577	(10,473,698)	5,821,937
Property, plant and equipment, net	–	444	181,039	–	2,585,221	(109,720)	2,656,984
Intangible assets	–	350	67,731	–	628,626	–	696,707
Goodwill	–	–	66,294	–	8,836,078	–	8,902,372
Deferred taxes	–	6,061	5,913	–	116,957	(37,647)	91,284
Other assets	–	7,705,852	651,219	10,386,845	(7,315,138)	(10,545,428)	883,350
Total assets	$1,274,834	$11,503,713	$2,418,528	$11,057,731	$13,964,321	$(21,166,493)	$19,052,634
Current liabilities:							
Accounts payable	$ 310	$ 940	$ 36,144	$ –	$ 453,405	$ –	$ 490,799
Accounts payable to related parties	101	1,398,600	1,006,740	1,546,648	6,591,570	(10,407,823)	135,836
Accrued expenses and other current liabilities	20,394	100,155	130,097	1,835	1,455,500	(20,110)	1,687,871
Short-term borrowings	–	104	723	–	760,130	–	760,957
Short-term borrowings from related parties	–	–	–	–	107,530	53,833	161,363
Current portion of long-term debt and capital lease obligations	–	67,051	–	416,505	122,621	–	606,177
Company obligated mandatorily redeemable preferred securities of subsidiary Fresenius Medical Care Capital Trusts holding solely Company-guaranteed debentures of subsidiaries – current portion	–	–	–	–	–	–	–
Income tax payable	715	82,593	–	–	43,292	(5,723)	120,877
Deferred taxes	–	–	8,420	–	37,030	(15,676)	29,774
Total current liabilities	21,520	1,649,443	1,182,124	1,964,988	9,571,078	(10,395,499)	3,993,654
Long term debt and capital lease obligations, less current portion	1,194,595	1,277,715	–	1,186,259	5,211,148	(3,284,614)	5,585,103
Long term borrowings from related parties	–	791,139	224,040	–	3,776	(1,018,955)	–
Other liabilities	–	7,202	11,877	–	201,250	52,926	273,255
Pension liabilities	–	6,670	162,306	–	42,123	–	211,099
Income tax payable	–	1,143	–	–	55,178	124,610	180,931
Deferred taxes	–	–	–	–	597,347	(16,481)	580,866
Total liabilities	1,216,115	3,733,312	1,580,347	3,151,247	15,681,900	(14,538,013)	10,824,908
Noncontrolling interests subject to put provisions	–	–	–	–	306,723	–	306,723
Total FMC-AG & Co. KGaA shareholders' equity	58,719	7,770,401	838,181	7,906,484	(2,174,904)	(6,628,480)	7,770,401
Noncontrolling interests not subject to put provisions	–	–	–	–	150,602	–	150,602
Total equity	58,719	7,770,401	838,181	7,906,484	(2,024,302)	(6,628,480)	7,921,003
Total liabilities and equity	$1,274,834	$11,503,713	$2,418,528	$11,057,731	$13,964,321	$(21,166,493)	$19,052,634

	At December 31, 2010						
	Issuer	Guarantors					
	FMC Finance III	FMC-AG & Co. KGaA	D-GmbH	FMCH	Non-Guarantor Subsidiaries	Combining Adjustment	Combined Total
Current assets:							
Cash and cash equivalents	$ 123	$ 147,177	$ 225	$ –	$ 342,401	$ 32,944	$ 522,870
Trade accounts receivable, less allowance for doubtful accounts	–	–	157,755	–	2,415,503	–	2,573,258
Accounts receivable from related parties	16,542	2,418,066	667,484	441,601	2,826,527	(6,256,244)	113,976
Inventories	–	–	184,948	–	711,053	(86,904)	809,097
Prepaid expenses and other current assets	1	111,594	11,341	50	662,188	(1,943)	783,231
Deferred taxes	–	14,221	–	–	317,644	18,297	350,162
Total current assets	16,666	2,691,058	1,021,753	441,651	7,275,316	(6,293,850)	5,152,594
Property, plant and equipment, net	–	390	168,939	–	2,458,364	(100,401)	2,527,292
Intangible assets	–	428	65,684	–	626,432	–	692,544
Goodwill	–	–	65,315	–	8,075,153	–	8,140,468
Deferred taxes	–	9,463	4,693	–	121,875	(42,863)	93,168
Other assets	494,231	7,201,295	644,523	9,320,731	(6,581,295)	(10,590,890)	488,595
Total assets	$510,897	$9,902,634	$1,970,907	$9,762,382	$11,975,845	$(17,028,004)	$17,094,661
Current liabilities:							
Accounts payable	$ –	$ 5,738	$ 22,387	$ –	$ 392,512	$ –	$ 420,637
Accounts payable to related parties	229	952,141	670,613	1,538,658	3,210,393	(6,250,147)	121,887
Accrued expenses and other current liabilities	15,866	122,000	94,978	2,054	1,292,562	9,963	1,537,423
Short-term borrowings	–	121	–	–	670,550	–	670,671
Short-term borrowings from related parties	–	–	–	–	2,004	7,679	9,683
Current portion of long-term debt and capital lease obligations	–	106,862	–	101,145	55,975	–	263,982
Company obligated mandatorily redeemable preferred securities of subsidiary Fresenius Medical Care Capital Trusts holding solely Company-guaranteed debentures of subsidiaries – current portion	–	–	–	–	625,549	–	625,549
Income tax payable	24	54,366	–	–	62,504	648	117,542
Deferred taxes	–	–	5,513	–	27,143	(10,307)	22,349
Total current liabilities	16,119	1,241,228	793,491	1,641,857	6,339,192	(6,242,164)	3,789,723
Long term debt and capital lease obligations, less current portion	494,231	870,348	–	1,357,745	4,069,605	(2,482,253)	4,309,676
Long term borrowings from related parties	–	334,428	208,368	494,231	400,883	(1,437,910)	–
Other liabilities	–	73,382	11,241	–	184,542	24,850	294,015
Pension liabilities	–	4,933	143,362	–	41,855	–	190,150
Income tax payable	–	1,057	–	–	75,055	124,469	200,581
Deferred taxes	–	–	–	–	522,521	(15,625)	506,896
Total liabilities	510,350	2,525,376	1,156,462	3,493,833	11,633,653	(10,028,633)	9,291,041
Noncontrolling interests subject to put provisions	–	–	–	–	279,709	–	279,709
Total FMC-AG & Co. KGaA shareholders' equity	547	7,377,258	814,445	6,268,549	(84,170)	(6,999,371)	7,377,258
Noncontrolling interests not subject to put provisions	–	–	–	–	146,653	–	146,653
Total equity	547	7,377,258	814,445	6,268,549	62,483	(6,999,371)	7,523,911
Total liabilities and equity	$510,897	$9,902,634	$1,970,907	$9,762,382	$11,975,845	$(17,028,004)	$17,094,661

	For the six months ended June 30, 2011						
	Issuer	Guarantors					
	FMC US Finance	FMC-AG & Co. KGaA	D-GmbH	FMCH	Non-Guarantor Subsidiaries	Combining Adjustment	Combined Total
Operating Activities:							
Net income (loss)	$ 1,219	$ 481,462	$ 9,240	$ 326,194	$ 400,271	$ (683,187)	$ 535,199
Adjustments to reconcile net income to net cash provided by (used in) operating activities:							
Equity affiliate income	–	(358,305)	–	(332,306)	–	690,611	–
Depreciation and amortization	–	682	22,927	5,769	249,455	(6,560)	272,273

	For the six months ended June 30, 2011						
	Issuer	Guarantors					
	FMC US Finance	FMC-AG & Co. KGaA	D-GmbH	FMCH	Non-Guarantor Subsidiaries	Combining Adjustment	Combined Total
Change in deferred taxes, net	–	15,286	1,572	–	41,884	(5,406)	53,336
(Gain) loss on sale of fixed assets and investments	–	–	58	–	(991)	–	(933)
(Gain) loss on investments	–	1,833	–	–	–	(1,833)	–
Compensation expense related to stock options	–	14,631	–	–	–	–	14,631
Cash outflow from hedging	–	–	–	–	(58,581)	–	(58,581)
Changes in assets and liabilities, net of amounts from businesses acquired:							
Trade accounts receivable, net	–	–	(21,238)	–	(242,271)	–	(263,509)
Inventories	–	–	(33,466)	–	(104,067)	17,208	(120,325)
Prepaid expenses and other current and non-current assets	–	(28,927)	(19,192)	(44,068)	13,341	755	(78,091)
Accounts receivable from / payable to related parties	(612)	(688,780)	(65,753)	6,577	760,710	(8,198)	3,944
Accounts payable, accrued expenses and other current and non-current liabilities	2,976	(38,526)	45,519	(218)	145,157	245	155,153
Income tax payable	715	23,075	–	(3,982)	(32,506)	(13,836)	(26,534)
Net cash provided by (used in) operating activities	4,298	(577,569)	(60,333)	(42,034)	1,172,402	(10,201)	486,563
Investing Activities:							
Purchases of property, plant and equipment	–	(133)	(16,484)	–	(231,968)	10,201	(238,384)
Proceeds from sale of property, plant and equipment	–	–	22	–	8,066	–	8,088
Disbursement of loans to related parties	–	377,936	100	(798,172)	–	420,136	–
Acquisitions and investments, net of cash acquired, and net purchases of intangible assets	–	(25,128)	(3,611)	–	(1,867,825)	774,106	(1,122,458)
Proceeds from divestitures	–	–	–	–	–	–	–
Net cash provided by (used in) investing activities	–	352,675	(19,973)	(798,172)	(2,091,727)	1,204,443	(1,352,754)
Financing Activities:							
Short-term borrowings, net	310	102,267	80,150	(299)	(66,442)	–	115,986
Long-term debt and capital lease obligations, net	(62,102)	305,359	–	152,115	1,473,385	(420,136)	1,448,621
Redemption of trust preferred securities	–	–	–	–	(653,760)	–	(653,760)
Increase (decrease) of accounts receivable securitization program	–	–	–	–	130,000	–	130,000
Proceeds from exercise of stock options	–	26,762	–	–	4,979	–	31,741
Dividends paid	–	(280,649)	–	–	22	(22)	(280,649)
Capital increase (decrease)	57,500	–	–	688,390	28,216	(774,106)	–
Distributions to noncontrolling interest	–	–	–	–	(61,735)	–	(61,735)
Contributions from noncontrolling interest	–	–	–	–	12,290	–	12,290
Net cash provided by (used in) financing activities	(4,292)	153,739	80,150	840,206	866,955	(1,194,264)	742,494
Effect of exchange rate changes on cash and cash equivalents	–	(75,852)	14	–	125,896	22	50,080
Cash and Cash Equivalents:							
Net increase (decrease) in cash and cash equivalents	6	(147,007)	(142)	–	73,526	–	(73,617)
Cash and cash equivalents at beginning of period	–	147,177	225	–	375,468	–	522,870
Cash and cash equivalents at end of period	$ 6	$ 170	$ 83	$ –	$ 448,994	$ –	$ 449,253

	For the six months ended June 30, 2010						
	Issuer	Guarantors					
	FMC Finance III	FMC-AG & Co. KGaA	D-GmbH	FMCH	Non-Guarantor Subsidiaries	Combining Adjustment	Combined Total
Operating Activities:							
Net income (loss)	$ 252	$ 459,385	$ (97)	$ 246,054	$ 429,835	$(635,937)	$ 499,492
Adjustments to reconcile net income to net cash provided by (used in) operating activities:							
Equity affiliate income	–	(307,027)	–	(289,983)	–	597,010	–
Depreciation and amortization	–	726	19,048	444	236,173	(11,026)	245,365
Change in deferred taxes, net	–	(13,919)	435	–	15,046	(2,309)	(747)
(Gain) loss on sale of fixed assets and investments	–	–	3	–	(1,941)	–	(1,938)
(Gain) loss on investments	–	–	28	–	–	(28)	–
Compensation expense related to stock options	–	13,712	–	–	–	–	13,712

	For the six months ended June 30, 2010						
	Issuer	Guarantors					
	FMC Finance III	FMC-AG & Co. KGaA	D-GmbH	FMCH	Non-Guarantor Subsidiaries	Combining Adjustment	Combined Total
Changes in assets and liabilities, net of amounts from businesses acquired:							
Trade accounts receivable, net	–	–	(9,466)	–	(84,832)	–	(94,298)
Inventories	–	–	(18,613)	–	(21,876)	7,007	(33,482)
Prepaid expenses and other current and non-current assets	–	(126,932)	(9,920)	45,925	(132,358)	132,021	(91,264)
Accounts receivable from / payable to related parties	239	215,521	56,183	18,897	(517,889)	221,712	(5,337)
Accounts payable, accrued expenses and other current and non-current liabilities	(21)	(294)	27,060	(43)	97,637	5,042	129,381
Income tax payable	15	30,431	–	(28,561)	(21,801)	2,495	(17,421)
Net cash provided by (used in) operating activities	485	271,603	64,661	(7,267)	(2,006)	315,987	643,463
Investing Activities:							
Purchases of property, plant and equipment	–	(199)	(13,920)	–	(225,035)	12,519	(226,635)
Proceeds from sale of property, plant and equipment	–	9	603	–	7,970	–	8,582
Disbursement of loans to related parties	–	239,804	89	(149,883)	(327,341)	237,331	–
Acquisitions and investments, net of cash acquired, and net purchases of intangible assets	–	(2,759)	(2,129)	–	(157,663)	(128,696)	(291,247)
Proceeds from divestitures	–	–	–	–	7,867	–	7,867
Net cash provided by (used in) investing activities	–	236,855	(15,357)	(149,883)	(694,202)	121,154	(501,433)
Financing Activities:							
Short-term borrowings, net	–	–	(49,319)	–	56,123	–	6,804
Long-term debt and capital lease obligations, net	–	(146,576)	–	157,150	560,489	(237,331)	333,732
Increase (decrease) of accounts receivable securitization program	–	–	–	–	86,000	–	86,000
Proceeds from exercise of stock options	–	25,706	–	–	2,378	–	28,084
Dividends paid	(495)	(231,967)	–	–	(5,795)	6,290	(231,967)
Capital increase (decrease)	–	–	–	–	4,014	(4,014)	–
Distributions to noncontrolling interest	–	–	–	–	(67,562)	–	(67,562)
Contributions from noncontrolling interest	–	–	–	–	14,850	–	14,850
Net cash provided by (used in) financing activities	(495)	(352,837)	(49,319)	157,150	650,497	(235,055)	169,941
Effect of exchange rate changes on cash and cash equivalents	–	(81,980)	(28)	–	41,639	24	(40,345)
Cash and Cash Equivalents:							
Net increase (decrease) in cash and cash equivalents	(10)	73,641	(43)	–	(4,072)	202,110	271,626
Cash and cash equivalents at beginning of period	108	24	194	–	300,899	–	301,225
Cash and cash equivalents at end of period	$ 98	$ 73,665	$ 151	$ –	$ 296,827	$ 202,110	$ 572,851

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Supervisory Board

Fresenius Medical Care AG & Co. KGaA:

We have audited the accompanying consolidated balance sheets of Fresenius Medical Care AG & Co. KGaA and subsidiaries ("Fresenius Medical Care" or the "Company") as of December 31, 2010 and 2009 and the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2010. In connection with our audits of the consolidated financial statements, we have also audited the financial statement schedule as listed in the accompanying index. These consolidated financial statements and the financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and the financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Fresenius Medical Care as of December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2010, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

Frankfurt am Main, Germany

February 23, 2011

/s/ KPMG AG
Wirtschaftsprüfungsgesellschaft

FRESENIUS MEDICAL CARE AG & Co. KGaA

Consolidated Statements of Income
For the years ended December 31,
(in thousands, except share data)

	2010	2009	2008
Net revenue:			
Dialysis Care	$ 9,070,546	$ 8,350,233	$ 7,737,498
Dialysis Products	2,982,944	2,897,244	2,874,825
	12,053,490	11,247,477	10,612,323
Costs of revenue:			
Dialysis Care	6,345,135	5,945,724	5,547,615
Dialysis Products	1,563,634	1,470,241	1,435,860
	7,908,769	7,415,965	6,983,475
Gross profit	4,144,721	3,831,512	3,628,848
Operating expenses:			
Selling, general and administrative	2,124,384	1,982,106	1,876,177
Research and development	96,532	93,810	80,239
Operating income	1,923,805	1,755,596	1,672,432
Other (income) expense:			
Interest income	(25,409)	(21,397)	(24,811)
Interest expense	305,473	321,360	361,553
Income before income taxes	1,643,741	1,455,633	1,335,690
Income tax expense	578,345	490,413	475,702
Net income	1,065,396	965,220	859,988
Less: Net income attributable to Noncontrolling interests	86,879	74,082	42,381
Net income attributable to FMC-AG & Co. KGaA	$ 978,517	$ 891,138	$ 817,607
Basic income per ordinary share	$ 3.25	$ 2.99	$ 2.75
Fully diluted income per ordinary share	$ 3.24	$ 2.99	$ 2.74

See accompanying notes to consolidated financial statements.

FRESENIUS MEDICAL CARE AG & Co. KGaA

Consolidated Statements of Comprehensive Income
For the years ended December 31,
(in thousands, except share data)

	2010	2009	2008
Net Income	$1,065,396	$ 965,220	$ 859,988
(Loss) gain related to cash flow hedges	(8,109)	30,082	(108,240)
Actuarial (loss) gain on defined benefit pension plans	(35,654)	9,708	(28,551)
(Loss) gain related to foreign currency translation	(110,888)	82,545	(170,748)
Income tax benefit (expense) related to components of other comprehensive income	12,821	(18,971)	55,692
Other comprehensive (loss) income, net of tax	(141,830)	103,364	(251,847)
Total comprehensive income	$ 923,566	$1,068,584	$ 608,141
Comprehensive income attributable to Noncontrolling interests	89,370	75,886	42,696
Comprehensive income attributable to FMC-AG & Co. KGaA	$ 834,196	$ 992,698	$ 565,445

See accompanying notes to consolidated financial statements.

FRESENIUS MEDICAL CARE AG & Co. KGaA

Consolidated Balance Sheets
(in thousands, except share data)

	December 31, 2010	December 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	$ 522,870	$ 301,225
Trade accounts receivable less allowance for doubtful accounts of $277,139 in 2010 and $266,449 in 2009	2,573,258	2,285,909
Accounts receivable from related parties	113,976	272,886
Inventories	809,097	821,654
Prepaid expenses and other current assets	783,231	729,306
Deferred taxes	350,162	316,820
Total current assets	5,152,594	4,727,800
Property, plant and equipment, net	2,527,292	2,419,570
Intangible assets	692,544	859,195
Goodwill	8,140,468	7,511,434
Deferred taxes	93,168	64,749
Investment in equity method investees	250,373	5,795
Other assets	238,222	232,772
Total assets	$17,094,661	$15,821,315
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	$ 420,637	$ 362,407
Accounts payable to related parties	121,887	277,429
Accrued expenses and other current liabilities	1,537,423	1,335,553
Short-term borrowings and other financial liabilities	670,671	316,344
Short-term borrowings from related parties	9,683	10,440
Current portion of long-term debt and capital lease obligations	263,982	157,634
Company-obligated mandatorily redeemable preferred securities of subsidiary Fresenius Medical Care Capital Trusts holding solely Company-guaranteed debentures of subsidiaries — current portion	625,549	—
Income tax payable	117,542	116,978
Deferred taxes	22,349	32,930
Total current liabilities	3,789,723	2,609,715
Long-term debt and capital lease obligations, less current portion	4,309,676	4,427,921
Other liabilities	294,015	307,112
Pension liabilities	190,150	147,327
Income tax payable	200,581	215,921
Deferred taxes	506,896	427,530
Company-obligated mandatorily redeemable preferred securities of subsidiary Fresenius Medical Care Capital Trusts holding solely Company-guaranteed debentures of subsidiaries	—	656,096
Total liabilities	9,291,041	8,791,622
Noncontrolling interests subject to put provisions	279,709	231,303
Shareholders' equity:		
Preference shares, no par value, €1.00 nominal value, 12,356,880 shares authorized, 3,957,168 issued and outstanding	4,440	4,343
Ordinary shares, no par value, €1.00 nominal value, 373,436,220 shares authorized, 298,279,001 issued and outstanding	369,002	365,672
Additional paid-in capital	3,339,781	3,243,466
Retained earnings	3,858,080	3,111,530
Accumulated other comprehensive (loss) income	(194,045)	(49,724)
Total FMC-AG & Co. KGaA shareholders' equity	7,377,258	6,675,287
Noncontrolling interests not subject to put provisions	146,653	123,103
Total equity	7,523,911	6,798,390
Total liabilities and equity	$17,094,661	$15,821,315

See accompanying notes to consolidated financial statements.

FRESENIUS MEDICAL CARE AG & Co. KGaA

Consolidated Statements of Cash Flows
For the years ended December 31,
(in thousands)

	2010	2009	2008
Operating Activities:			
Net income	$ 1,065,396	$ 965,220	859,988
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	503,224	457,085	415,671
Change in deferred taxes, net	14,687	22,002	133,047
Gain on sale of investments	(5,888)	(1,250)	(24,049)
(Gain) loss on sale of fixed assets	(628)	1,308	2,985
Compensation expense related to stock options	27,981	33,746	31,879
Changes in assets and liabilities, net of amounts from businesses acquired:			
Trade accounts receivable, net	(300,274)	(41,994)	(241,967)
Inventories	18,326	(88,933)	(94,112)
Prepaid expenses, other current and non-current assets	(60,305)	(147,105)	(84,089)
Accounts receivable from related parties	125,962	(144,224)	(32,747)
Accounts payable to related parties	(135,001)	138,506	64,999
Accounts payable, accrued expenses and other current and non-current liabilities	124,279	71,092	(17,040)
Income tax payable	(9,634)	73,164	1,833
Net cash provided by operating activities	1,368,125	1,338,617	1,016,398
Investing Activities:			
Purchases of property, plant and equipment	(523,629)	(573,606)	(687,356)
Proceeds from sale of property, plant and equipment	16,108	11,730	13,846
Acquisitions and investments, net of cash acquired, and net purchases of intangible assets	(764,338)	(188,113)	(276,473)
Proceeds from divestitures	146,835	51,965	58,582
Net cash (used in) investing activities	(1,125,024)	(698,024)	(891,401)
Financing Activities:			
Proceeds from short-term borrowings and other financial liabilities	281,022	107,192	176,104
Repayments of short-term borrowings and other financial liabilities	(258,561)	(169,175)	(183,210)
Proceeds from short-term borrowings from related parties	—	18,830	168,641
Repayments of short-term borrowings from related parties	—	(118,422)	(169,573)
Proceeds from long-term debt and capital lease obligations (net of debt issuance costs of $31,458 in 2010)	947,346	709,540	458,951
Repayments of long-term debt and capital lease obligations	(1,072,941)	(566,241)	(135,492)
Redemption of trust preferred securities	—	—	(678,379)
Increase (decrease) of accounts receivable securitization program	296,000	(325,000)	454,000
Proceeds from exercise of stock options	109,518	72,394	43,887
Dividends paid	(231,967)	(231,940)	(252,395)
Distributions to Noncontrolling interests	(111,550)	(68,004)	(38,592)
Contributions from Noncontrolling interests	26,416	12,699	—
Net cash (used in) financing activities	(14,717)	(558,127)	(156,058)
Effect of exchange rate changes on cash and cash equivalents	(6,739)	(2,825)	7,955
Cash and Cash Equivalents:			
Net increase (decrease) in cash and cash equivalents	221,645	79,641	(23,106)
Cash and cash equivalents at beginning of period	301,225	221,584	244,690
Cash and cash equivalents at end of period	$ 522,870	$ 301,225	221,584

See accompanying notes to consolidated financial statements.

FRESENIUS MEDICAL CARE AG & Co. KGaA

Consolidated Statement of Shareholders' Equity
For the years ended December 31, 2010, 2009 and 2008
(in thousands, except share data)

	Preference Shares		Ordinary Shares		Additional paid in capital	Retained earnings	Accumulated Other comprehensive income (loss)	Total FMC-AG & Co. KGaA shareholders' equity	Noncontrolling interests not subject to put provisions	Total Equity
	Number of shares	No par value	Number of shares	No par value						
Balance at December 31, 2007	3,778,087	$4,191	292,786,583	$361,384	$3,140,073	$1,887,120	$ 100,878	$5,493,646	$ 73,258	$5,566,904
Proceeds from exercise of options and related tax effects	32,453	49	1,145,453	1,692	40,395	—	—	42,136	—	42,136
Compensation expense related to stock options	—	—	—	—	31,879	—	—	31,879	—	31,879
Dividends paid	—	—	—	—	—	(252,395)	—	(252,395)	(24,098)	(276,493)
Purchase/ sale of Noncontrolling interests	—	—	—	—	—	—	—	—	21,852	21,852
Contributions from Noncontrolling interests	—	—	—	—	—	—	—	—	4,105	4,105
Changes in fair value of Noncontrolling interests subject to put provisions	—	—	—	—	(24,258)	—	—	(24,258)	—	(24,258)
Net income	—	—	—	—	—	817,607	—	817,607	28,735	846,342
Other comprehensive income (loss)	—	—	—	—	—	—	(252,162)	(252,162)	315	(251,847)
Comprehensive income	—	—	—	—	—	—	—	565,445	29,050	594,495
Balance at December 31, 2008	3,810,540	$4,240	293,932,036	$363,076	$3,188,089	$2,452,332	$(151,284)	$5,856,453	$104,167	$5,960,620
Proceeds from exercise of options and related tax effects	73,788	103	1,814,599	2,596	64,585	—	—	67,284	—	67,284
Compensation expense related to stock options	—	—	—	—	33,746	—	—	33,746	—	33,746
Dividends paid	—	—	—	—	—	(231,940)	—	(231,940)	(44,569)	(276,509)
Purchase/ sale of Noncontrolling interests	—	—	—	—	(3,138)	—	—	(3,138)	12,929	9,791
Contributions from Noncontrolling interests	—	—	—	—	—	—	—	—	3,285	3,285
Changes in fair value of Noncontrolling interests subject to put provisions	—	—	—	—	(39,816)	—	—	(39,816)	—	(39,816)
Net income	—	—	—	—	—	891,138	—	891,138	45,487	936,625
Other comprehensive income (loss)	—	—	—	—	—	—	101,560	101,560	1,804	103,364
Comprehensive income	—	—	—	—	—	—	—	992,698	47,291	1,039,989
Balance at December 31, 2009	3,884,328	$4,343	295,746,635	$365,672	$3,243,466	$3,111,530	$ (49,724)	$6,675,287	$123,103	$6,798,390
Proceeds from exercise of options and related tax effects	72,840	97	2,532,366	3,330	98,819	—	—	102,246	—	102,246
Compensation expense related to stock options	—	—	—	—	27,981	—	—	27,981	—	27,981
Dividends paid	—	—	—	—	—	(231,967)	—	(231,967)	(58,617)	(290,584)
Purchase/ sale of Noncontrolling interests	—	—	—	—	(6,263)	—	—	(6,263)	17,295	11,032
Contributions from Noncontrolling interests	—	—	—	—	—	—	—	—	4,392	4,392
Changes in fair value of Noncontrolling interests subject to put provisions	—	—	—	—	(24,222)	—	—	(24,222)	—	(24,222)
Net income	—	—	—	—	—	978,517	—	978,517	58,040	1,036,557
Other comprehensive income (loss)	—	—	—	—	—	—	(144,321)	(144,321)	2,440	(141,881)
Comprehensive income	—	—	—	—	—	—	—	834,196	60,480	894,676
Balance at December 31, 2010	3,957,168	$4,440	298,279,001	$369,002	$3,339,781	$3,858,080	$(194,045)	$7,377,258	$146,653	$7,523,911

See accompanying notes to consolidated financial statements.

1. The Company, Basis of Presentation, Healthcare Reform and Summary of Significant Accounting Policies

The Company

Fresenius Medical Care AG & Co. KGaA ("FMC-AG & Co. KGaA" or the "Company," "we," "us" or "our" and together with its subsidiaries on a consolidated basis, as the context requires), a German partnership limited by shares (*Kommanditgesellschaft auf Aktien*), is the world's largest kidney dialysis company, operating in both the field of dialysis services and the field of dialysis products for the treatment of end-stage renal disease ("ESRD"). The Company's dialysis business is vertically integrated, providing dialysis treatment at dialysis clinics it owns or operates and supplying these clinics with a broad range of products. In addition, the Company sells dialysis products to other dialysis service providers. In the United States, the Company also performs clinical laboratory testing and provides inpatient dialysis services and other services under contract to hospitals.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Income tax expense in the amount of $13,440 for the year ended December 31, 2008 in the prior year's comparative consolidated financial statements has been reclassified to income attributable to noncontrolling interests to conform with the current year's presentation.

The Company has reclassified and revalued noncontrolling interests subject to put provisions in the Consolidated Balance Sheets. As a result, at December 31, 2009, 2008, and 2007, the Company reclassified $85,658, $56,337, and $32,556 respectively, from "Noncontrolling interests" and $145,645, $105,829, and $81,571 respectively, from "Additional paid in capital" to "Noncontrolling interests subject to put provisions." The Company has also renamed the remaining balance of "Noncontrolling interests" as "Noncontrolling interests not subject to put provisions." The Consolidated Statement of Shareholders' Equity has been adjusted accordingly. There is no impact on the Consolidated Statements of Income.

Certain other items in the prior year's comparative consolidated financial statements have been reclassified to conform to the current year's presentation.

United States Healthcare Reform

The Patient Protection and Affordable Care Act was enacted in the United States on March 23, 2010 and subsequently amended by the Health Care and Educational Affordability Reconciliation Act (as amended, "ACA"). ACA will implement broad healthcare system reforms, including (i) provisions to facilitate access to affordable health insurance for all Americans, (ii) expansion of the Medicaid program, (iii) an industry fee on pharmaceutical companies starting in 2011 based on sales of brand name pharmaceuticals to government healthcare programs, (iv) a 2.3% excise tax on manufacturers' medical device sales starting in 2013, (v) increases in Medicaid prescription drug rebates effective January 1, 2010, (vi) commercial insurance market reforms that protect consumers, such as bans on lifetime and annual limits, coverage of pre-existing conditions, limits on administrative costs, and limits on waiting periods, (vii) provisions encouraging integrated care, efficiency and coordination among providers and (viii) provisions for reduction of healthcare program waste and fraud. ACA's medical device excise tax, Medicaid drug rebate increases and annual pharmaceutical industry fees will adversely impact the Company's product business earnings and cash flows. The Company expects modest favorable impact from ACA's integrated care and commercial insurance consumer protection provisions.

Summary of Significant Accounting Policies

a) Principles of Consolidation

The consolidated financial statements include all companies in which the Company has legal or effective control. In addition, the Company consolidates variable interest entities ("VIEs") for which it is deemed the primary beneficiary. In accordance with current accounting principles, the Company also consolidates certain clinics that it manages and financially controls. The equity method of accounting is used for investments in associated companies (20% to 50% owned). Noncontrolling interests represent the proportionate equity interests of owners in the

Company's consolidated entities that are not wholly owned. All significant intercompany transactions and balances have been eliminated.

The Company entered into various arrangements with certain dialysis clinics and a dialysis product distributor to provide management services, financing and product supply. The dialysis clinics and the dialysis product distributor have either negative equity or are unable to provide their own funding and operations. Therefore, the Company has agreed to fund their operations through loans. The compensation for the funding can carry interest, exclusive product supply agreements or the Company is entitled to a pro rata share of profits, if any, and has a right of first refusal in the event the owners sell the business or assets. These clinics and the dialysis product distributor are VIEs in which the Company has been determined to be the primary beneficiary and which therefore have been fully consolidated. They generated approximately $132,697, $112,573 and $111,854 in revenue in 2010, 2009, and 2008, respectively. The Company provided funding to these VIEs through loans and accounts receivable of $110,600 and $42,300 in 2010 and 2009, respectively. The table below shows the carrying amounts of the assets and liabilities of these VIEs at December 31, 2010 and 2009:

	2010	2009
Trade accounts receivable, net	$ 60,070	$ 50,730
Other current assets	26,981	20,029
Property, plant and equipment, intangible assets & other non-current assets	29,597	13,841
Goodwill	56,883	21,606
Accounts payable, accrued expenses and other liabilities	(105,662)	(42,931)
Non-current loans to related parties	(12,998)	(17,016)
Equity	(54,870)	(46,258)

b) Cash and Cash Equivalents

Cash and cash equivalents comprise cash funds and all short-term, liquid investments with original maturities of up to three months.

c) Allowance for Doubtful Accounts

Estimates for the allowances for accounts receivable from the dialysis care business are based mainly on past collection history. Specifically, the allowances for the North America services division are based on an analysis of collection experience, recognizing the differences between payors and aging of accounts receivable. From time to time, accounts receivable are reviewed for changes from the historic collection experience to ensure the appropriateness of the allowances. The allowances in the International Segment and the products business are based on estimates and consider various factors, including aging, debtor and past collection history.

d) Inventories

Inventories are stated at the lower of cost (determined by using the average or first-in, first-out method) or market value (see Note 4). Costs included in inventories are based on invoiced costs and/or production costs as applicable. Included in production costs are material, direct labor and production overhead, including depreciation charges.

e) Property, Plant and Equipment

Property, plant, and equipment are stated at cost less accumulated depreciation (see Note 5). Significant improvements are capitalized; repairs and maintenance costs that do not extend the useful lives of the assets are charged to expense as incurred. Property and equipment under capital leases are stated at the present value of future minimum lease payments at the inception of the lease, less accumulated depreciation. Depreciation on property, plant and equipment is calculated using the straight-line method over the estimated useful lives of the assets ranging from 5 to 50 years for buildings and improvements with a weighted average life of 12 years and 3 to 15 years for machinery and equipment with a weighted average life of 10 years. Equipment held under capital leases and leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the asset. Internal use platform software that is integral to the computer equipment it

supports is included in property, plant and equipment. The Company capitalizes interest on borrowed funds during construction periods. Interest capitalized during 2010, 2009, and 2008 was $5,918, $10,395 and $8,723, respectively.

f) Intangible Assets and Goodwill

Intangible assets such as non-compete agreements, technology, distribution rights, patents, licenses to treat, licenses to manufacture, distribute and sell pharmaceutical drugs, trade names, management contracts, application software, acute care agreements, lease agreements, and licenses acquired in an acquisition method business combination are recognized and reported apart from goodwill (see Note 6).

Goodwill and identifiable intangibles with indefinite useful lives are not amortized but tested for impairment annually or when an event becomes known that could trigger an impairment. The Company identified trade names and certain qualified management contracts as intangible assets with indefinite useful lives because, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which those assets are expected to generate net cash inflows for the Company. Intangible assets with finite useful lives are amortized over their respective useful lives to their residual values. The Company amortizes non-compete agreements over their average useful life of 8 years. Technology is amortized over its useful life of 15 years. Licenses to manufacture, distribute and sell pharmaceutical drugs are amortized over their average useful life of 13 years. All other intangible assets are amortized over their weighted average useful lives of 6 years. The average useful life of all amortizable intangible assets is 11 years. Intangible assets with finite useful lives are evaluated for impairment when events have occurred that may give rise to an impairment.

To perform the annual impairment test of goodwill, the Company identified its reporting units and determined their carrying value by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units. A reporting unit is usually defined one level below the segment level based on regions or legal entities. Two reporting units were identified in the segment North America (Renal Therapy Group and Fresenius Medical Services). The segment International is divided into two reporting units (Europe and Latin America), while only one reporting unit exists in the segment Asia Pacific.

In a first step, the Company compares the fair value of a reporting unit to its carrying amount. Fair value is determined using estimated future cash flows for the unit discounted by an after-tax weighted average cost of capital ("WACC") specific to that reporting unit. Estimating the discounted future cash flows involves significant assumptions, especially regarding future reimbursement rates and sales prices, number of treatments, sales volumes and costs. In determining discounted cash flows, the Company utilizes for every reporting unit, its three-year budget, projections for years 4 to 10 and a corresponding growth rate for all remaining years. Projections for up to ten years are possible due to the stability of the Company's business which, due to the non-discretionary nature of the healthcare services we provide, the need for products utilized to provide such services and the availability of government reimbursement for a substantial portion of our services, has been largely independent of the economic cycle. The reporting units' respective expected growth rates for the period beyond ten years are: Renal Therapy Group 1%, Fresenius Medical Services 1%, Europe 0%, Latin America 4%, and Asia Pacific 4%. The discount factor is determined by the WACC of the respective reporting unit. The Company's WACC consists of a basic rate of 6.38% for 2010. The basic rate is then adjusted by a country-specific risk rate within each reporting unit. In 2010, WACCs for the reporting units ranged from 6.38% to 13.56%.

In the case that the fair value of the reporting unit is less than its book value, a second step is performed which compares the fair value of the reporting unit's goodwill to the carrying value of its goodwill. If the fair value of the goodwill is less than the book value, the difference is recorded as an impairment.

To evaluate the recoverability of intangible assets with indefinite useful lives, the Company compares the fair values of intangible assets with their carrying values. An intangible asset's fair value is determined using a discounted cash flow approach or other methods, if appropriate.

g) Derivative Financial Instruments

Derivative financial instruments which primarily include foreign currency forward contracts and interest rate swaps are recognized as assets or liabilities at fair value in the balance sheet (see Note 19). Changes in the fair value of derivative financial instruments classified as fair value hedges and in the corresponding underlyings are

recognized periodically in earnings. The effective portion of changes in fair value of cash flow hedges is recognized in accumulated other comprehensive income (loss) in shareholders' equity. The ineffective portion of cash flow hedges is recognized in current net earnings. The change in fair value of derivatives that do not qualify for hedge accounting are recorded in the income statement and usually offset the changes in value recorded in the income statement for the underlying asset or liability.

h) Foreign Currency Translation

For purposes of these consolidated financial statements, the U.S. dollar is the reporting currency. Substantially all assets and liabilities of the parent company and all non-U.S. subsidiaries are translated at year-end exchange rates, while revenues and expenses are translated at average exchange rates. Adjustments for foreign currency translation fluctuations are excluded from net earnings and are reported in accumulated other comprehensive income (loss). In addition, the translation adjustments of certain intercompany borrowings, which are considered foreign equity investments, are reported in accumulated other comprehensive income (loss).

i) Revenue Recognition Policy

Dialysis care revenues are recognized on the date services and related products are provided and the payor is obligated to pay at amounts estimated to be received under reimbursement arrangements with third party payors. Medicare and Medicaid in North America and programs involving other government payors in the International Segment are billed at pre-determined rates per treatment that are established by statute or regulation. Most non-governmental payors are billed at our standard rates for services net of contractual allowances to reflect the estimated amounts to be received under reimbursement arrangements with these payors.

Dialysis product revenues are recognized when title to the product passes to the customers either at the time of shipment, upon receipt by the customer or upon any other terms that clearly define passage of title. As product returns are not typical, no return allowances are established. In the event a return is required, the appropriate reductions to sales, accounts receivables and cost of sales are made. Sales are stated net of discounts and rebates.

A minor portion of International Segment product revenues is generated from arrangements which give the customer, typically a health care provider, the right to use dialysis machines. In the same contract the customer agrees to purchase the related treatment disposables at a price marked up from the standard price list. In this type of contract, FMC-AG & Co. KGaA does not recognize revenue upon delivery of the dialysis machine but recognizes revenue on the sale of disposables. In certain other contracts of this type, the contract is structured as a sales type lease whereby ownership of the dialysis machine is transferred to the user upon installation of the dialysis machine at the customer site. In this type of contract, revenue is recognized in accordance with the accounting principles for sales type leases.

Any tax assessed by a governmental authority that is incurred as a result of a revenue transaction (e.g. sales tax) is excluded from revenues and the related revenue is reported on a net basis.

j) Research and Development expenses

Research and development expenses are expensed as incurred.

k) Income Taxes

The Company recognizes deferred tax assets and liabilities for future consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis as well as on consolidation procedures affecting net income and tax loss carryforwards which are more likely than not to be utilized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The recognition of deferred tax assets from net operating losses and their utilization is based on the budget planning of the Company and implemented tax strategies. A valuation allowance is recorded to reduce the carrying amount of the deferred tax assets unless it is more likely than not that such assets will be realized (see Note 16).

It is the Company's policy to recognize interest and penalties related to its tax positions as income tax expense.

l) Impairment

The Company reviews the carrying value of its long-lived assets or asset groups with definite useful lives to be held and used for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. Recoverability of these assets is measured by a comparison of the carrying value of an asset to the future net cash flows directly associated with the asset. If assets are considered to be impaired, the impairment recognized is the amount by which the carrying value exceeds the fair value of the asset. The Company uses a discounted cash flow approach or other methods, if appropriate, to assess fair value.

Long-lived assets to be disposed of by sale are reported at the lower of carrying value or fair value less cost to sell and depreciation is ceased. Long-lived assets to be disposed of other than by sale are considered to be held and used until disposal.

For the Company's policy related to goodwill impairment, see 1f) above.

m) Debt Issuance Costs

Costs related to the issuance of debt are amortized over the term of the related obligation (see Note 9).

n) Self-Insurance Programs

Under the insurance programs for professional, product and general liability, auto liability and worker's compensation claims, the Company's largest subsidiary is partially self-insured for professional liability claims. For all other coverages, the Company assumes responsibility for incurred claims up to predetermined amounts above which third party insurance applies. Reported liabilities for the year represent estimated future payments of the anticipated expense for claims incurred (both reported and incurred but not reported) based on historical experience and existing claim activity. This experience includes both the rate of claims incidence (number) and claim severity (cost) and is combined with individual claim expectations to estimate the reported amounts.

o) Use of Estimates

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

p) Concentration of Risk

The Company is engaged in the manufacture and sale of products for all forms of kidney dialysis, principally to health care providers throughout the world, and in providing kidney dialysis treatment, clinical laboratory testing, and other medical ancillary services. The Company performs ongoing evaluations of its customers' financial condition and, generally, requires no collateral.

Approximately 32%, 33% and 35% of the Company's worldwide revenues were earned and subject to regulations under Medicare and Medicaid, governmental health care programs administered by the United States government in 2010, 2009, and 2008, respectively.

See Note 4 for concentration of supplier risks.

q) Legal Contingencies

From time to time, during the ordinary course of the Company's operations, the Company is party to litigation and arbitration and is subject to investigations relating to various aspects of its business (see Note 18). The Company regularly analyzes current information about such claims for probable losses and provides accruals for such matters, including the estimated legal expenses and consulting services in connection with these matters, as appropriate. The Company utilizes its internal legal department as well as external resources for these assessments. In making the decision regarding the need for loss accrual, the Company considers the degree of probability of an unfavorable outcome and its ability to make a reasonable estimate of the amount of loss.

The filing of a suit or formal assertion of a claim or assessment, or the disclosure of any such suit or assertion, does not necessarily indicate that accrual of a loss is appropriate.

r) Earnings per Ordinary share and Preference share

Basic earnings per ordinary share and basic earnings per preference share for all years presented have been calculated using the two-class method based upon the weighted average number of ordinary and preference shares outstanding. Basic earnings per share is computed by dividing net income less preference amounts by the weighted average number of ordinary shares and preference shares outstanding during the year. Basic earnings per preference share is derived by adding the preference per preference share to the basic earnings per share. Diluted earnings per share include the effect of all potentially dilutive instruments on ordinary shares and preference shares that would have been outstanding during the year.

The awards granted under the Company's stock incentive plans (see Note 15), are potentially dilutive equity instruments.

s) Employee Benefit Plans

The Company recognizes the underfunded status of its defined benefit plans, measured as the difference between plan assets at fair value and the benefit obligation, as a liability. Changes in the funded status of a plan, net of tax, resulting from actuarial gains or losses and prior service costs or credits that are not recognized as components of the net periodic benefit cost will be recognized through accumulated other comprehensive income in the year in which they occur. Actuarial gains or losses and prior service costs are subsequently recognized as components of net periodic benefit cost when realized. The Company uses December 31 as the measurement date when measuring the funded status of all plans.

t) Recent Pronouncements

Recently Implemented Accounting Statements

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

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

The disclosures required under ASU 2010-20 as of the end of a reporting period are effective for interim and annual reporting periods ending on or after December 15, 2010. Disclosures about activity that occurs during a reporting period are effective for interim and annual reporting periods beginning on or after December 15, 2010. The Company adopted the provisions of ASU 2010-20 as of December 31, 2010.

In June 2009, the FASB issued *Accounting Standards Update 2009-17* ("ASU 2009-17") (originally issued as FASB Statement No. 167), ASC 810, *Consolidations- Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*. ASU 2009-17 requires reporting entities to evaluate former Qualifying Special Purpose Entities ("QSPE") for consolidation and changes the approach to determining a VIE's primary beneficiary from a quantitative assessment to a qualitative assessment designed to identify a controlling financial interest. In addition, ASU 2009-17 increases the frequency of required reassessments to determine whether a company is the primary beneficiary of a VIE. It also clarifies, but does not significantly change, the characteristics that identify a VIE. ASU 2009-17 also requires additional year-end and interim disclosures about risks related to continuing involvement in transferred financial assets.

The amendments contained in ASU 2009-17 are effective as of the beginning of a company's first fiscal year that begins after November 15, 2009 and for subsequent interim and annual reporting periods. All former QSPEs and other variable interest entities needed to be reevaluated under the amended consolidation requirements as of the

beginning of the first annual reporting period that began after November 15, 2009. Early adoption was prohibited. The Company implemented the amendments prescribed by ASU 2009-17 as of January 1, 2010.

In June 2009, the FASB issued *Accounting Standards Update 2009-16* ("ASU 2009-16") (originally issued as FASB Statement No. 166), ASC 860, *Transfers and Servicing — Accounting for Transfers of Financial Assets*. ASU 2009-16 eliminates the QSPE concept, creates more stringent conditions for reporting a transfer of a portion of a financial asset as a sale, clarifies the derecognition criteria, revises how retained interests are initially measured, and removes the guaranteed mortgage securitization recharacterization provisions. ASU 2009-16 also requires additional year-end and interim disclosures about risks related to variable interest entities.

ASU 2009-16 is effective as of the beginning of a company's first fiscal year that begins after November 15, 2009, and for subsequent interim and annual reporting periods. ASU 2009-16's disclosure requirements must be applied to transfers that occurred before and after its effective date. Early adoption is prohibited. The Company adopted provisions of ASU 2009-16 as of January 1, 2010.

2. Subsequent Events

On February 3, 2011, Fresenius Medical Care US Finance, Inc. ("US Finance"), a wholly-owned subsidiary of the Company, issued $650,000 aggregate principal amount of senior unsecured notes with a coupon of 5.75% (the "5.75% Senior Notes") at an issue price of 99.060% and FMC Finance VII S.A. ("Finance VII"), a wholly-owned subsidiary of the Company, issued €300,000 aggregate principal amount ($412,350 at date of issuance) of senior unsecured notes with a coupon 5.25% (the "5.25% Senior Notes") at par. The 5.75% Senior Notes have a yield to maturity of 5.875% and are due February 15, 2021. The 5.25% Senior Notes are due February 15, 2021. US Finance and Finance VII may redeem the 5.75% Senior Notes and 5.25% Senior Notes, respectively, at any time at 100% of principal plus accrued interest and a premium calculated pursuant to the terms of the applicable indenture. The holders of the 5.75% Senior Notes and the 5.25% Senior Notes have a right to request that the respective issuers of the notes repurchase the applicable issue of notes at 101% of principal plus accrued interest upon the occurrence of a change of control of the Company followed by a decline in the rating of the respective notes. The Company used or will use the net proceeds of approximately $1,035,000 to repay indebtedness outstanding under its A/R Facility and the revolving credit facility of the Amended 2006 Senior Credit Agreement, for acquisitions, including payments under our recent acquisition of International Dialysis Centers announced on January 4, 2011 (see below), and for general corporate purposes to support our renal dialysis products and services business. The 5.75% Senior Notes and the 5.25% Senior Notes are guaranteed on a senior basis jointly and severally by the Company, Fresenius Medical Care Holdings, Inc. and Fresenius Medical Care Deutschland GmbH.

On January 4, 2011, the Company announced the signing of a purchase agreement to acquire International Dialysis Centers ("IDC"), Euromedic International's ("Euromedic") dialysis service business for €485,000 (approximately $650,000 as of January 4, 2011). IDC currently treats over 8,200 hemodialysis patients predominantly in Central and Eastern Europe and operates a total of 70 clinics in nine countries. Closing is subject to necessary regulatory approvals by the relevant anti-trust authorities and is expected to occur in the first half of 2011.

3. Related Party Transactions

a) Service and Lease Agreements

The Company's parent, Fresenius SE & Co. KGaA, is a German partnership limited by shares resulting from the change of legal form effective January 28, 2011, from Fresenius SE, a European Company (Societas Europaea), and which, prior to July 13, 2007, was called Fresenius AG, a German stock corporation. In these Consolidated Financial Statements, Fresenius SE refers to that company as a partnership limited by shares, effective on and after January 28, 2011, as well as both before and after the conversion of Fresenius AG from a stock corporation into a European Company. Fresenius SE owns 100% of the share capital of Fresenius Medical Care Management AG ("Management AG"), the Company's general partner and is the Company's largest shareholder owning approximately 35.7% of the Company's voting shares as of December 31, 2010.

The Company is party to service agreements with Fresenius SE & Co. KGaA and certain of its affiliates (collectively the "Fresenius SE Companies") to receive services, including, but not limited to: administrative services, management information services, employee benefit administration, insurance, IT services, tax services

and treasury management services. During 2010, 2009 and 2008, amounts charged by Fresenius SE to the Company under the terms of these agreements were $59,501, $68,234 and $59,038, respectively. The Company also provides certain services to the Fresenius SE Companies, including research and development, central purchasing and warehousing. The Company charged $6,115, $13,540 and $9,798 for services rendered to the Fresenius SE Companies during year of 2010, 2009 and 2008, respectively.

Under operating lease agreements for real estate entered into with the Fresenius SE Companies, which are leases for the corporate headquarters in Bad Homburg, Germany and production sites in Schweinfurt and St. Wendel, Germany, the Company paid the Fresenius SE Companies $23,807, $23,109 and $23,485 during 2010, 2009 and 2008, respectively. The majority of the leases expire in 2016 and contain renewal options.

The Company's Articles of Association provide that the General Partner shall be reimbursed for any and all expenses in connection with management of the Company's business, including remuneration of the members of the General Partner's supervisory board and the General Partner's management board. The aggregate amount reimbursed to the General Partner for 2010, 2009 and 2008 was $16,123, $7,783 and $9,230, respectively, for its management services during the years and included $80, $84 and $88 as compensation for their exposure to risk as General Partner for 2010, 2009, and 2008, respectively. The Company's Articles of Association set the annual compensation for assuming unlimited liability at 4% of the amount of the General Partner's invested capital (€1,500).

b) Products

For 2010, 2009 and 2008, the Company sold products to the Fresenius SE Companies for $15,413, $13,601 and $36,704, respectively. During 2010, 2009 and 2008, the Company made purchases from the Fresenius SE Companies in the amount of $43,474, $43,320 and $45,084, respectively.

In addition to the purchases noted above, the Company currently purchases heparin supplied by APP Pharmaceuticals Inc. ("APP Inc."), through an independent group purchasing organization ("GPO"). In September 2008, Fresenius Kabi AG, a wholly-owned subsidiary of Fresenius SE, acquired 100% of APP Inc. The Company has no direct supply agreement with APP Inc. and does not submit purchase orders directly to APP Inc. During 2010, 2009 and 2008, Fresenius Medical Care Holdings, Inc. ("FMCH") acquired approximately $30,703, $31,300 and $19,564, respectively, of heparin from APP Inc. through the GPO contract, which was negotiated by the GPO at arm's length on behalf of all members of the GPO.

c) Financing Provided by and to Fresenius SE and the General Partner

Throughout 2010, the Company, under its cash pooling agreement, made cash advances to Fresenius SE. The balance outstanding at December 31, 2010 of €24,600 ($32,871 as of December 31, 2010) was fully repaid on January 3, 2011 at an interest rate of 1.942%.

On August 19, 2009, the Company borrowed €1,500 ($2,004 as of December 31, 2010) from the General Partner at 1.335%. The loan repayment, originally due on August 19, 2010, was extended until August 19, 2011.

During the second quarter of 2009, the Company reclassified an account payable to Fresenius SE in the amount of €77,745 ($109,885 at June 30, 2009) from accounts payable to related parties to short-term borrowings from related parties. The amount represents taxes payable by the Company arising from the period 1997-2001 during which German trade taxes were paid by Fresenius SE on behalf of the Company. Of this amount, €5,747 ($7,679 at December 31, 2010) was outstanding at December 31, 2010 at an interest rate of 6% and will be repaid in 2011.

The Company is party to an Amended and Restated Subordinated Loan Note with Fresenius SE under which the Company or its subsidiaries may request and receive one or more advances up to an aggregate amount of $400,000 during the period ending March 31, 2013. See Note 8. During 2010, we received advances between €10,000 and €86,547 which carried interest at rates between 0.968% and 1.879% per annum. On December 31, 2010, the Company had no advances outstanding due to Fresenius SE.

d) Other

During the third quarter of 2009, the Company acquired production lines from the Fresenius SE Companies for a purchase price of $3,416, net or value added tax (VAT).

The Chairman of the Company's Supervisory Board is also the Chairman of the Supervisory Board of Fresenius SE. He is also a member of the Supervisory Board of the Company's General Partner.

The Vice Chairman of the Company's Supervisory Board is a member of the Supervisory Board of the general partner of Fresenius SE and Vice Chairman of the Supervisory Board of the Company's General Partner. He is also a partner in a law firm which provided services to the Company and certain of its subsidiaries. The Company and certain of its subsidiaries paid the law firm approximately $1,601, $1,445 and $1,098 in 2010, 2009, and 2008, respectively. Five of the six members of the Company's Supervisory Board, including the Chairman and Vice Chairman, are also members of the Supervisory Board of the Company's General Partner.

4. Inventories

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

	2010	2009
Raw materials and purchased components	$158,163	$154,599
Work in process	56,345	63,683
Finished goods	475,641	481,047
Health care supplies	118,948	122,325
Inventories	$809,097	$821,654

Under the terms of certain unconditional purchase agreements, the Company is obligated to purchase approximately $2,164,532 of materials, of which $374,083 is committed at December 31, 2010 for 2011. The terms of these agreements run 1 to 8 years. At December 31, 2009, the Company was obligated to purchase approximately $2,414,214 of materials, of which $407,889 was committed at that date for 2010. At December 31, 2008, the Company was obligated to purchase approximately $2,556,603 of materials, of which $385,283 was committed as of that date for 2009. The Company has a contingent liability of up to $60,400, subject to renegotiation of certain supply contracts.

Inventories as of December 31, 2010 and 2009 include $32,987 and $34,788, respectively, of Erythropoietin ("EPO"), which is supplied by a single source supplier in the United States. In October 2006, the Company entered into a five-year exclusive sourcing and supply agreement with its EPO supplier. Revenues from administration of EPO accounted for approximately 19%, 21% and 20% of total dialysis care revenue in the North America segment for 2010, 2009 and 2008, respectively. Delays, stoppages, or interruptions in the supply of EPO could adversely affect the operating results of the Company.

5. Property, Plant and Equipment

As of December 31, 2010 and 2009, property, plant and equipment consisted of the following:

	2010	2009
Land and improvements	$ 50,505	$ 44,837
Buildings and improvements	1,856,968	1,727,681
Machinery and equipment	2,893,643	2,630,925
Machinery, equipment and rental equipment under capitalized leases	28,406	29,557
Construction in progress	238,812	259,711
	5,068,334	4,692,711
Accumulated depreciation	(2,541,042)	(2,273,141)
Property, plant and equipment, net	$ 2,527,292	$ 2,419,570

Depreciation expense for property, plant and equipment amounted to $432,930, $396,860 and $368,300 for the years ended December 31, 2010, 2009, and 2008, respectively.

Included in property, plant and equipment as of December 31, 2010 and 2009 were $416,392 and $364,118, respectively, of peritoneal dialysis cycler machines which the Company leases to customers with end-stage renal

disease on a month-to-month basis and hemodialysis machines which the Company leases to physicians under operating leases.

Accumulated depreciation related to machinery, equipment and rental equipment under capital leases was $14,966 and $14,010 at December 31, 2010 and 2009, respectively.

6. Intangible Assets and Goodwill

As of December 31, 2010 and 2009, the carrying value and accumulated amortization of intangible assets other than goodwill consisted of the following:

	2010		2009	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortizable Intangible Assets				
Non-compete Agreements	$243,575	$(167,801)	$224,579	$(157,717)
Technology	110,850	(25,346)	100,016	(18,109)
License and distribution agreements	233,460	(70,189)	184,219	(59,677)
Self-developed Software	46,955	(21,861)	31,230	(9,405)
Other	286,021	(214,382)	277,468	(210,484)
Construction in progress	55,781	—	67,113	—
	$976,642	$(499,579)	$884,625	$(455,392)

As of December 31, 2010 and 2009 the carrying value of non-amortizable intangible assets other than goodwill consisted of the following:

	2010	2009
	Carrying Amount	Carrying Amount
Non-amortizable Intangible Assets		
Tradename	$210,424	$210,348
Management contracts	5,057	219,614
	$215,481	$429,962
Total Intangible Assets	$692,544	$859,195

The tables below show the amortization expense related to the amortizable intangible assets for the years presented and the estimated amortization expense of these assets for the following five years.

Amortization Expense	
2008	$47,384
2009	$60,225
2010	$70,294

Estimated Amortization Expense	
2011	$67,585
2012	$61,644
2013	$58,389
2014	$57,353
2015	$53,260

Goodwill

A change in New York state regulations allowed for the direct ownership of facilities in that state, which had previously been prohibited by state law. Due to this prohibition, the Company had historically used a combination of administrative service contracts, stock option agreements, and asset acquisitions to qualify for consolidation of such facilities under guidance originally issued as Emerging Issues Task Force 97-2, Application of FASB Statement No. 94 and APB Opinion No. 16 to Physicians Practice Management Entities and Certain Other Entities with Contractual Management Arrangements which is now included within FASB Accounting Standards Codification Topic 810-10, *Consolidation: Overall*. In such qualifying transactions, a portion of the purchase price was allocated to identifiable intangible assets with the remainder classified as an "Administrative Services Agreement" intangible asset that was accounted for in the same manner as goodwill and was shown on our Balance Sheet at December 31, 2009, under the category Management Contracts within Intangible Assets. With the regulatory approval gained on April 1, 2010, the Company obtained the full ownership of these facilities and reclassified the $214,706 of Administrative Services Agreement intangible asset to goodwill within our North America segment, effective April 1, 2010, to be consistent with other clinic acquisitions where the Company obtained control via legal ownership.

Other than the above, changes in the carrying amount of goodwill are mainly a result of acquisitions and the impact of foreign currency translations. During 2010 and 2009, the Company's acquisitions consisted primarily of clinics in the normal course of operations and the acquisition of Gambro's worldwide peritoneal dialysis business. The segment detail is as follows:

	North America	International	Corporate	Total
Balance as of January 1, 2009	$6,571,411	$578,682	$159,817	$7,309,910
Goodwill acquired	123,303	52,011	—	175,314
Reclassifications	—	—	—	—
Foreign Currency Translation Adjustment	(3)	26,213	—	26,210
Balance as of December 31, 2009	$6,694,711	$656,906	$159,817	$7,511,434
Goodwill acquired	115,040	314,338	132	429,510
Reclassifications	214,706	—	—	214,706
Foreign Currency Translation Adjustment	288	(15,470)	—	(15,182)
Balance as of December 31, 2010	$7,024,745	$955,774	$159,949	$8,140,468

7. Accrued Expenses and Other Current Liabilities

At December 31, 2010 and 2009, accrued expenses and other current liabilities consisted of the following:

	2010	2009
Accrued salaries, wages and incentive plan compensations	$ 389,434	$ 334,227
Unapplied cash and receivable credits	169,657	192,626
Accrued insurance	163,240	169,866
Derivative financial instruments	124,171	15,773
Special charge for legal matters	115,000	115,000
Other	575,921	508,061
Total accrued expenses and other current liabilities	$1,537,423	$1,335,553

In 2001, the Company recorded a $258,159 special charge to address legal matters relating to transactions pursuant to the Agreement and Plan of Reorganization dated as of February 4, 1996 by and between W.R. Grace & Co. and Fresenius SE (the "Merger"), estimated liabilities and legal expenses arising in connection with the W.R. Grace & Co. Chapter 11 proceedings (the "Grace Chapter 11 Proceedings") and the cost of resolving pending litigation and other disputes with certain commercial insurers. During the second quarter of 2003, the court

supervising the Grace Chapter 11 Proceedings approved a definitive settlement agreement entered into among the Company, the committees representing the asbestos creditors and W.R. Grace & Co. Under the settlement agreement, the Company will pay $115,000, without interest, upon plan confirmation (see Note 18). With the exception of the proposed $115,000 payment under the Settlement Agreement, all other matters included in the special charge have been resolved.

The other item in the table above includes accruals for operating expenses, interest, withholding tax, value added tax, legal and compliance costs, physician compensation, commissions, short-term portion of pension liabilities, bonuses and rebates, and accrued rents.

8. Short-Term Borrowings and Other Financial Liabilities, and Short-Term Borrowings from Related Parties

As of December 31, 2010 and 2009, short-term borrowings, other financial liabilities and short-term borrowings from related parties consisted of the following:

	2010	2009
Borrowings under lines of credit	$131,791	$ 95,720
Accounts receivable facility	510,000	214,000
Other financial liabilities	28,880	6,624
Short-term borrowings and other financial liabilities	670,671	316,344
Short-term borrowings from related parties (See Note 2.c.)	9,683	10,440
Short-term borrowings, Other financial liabilities and Short-term borrowings from related parties	$680,354	$326,784

Short-term Borrowings and Other Financial Liabilities

Lines of Credit

Short-term borrowings of $131,791 and $95,720 at December 31, 2010 and 2009, respectively, represented amounts borrowed by the Company and certain of its subsidiaries under lines of credit with commercial banks. The average interest rates on these borrowings at December 31, 2010 and 2009 were 4.19% and 2.94%, respectively.

Excluding amounts available under the Amended 2006 Senior Credit Agreement (see Note 9 below), at December 31, 2010 and 2009, the Company had $234,370 and $208,952 available under other commercial bank agreements. In some instances, lines of credit are secured by assets of the Company's subsidiary that is party to the agreement or may require the Company's guarantee. In certain circumstances, the subsidiary may be required to meet certain covenants.

Accounts Receivable Facility

The Company has an asset securitization facility (the "A/R Facility") which is typically renewed in October of each year and was most recently renewed and increased from $650,000 to $700,000 on September 28, 2010. Under the A/R Facility, certain receivables are sold to NMC Funding Corporation ("NMC Funding"), a wholly-owned subsidiary. NMC Funding then assigns percentage ownership interests in the accounts receivable to certain bank investors. Under the terms of the A/R Facility, NMC Funding retains the right, at any time, to recall all the then outstanding transferred interests in the accounts receivable. Consequently, the receivables remain on the Company's Consolidated Balance Sheet and the proceeds from the transfer of percentage ownership interests are recorded as short-term borrowings.

At December 31, 2010 there are outstanding short-term borrowings under the A/R Facility of $510,000. NMC Funding pays interest to the bank investors calculated based on the commercial paper rates for the particular tranches selected. The average interest rate during 2010 was 1.86%. Annual refinancing fees, which include legal costs and bank fees, are amortized over the term of the facility.

Other Financial Liabilities

At December 31, 2010 and 2009, the Company had $28,880 and $6,624 of other financial liabilities which were mainly related to the Company's purchase of noncontrolling interests and to the signing of licensing and distribution agreements for Venofer® (See Note 9 — "Other" below).

Short-term Borrowings from related parties

From time to time during each of the years presented, the Company received advances under the existing loan agreements with Fresenius SE for those years. During the year ended December 31, 2010, the Company received advances ranging from €10,000 to €86,547 with interest rates ranging from 0.968% to 1.879%. During the year ended December 31, 2009, the Company received advances ranging from €1,300 to €72,000 with interest rates ranging from 1.05% to 2.05%. On December 31, 2010 and 2009, the Company had advances outstanding with Fresenius SE in the amount of $7,679 (€5,747) and $8,279 (€5,747) with an interest rate of 6%. Furthermore, the Company had advances outstanding with the Company's general partner in the amount of $2,004 (€1,500) and $2,161 (€1,500) with an interest rate of 1.421% and 1.335% on December 31, 2010 and 2009, respectively. Annual interest expense on the borrowings during the years presented was $179, $188 and $3,388 for the years 2010, 2009 and 2008, respectively.

9. Long-term Debt and Capital Lease Obligations

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

	2010	2009
Amended 2006 Senior Credit Agreement	$2,953,890	$3,522,040
Senior Notes	824,446	493,344
Euro Notes	267,240	288,120
EIB Agreements	351,686	213,460
Capital lease obligations	15,439	17,600
Other	160,957	50,991
	4,573,658	4,585,555
Less current maturities	(263,982)	(157,634)
	$4,309,676	$4,427,921

Senior Debt

The Company's senior debt consists mainly of borrowings related to its Amended 2006 Senior Credit Agreement, its Senior Notes, its Euro Notes and borrowings under its European Investment Bank Agreements as follows:

Amended 2006 Senior Credit Agreement

The Company, FMCH, and certain other subsidiaries of the Company that are borrowers and/or guarantors thereunder, including Fresenius Medical Care Deutschland GmbH ("D-GmbH"), entered into a $4,600,000 syndicated credit facility (the "2006 Senior Credit Agreement") with Bank of America, N.A.; Deutsche Bank AG New York Branch; The Bank of Nova Scotia, Credit Suisse, Cayman Islands Branch; JPMorgan Chase Bank, National Association; and certain other lenders (collectively, the "Lenders") on March 31, 2006 which replaced its prior credit agreement.

Since entering into the 2006 Senior Credit Agreement, the Company arranged several amendments with the lenders and effected voluntary prepayments of the term loans, which led to a change in the total amount available under this facility. Pursuant to an amendment together with an extension arranged on September 29, 2010 the revolving facility was increased from $1,000,000 to $1,200,000 and the Term Loan A facility by $50,000 to $1,365,000. The maturity for both tranches was extended from March 31, 2011 to March 31, 2013 (a 2 year extension). Additionally, the early repayment requirement for the Term Loan B, which stipulated that Term Loan B

was subject to early retirement if the Trust Preferred Securities due June 15, 2011 were not paid, refinanced or extended prior to March 1, 2011, has been removed. The definition of the Company's Consolidated Leverage Ratio, which is used to determine the applicable margin, was amended to allow for the reduction of up to $250,000 (increased from $30,000) of cash and cash equivalents from Consolidated Funded Debt, as defined in the initial 2006 Senior Credit Agreement. In addition, the amendment includes increases in certain types of permitted borrowings outside of the Amended 2006 Senior Credit Agreement and provides further flexibility for certain types of investments. Furthermore, the parties agreed to change the limitation on dividends and other restricted payments for up to $330,000 in 2011. Thereafter, these limitations increase by $30,000 each year through 2013.

As of December 31, 2010, the Amended 2006 Senior Credit Agreement consists of:

- a $1,200,000 revolving credit facility (of which up to $400,000 is available for letters of credit, up to $400,000 is available for borrowings in certain non-U.S. currencies, up to $150,000 is available as swing line loans in U.S. dollars, up to $250,000 is available as a competitive loan facility and up to $50,000 is available as swing line loans in certain non-U.S. currencies, the total of which cannot exceed $1,200,000) which will be due and payable on March 31, 2013.

- a term loan facility ("Term Loan A") of $1,335,000, also scheduled to mature on March 31, 2013. Quarterly repayments of $30,000 are required at the end of each quarter with the remaining balance outstanding due on March 31, 2013.

- a term loan facility ("Term Loan B") of $1,537,764 scheduled to mature on March 31, 2013 with 5 quarterly repayments of $4,036 followed by 4 quarterly repayments of $379,396 each due at the end of its respective quarter.

Interest on these facilities will be, at the Company's option, depending on the interest periods chosen, at a rate equal to either (i) LIBOR plus an applicable margin or (ii) the higher of (a) BofA's prime rate or (b) the Federal Funds rate plus 0.5%, plus an applicable margin.

The applicable margin is variable and depends on the Company's Consolidated Leverage Ratio which is a ratio of its Consolidated Funded Debt less up to $250,000 cash and cash equivalents to Consolidated EBITDA (as these terms are defined in the Amended 2006 Senior Credit Agreement).

In addition to scheduled principal payments, indebtedness outstanding under the Amended 2006 Senior Credit Agreement will be reduced by mandatory prepayments utilizing portions of the net cash proceeds from certain sales of assets, securitization transactions other than the Company's existing A/R Facility, the issuance of subordinated debt other than certain intercompany transactions, certain issuances of equity and excess cash flow.

Obligations under the Amended 2006 Senior Credit Agreement are secured by pledges of capital stock of certain material subsidiaries in favor of the lenders. The Amended 2006 Senior Credit Agreement contains affirmative and negative covenants with respect to the Company and its subsidiaries and other payment restrictions. Certain of the covenants limit indebtedness of the Company and investments by the Company, and require the Company to maintain certain financial ratios defined in the agreement. Additionally, the Amended 2006 Senior Credit Agreement provides for a limitation on dividends and other restricted payments which is $330,000 for dividends in 2011, and increases by $30,000 in each of the subsequent years. The Company paid dividends of $231,967 in May of 2010 which was in compliance with the restrictions set forth in the 2006 Senior Credit Agreement. In default, the outstanding balance under the Amended 2006 Senior Credit Agreement becomes immediately due and payable at the option of the Lenders. As of December 31, 2010, the Company is in compliance with all covenants under the Amended 2006 Senior Credit Agreement.

The Company incurred fees of approximately $85,828 in conjunction with the 2006 Senior Credit Agreement and fees of approximately $21,115 in conjunction with the Amended 2006 Senior Credit Agreement which are being amortized over the life of this agreement.

The following table shows the available and outstanding amounts under the Amended 2006 Senior Credit Agreement at December 31, 2010 and 2009, respectively:

	Maximum Amount Available December 31,		Balance Outstanding December 31,	
	2010	2009	2010	2009
Revolving Credit	$1,200,000	$1,000,000	$ 81,126	$ 594,714
Term Loan A	1,335,000	1,373,418	1,335,000	1,373,418
Term Loan B	1,537,764	1,553,908	1,537,764	1,553,908
	$4,072,764	$3,927,326	$2,953,890	$3,522,040

In addition, at December 31, 2010 and 2009, respectively, $121,518 and $97,287 were utilized as letters of credit which are not included as part of the balances outstanding at those dates.

Senior Notes

As of December 31, 2010, the Company's Senior Notes consisted of the following:

Issuer/Transaction	Notional Amount	Maturity	Coupon	Book value
FMC Finance III S.A. 2007/2017	$500,000	July 15, 2017	6⅞%	$494,231
FMC Finance VI S.A. 2010/2016	€250,000	July 15, 2016	5.50%	$330,215
				$824,446

In January 2010, €250,000 ($353,300 at date of issuance) of senior notes was issued with a coupon of 5.50% at an issue price of 98.6636%. These Senior Notes had a yield to maturity of 5.75% and are due July 15, 2016. Proceeds were used to repay short-term indebtedness and for general corporate purposes.

In July 2007, $500,000 of senior notes was issued with a coupon of 6⅞% at discount, resulting in an effective interest rate of 7⅛%.

All Senior Notes are unsecured and guaranteed on a senior basis jointly and severally by the Company and its subsidiaries, FMCH and D-GmbH. The issuers may redeem the Senior Notes at any time at 100% of principal plus accrued interest and a premium calculated pursuant to the terms of the indenture. The holders have the right to request that the issuers repurchase the Senior Notes at 101% of principal plus accrued interest upon the occurrence of a change of control followed by a decline in the credit agency ratings of the respective Senior Notes.

The Company has agreed to a number of covenants to provide protection to the holders which, under certain circumstances, limit the ability of the Company and its subsidiaries to, among other things, incur debt, incur liens, engage in sale-leaseback transactions and merge or consolidate with other companies or sell assets. As of December 31, 2010, the Company was in compliance with all of its covenants under the Senior Notes.

Euro Notes

On April 27, 2009, the Company issued euro denominated notes ("Euro Notes") totaling €200,000 ($267,240 at December 31, 2010), which are senior, unsecured and guaranteed by FMCH and D-GmbH, consisting of 4 tranches having terms of 3.5 and 5.5 years with floating and fixed interest rate tranches. Proceeds were used to retire the 2005 Euro Notes.

European Investment Bank Agreements

The Company entered into various credit agreements with the European Investment Bank ("EIB") in 2005, 2006 and 2009. The EIB is a not-for-profit long-term lending institution of the European Union and lends funds at favourable rates for the purpose of capital investment and R&D projects, normally for up to half of the funds required for such projects.

The borrowings under the four EIB credit facilities available at December 31, 2010 and 2009 are shown below:

	Maturity	Maximum amount available December 31, 2010	Maximum amount available December 31, 2009	Balance outstanding December 31, 2010	Balance outstanding December 31, 2009
Revolving Credit	2013	€ 90,000	€ 90,000	$115,812	$ 35,000
Loan 2005	2013	41,000	41,000	48,806	48,806
Loan 2006	2014	90,000	90,000	120,258	129,654
Loan 2009	2014	50,000	50,000	66,810	—
		€271,000	€271,000	$351,686	$213,460

The borrowings under the Revolving Credit and Loan 2005 are denominated in U.S. dollars while the borrowings under Loan 2006 and Loan 2009 are denominated in euro.

In December 2009, the Company entered into a €50,000 term-loan agreement with the EIB. The disbursement took place on February 17, 2010. The loan has a four-year term and is guaranteed by FMCH and D-GmbH.

On March 15, 2010, the Company drew down the remaining available balance of $80,812 on the 2005 Revolving Credit Facility. Under the terms of the agreement, the Company could effect borrowings under this facility only until March 15, 2010 and could drawdown only up to €90,000 in total, which at the time of the initial borrowing equaled $115,800.

Loan 2006 was fully drawn down in February 2008 and Loan 2005 was fully drawn down in September 2005.

All agreements with the EIB have variable interest rates that change quarterly. The Company's U.S. dollar borrowings had an interest rate of 0.432% and 0.384%, and the euro borrowings had interest rates of 1.018% and 3.257% at December 31, 2010 and 0.695% at December 31, 2009.

All EIB facilities were fully utilized at December 31, 2010. Borrowings under the 2005 and 2006 agreements are secured by bank guarantees while the 2009 agreement is guaranteed by FMCH and D-GmbH. All EIB agreements have customary covenants. As of December 31, 2010, the Company is in compliance with the respective covenants.

Other

In conjunction with certain acquisitions and investments entered into in 2010, including the joint venture with Galenica, Ltd. ("Galenica"), the Company incurred debt totaling approximately $139,277 of which $119,090 was classified as the current portion of long-term debt at December 31, 2010. The Galenica joint venture, announced in December 2010, is intended to expand on our agreements with Galenica by forming a new renal pharmaceutical company, Vifor Fresenius Medical Care Renal Pharma Ltd., to develop and distribute products to treat iron deficiency anemia and bone mineral metabolism for pre-dialysis and dialysis patients. Galenica will contribute a licenses (or the commercial benefit in the U.S.) to the new company for its Venofer® and Ferinject® products for use in the dialysis and pre-dialysis market (Chronic Kidney Disease ("CKD") stages III to V). Commercialization of both of these products outside the field of CKD stages III to V will remain fully the responsibility of Galenica and its existing key partners. Galenica will also contribute to the new company exclusive worldwide rights for PA21, a novel iron-based phosphate binder currently in preparation for phase III clinical studies, but will maintain a recently announced agreement to develop and market this product in Japan through another partner. Fresenius Medical Care owns 45% of the new company which is headquartered in Switzerland.

Annual Payments

Aggregate annual payments applicable to the Amended 2006 Senior Credit Agreement, Senior Notes, Euro Notes, EIB agreements, capital leases and other borrowings (excluding the Company's trust preferred securities, see Note 11) for the five years subsequent to December 31, 2010 are:

2011	$ 263,982
2012	1,500,184
2013	1,734,568
2014	236,368
2015	1,631
Thereafter	846,528
	$4,583,261

10. Employee Benefit Plans

General

FMC-AG & Co. KGaA recognizes pension costs and related pension liabilities for current and future benefits to qualified current and former employees of the Company. The Company's pension plans are structured differently according to the legal, economic and fiscal circumstances in each country. The Company currently has two types of plans, defined benefit and defined contribution plans. In general, plan benefits in defined benefit plans are based on all or a portion of the employees' years of services and final salary. Plan benefits in defined contribution plans are determined by the amount of contribution by the employee and the employer, both of which may be limited by legislation, and the returns earned on the investment of those contributions.

Upon retirement under defined benefit plans, the Company is required to pay defined benefits to former employees when the defined benefits become due. Defined benefit plans may be funded or unfunded. The Company has two major defined benefit plans, one funded plan in North America and an unfunded plan in Germany.

Actuarial assumptions generally determine benefit obligations under defined benefit plans. The actuarial calculations require the use of estimates. The main factors used in the actuarial calculations affecting the level of the benefit obligations are: assumptions on life expectancy, the discount rate and future salary and benefit levels. Under the Company's funded plans, assets are set aside to meet future payment obligations. An estimated return on the plan assets is recognized as income in the respective period. Actuarial gains and losses are generated when there are variations in the actuarial assumptions and differences between the actual and the estimated return on plan assets for that year. The company's pension liability is impacted by these actuarial gains or losses.

In the case of the Company's funded plan, the defined benefit obligation is offset against the fair value of plan assets. A pension liability is recognized in the balance sheet if the defined benefit obligation exceeds the fair value of plan assets. A pension asset is recognized (and reported under other assets in the balance sheet) if the fair value of plan assets exceeds the defined benefit obligation and if the Company has a right of reimbursement against the fund or a right to reduce future payments to the fund.

Under defined contribution plans, the Company pays defined contributions during the employee's service life which satisfies all obligations of the Company to the employee. The Company has a defined contribution plan in North America.

Defined Benefit Pension Plans

During the first quarter of 2002, FMCH, the Company's North America subsidiary, curtailed its defined benefit and supplemental executive retirement plans. Under the curtailment amendment for substantially all employees eligible to participate in the plan, benefits have been frozen as of the curtailment date and no additional defined benefits for future services will be earned. The Company has retained all employee benefit obligations as of the curtailment date. Each year FMCH contributes at least the minimum amount required by the Employee Retirement Income Security Act of 1974, as amended. There was no minimum funding requirement for FMCH for the defined benefit plan in 2010. FMCH voluntarily contributed $600 during 2010. Expected funding for 2011 is $661.

The benefit obligation for all defined benefit plans at December 31, 2010, is $425,472 (2009: $386,852) which consists of the benefit obligation of $282,792 (2009: $261,282) for the North America plan, which is funded by plan assets, and the benefit obligation of $142,680 (2009: $125,570) for the German unfunded plan.

The following table shows the changes in benefit obligations, the changes in plan assets, and the funded status of the pension plans. Benefits paid as shown in the changes in benefit obligations represent payments made from both the funded and unfunded plans while the benefits paid as shown in the changes in plan assets include only benefit payments from the Company's funded benefit plan.

	2010	2009
Change in benefit obligation:		
Benefit obligation at beginning of year	$386,852	$353,961
Foreign currency translation	(8,898)	4,235
Service cost	7,982	7,500
Interest cost	22,615	21,397
Transfer of plan participants	181	96
Actuarial (gain) loss	26,655	13,216
Benefits paid	(9,915)	(7,560)
Curtailments and settlements	—	(5,993)
Benefit obligation at end of year	$425,472	$386,852
Change in plan assets:		
Fair value of plan assets at beginning of year	$236,633	$214,616
Actual return on plan assets	3,191	29,382
Employer contributions	600	759
Benefits paid	(8,099)	(6,063)
Settlements	—	(2,061)
Fair value of plan assets at end of year	$232,325	$236,633
Funded status at end of year	$193,147	$150,219

The Company had a pension liability of $193,147 and $150,219 at December 31, 2010 and 2009, respectively. The pension liability consists of a current portion of $2,997 (2009: $2,892) which is recognized as a current liability in the line item "accrued expenses and other current liabilities" in the balance sheet. The non-current portion of $190,150 (2009: $147,327) is recorded as non-current pension liability in the balance sheet. Approximately 85% of the beneficiaries are located in North America with the majority of the remaining 15% located in Germany.

The accumulated benefit obligation for all defined benefit pension plans was $394,276 and $367,182 at December 31, 2010 and 2009, respectively. The accumulated benefit obligation for all defined benefit pension plans with an obligation in excess of plan assets was $394,276 and $367,182 at December 31, 2010 and 2009, respectively; the related plan assets had a fair value of $232,325 and $236,633 at December 31, 2010 and 2009, respectively.

The pre-tax changes in the table below reflect actuarial losses (gains) in other comprehensive income relating to pension liabilities. As of December 31, 2010, there are no cumulative effects of prior service costs included in other comprehensive income.

	Actuarial losses (gains)
Adjustments related to pensions at January 1, 2009	$ 76,926
Additions	(4,331)
Releases	(5,404)
Foreign currency translation adjustment	27
Adjustments related to pensions at December 31, 2009	$ 67,218
Additions	40,917
Releases	(5,313)
Foreign currency translation adjustment	50
Adjustments related to pensions at December 31, 2010	$102,872

The actuarial loss expected to be amortized from other comprehensive income into net periodic pension cost over the next year is $8,086.

The discount rates for all plans are based upon yields of portfolios of equity and highly rated debt instruments with maturities that mirror the plan's benefit obligation. The Company's discount rate is the weighted average of these plans based upon their benefit obligations at December 31, 2010. The following weighted-average assumptions were utilized in determining benefit obligations as of December 31:

in %	2010	2009
Discount rate	5.70	6.00
Rate of compensation increase	4.00	4.01

The defined benefit pension plans' net periodic benefit costs are comprised of the following components for each of the years ended December 31:

Components of net periodic benefit cost:	2010	2009	2008
Service cost	$ 7,982	$ 7,500	$ 8,357
Interest cost	22,615	21,397	20,393
Expected return on plan assets	(17,453)	(15,767)	(16,931)
Amortization of unrealized losses	5,313	4,592	1,944
Settlement loss	—	812	—
Net periodic benefit costs	$ 18,457	$ 18,534	$ 13,763

The following weighted-average assumptions were used in determining net periodic benefit cost for the year ended December 31:

in %	2010	2009	2008
Discount rate	6.00	6.15	6.16
Expected return of plan assets	7.50	7.50	7.50
Rate of compensation increase	4.01	4.19	4.16

Expected benefit payments for the next five years and in the aggregate for the five years thereafter are as follows:

2011	$ 11,224
2012	12,489
2013	13,462
2014	14,796
2015	16,304
2016-2020	108,387

Plan Assets

The following table presents the fair values of the Company's pension plan assets at December 31, 2010.

	Fair Value Measurements at December 31, 2010			Fair Value Measurements at December 31, 2009		
Asset Category	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)
Equity Investments						
Common Stocks	$ 2,565	$2,565	$ —	$ 5,904	$ 5,904	$ —
Index Funds[1]	65,621	—	65,621	71,406	—	71,406
Fixed Income Investments						
Government Securities[2]	4,479	1,967	2,512	3,655	394	3,261
Corporate Bonds[3]	152,564	—	152,564	149,367	—	149,367
Other Bonds[4]	2,442	—	2,442	163	—	163
U.S. Treasury Money Market Funds[5]	4,232	4,232	—	5,776	5,776	—
Other types of investments						
Cash, Money Market and Mutual Funds[6]	422	422	—	362	362	—
Total	$232,325	$9,186	$223,139	$236,633	$12,436	$224,197

(1) This Category comprises low-cost equity index funds not actively managed that track the S&P 500, S&P 400, Russell 2000, the MSCI EAFE Index and the MSCI Emerging Markets Index for both 2010 and 2009 as well as the Barclays Capital Long Corporate Index in 2009

(2) This Category primarily comprises fixed income investments by the U.S. government and government sponsored entities

(3) This Category primarily represents investment grade bonds of U.S. issuers from diverse industries

(4) This Category comprises private placement bonds as well as collateralized mortgage obligations

(5) This Category represents funds that invest in treasury obligations directly or in treasury backed obligations

(6) This Category represents cash, money market funds as well as mutual funds comprised of high grade corporate bonds

The methods and inputs used to measure the fair value of plan assets are as follows:

Common stocks are valued at their market prices as of the balance sheet date.

Index funds are valued based on market quotes.

The majority of the fair values of the government bonds are measured based on market quotes. The remaining government bonds are valued at their market prices.

Corporate bonds and other bonds are valued based on market quotes as of the balance sheet date.

Cash is stated at nominal value which equals the fair value.

US Treasury money market funds as well as other money market and mutual funds are valued at their market price.

Plan Investment Policy and Strategy

For the North America funded plan, the Company periodically reviews the assumption for long-term expected return on pension plan assets. As part of the assumptions review, a range of reasonable expected investment returns for the pension plan as a whole was determined based on an analysis of expected future returns for each asset class weighted by the allocation of the assets. The range of returns developed relies both on forecasts, which include the actuarial firm's expected long-term rates of return for each significant asset class or economic indicator, and on broad-market historical benchmarks for expected return, correlation, and volatility for each asset class. As a result, the Company's expected rate of return on pension plan assets was 7.50% for 2010.

The Company's overall investment strategy is to achieve a mix of approximately 98% of investments for long-term growth and 2% for near-term benefit payments with a wide diversification of asset types, fund strategies and fund managers.

The investment policy, utilizing a revised target investment allocation of 35% equity and 65% long-term U.S. bonds, considers that there will be a time horizon for invested funds of more than 5 years. The total portfolio will be measured against a policy index that reflects the asset class benchmarks and the target asset allocation. The Plan policy does not allow investments in securities of the Company or other related party securities. The performance benchmarks for the separate asset classes include: S&P 500 Index, S&P 400 Index, Russell 2000 Growth Index, MSCI EAFE Index, MSCI Emerging Markets Index, Barclays Capital Long Term Government Index and Barclays Capital 20 Year US Treasury Strip Index.

Defined Contribution Plans

Most FMCH employees are eligible to join a 401(k) savings plan. Employees can deposit up to 75% of their pay up to a maximum of $16.5 if under 50 years old ($22.00 if 50 or over) under this savings plan. The Company will match 50% of the employee deposit up to a maximum Company contribution of 3% of the employee's pay. The Company's total expense under this defined contribution plan for the years ended December 31, 2010, 2009, and 2008, was $31,583, $28,567 and $26,096, respectively.

11. Mandatorily Redeemable Trust Preferred Securities

In June 2001, the Company issued Trust Preferred Securities through Fresenius Medical Care Capital Trusts, statutory trusts organized under the laws of the State of Delaware. FMC-AG & Co. KGaA owns all of the common securities of these trusts. The sole asset of each trust is a senior subordinated note of FMC-AG & Co. KGaA or a wholly-owned subsidiary of FMC-AG & Co. KGaA. FMC-AG & Co. KGaA, D-GmbH and FMCH have guaranteed payment and performance of the senior subordinated notes to the respective Fresenius Medical Care Capital Trusts. The Trust Preferred Securities are guaranteed by FMC-AG & Co. KGaA through a series of undertakings by the Company, FMCH and D-GmbH.

The Trust Preferred Securities entitle the holders to distributions at a fixed annual rate of the stated amount and are mandatorily redeemable after 10 years, which is scheduled to occur on June 15, 2011. Earlier redemption at the option of the holders may also occur upon a change of control followed by a rating decline or defined events of default including a failure to pay interest. Upon liquidation of the trusts, the holders of Trust Preferred Securities are entitled to a distribution equal to the stated amount. The Trust Preferred Securities do not hold voting rights in the trust except under limited circumstances.

The indentures governing the notes held by the Fresenius Medical Care Capital Trusts contain affirmative and negative covenants with respect to the Company and its subsidiaries and other payment restrictions. Some of the covenants limit the Company's indebtedness and its investments, and require the Company to maintain certain ratios defined in the indentures. As of December 31, 2010, the Company is in compliance with all financial covenants under all Trust Preferred Securities agreements.

The Trust Preferred Securities outstanding as of December 31, 2010 and 2009 are as follows:

	Year Issued	Stated Amount	Interest Rate	Mandatory Redemption Date	2010	2009
Fresenius Medical Care Capital Trust IV	2001	$225,000	7⅞%	June 15, 2011	$224,835	$224,451
Fresenius Medical Care Capital Trust V	2001	€300,000	7⅜%	June 15, 2011	400,714	431,645
					$625,549	$656,096

12. Noncontrolling Interests Subject to Put Provisions

The Company has potential obligations to purchase the noncontrolling interests held by third parties in certain of its consolidated subsidiaries. These obligations are in the form of put provisions and are exercisable at the third-party owners' discretion within specified periods as outlined in each specific put provision. If these put provisions were exercised, the Company would be required to purchase all or part of third-party owners' noncontrolling interests at the appraised fair value. The methodology the Company uses to estimate the fair values of the noncontrolling interest subject to put provisions assumes the greater of net book value or a multiple of earnings, based on historical earnings, development stage of the underlying business and other factors. The estimated fair values of the noncontrolling interests subject to these put provisions can also fluctuate and the implicit multiple of earnings at which these noncontrolling interest obligations may ultimately be settled could vary significantly from our current estimates depending upon market conditions.

As of December 31, 2010 and 2009 the Company's potential obligations under these put options are $279,709 and $231,303, respectively, of which, at December 31, 2010, $95,159 were exercisable. In the last three fiscal years ending December 31, 2010, three puts have been exercised for a total consideration of $6,535.

During 2008, the Company received cash contributions from holders of noncontrolling interests in the amount of $17,174. This amount was recorded in net cash provided by operating activities in the cash flow statement.

Following is a roll forward of noncontrolling interests subject to put provisions for the years ended December 31,:

	2010	2009	2008
Beginning balance	$231,303	$162,166	$116,539
Dividends paid	(38,964)	(16,930)	(14,494)
Purchase/sale of Noncontrolling interests	28,969	12,548	9,148
Contributions from Noncontrolling interests	5,289	5,108	13,069
Changes in fair value of Noncontrolling interests	24,222	39,816	24,258
Net income	28,839	28,595	13,646
Other comprehensive income (loss)	51	—	—
Ending balance	$279,709	$231,303	$162,166

13. Shareholders' Equity

Capital Stock

The General Partner has no equity interest in the Company and, therefore, does not participate in either the assets or the profits and losses of the Company. However, the General Partner is compensated for all outlays in connection with conducting the Company's business, including the remuneration of members of the management board and the supervisory board (see Note 3).

The general meeting of a partnership limited by shares may approve Authorized Capital (*genehmigtes Kapital*). The resolution creating Authorized Capital requires the affirmative vote of a majority of three quarters of the capital represented at the vote and may authorize the management board to issue shares up to a stated amount for a period of up to five years. The nominal value of the Authorized Capital may not exceed half of the issued capital stock at the time of the authorization.

In addition, the general meeting of a partnership limited by shares may create Conditional Capital (*bedingtes Kapital*) for the purpose of issuing (i) shares to holders of convertible bonds or other securities which grant a right to shares, (ii) shares as the consideration in a merger with another company, or (iii) shares offered to management or employees. In each case, the authorizing resolution requires the affirmative vote of a majority of three quarters of the capital represented at the vote. The nominal value of the Conditional Capital may not exceed half or, in the case of Conditional Capital created for the purpose of issuing shares to management and employees, 10% of the company's issued capital at the time of the resolution.

All resolutions increasing the capital of a partnership limited by shares also require the consent of the General Partner for their effectiveness.

Authorized Capital

By resolution of the Annual General Meeting ("AGM") of shareholders on May 11, 2010, Management AG was authorized, with the approval of the supervisory board, to increase, on one or more occasions, the Company's share capital until May 10, 2015 up to a total of €35,000 through issue of new bearer ordinary shares for cash contributions, "Authorized Capital 2010/I". The General Partner is entitled, subject to the approval of the supervisory board, to exclude the pre-emption rights of the shareholders. However, such an exclusion of pre-emption rights will be permissible for fractional amounts. Additionally, the newly issued shares may be taken up by financial institutions nominated by the General Partner with the obligation to offer them to the shareholders of the company (indirect pre-emption rights). A further resolution of the AGM also cancelled Authorized Capital I which was approved by resolution of the AGM of shareholders on August 30, 2005. No Authorized Capital 2010/I has been issued as of December 31, 2010.

In addition, by resolution of the AGM of shareholders on May 11, 2010, the General Partner was authorized, with the approval of the supervisory board, to increase, on one or more occasions, the share capital of the Company until May 10, 2015 up to a total of €25,000 through the issue of new bearer ordinary shares for cash contributions or contributions in kind, "Authorized Capital 2010/II". The General Partner is entitled, subject to the approval of the supervisory board, to exclude the pre-emption rights of the shareholders. However, such exclusion of pre-emption rights will be permissible only if (i) in case of a capital increase against cash contributions, the nominal value of the issued shares does not exceed 10% of the nominal share value of the Company's share capital and the issue price for the new shares is at the time of the determination by the General Partner not significantly lower than the stock price in Germany of the existing listed shares of the same class and with the same rights or, (ii) in case of a capital increase against contributions in kind, the purpose of such increase is to acquire an enterprise, parts of an enterprise or an interest in an enterprise. A further resolution of the AGM also cancelled Authorized Capital II which was approved by resolution of the AGM of shareholders on August 30, 2005. No Authorized Capital 2010/II has been issued as of December 31, 2010.

Authorized Capital 2010/I and Authorized Capital 2010/II became effective upon registration with the commercial register of the local court in Hof an der Saale on May 25, 2010.

Conditional Capital

By resolution of the Company's Annual General Meeting of shareholders ("AGM") on May 9, 2006, as amended by the AGM on May 15, 2007, resolving a three-for-one share split, the Company's share capital was conditionally increased by up to €15,000 corresponding to 15 million ordinary shares with no par value and a nominal value of €1.00. This Conditional Capital increase can only be effected by the exercise of stock options under the Company's Stock Option Plan 2006 with each stock option awarded exercisable for one ordinary share (see Note 15). The Company has the right to deliver ordinary shares that it owns or purchases in the market in place of increasing capital by issuing new shares.

Through the Company's other employee participation programs, the Company has issued convertible bonds and stock option/subscription rights (*Bezugsrechte*) to employees and the members of the Management Board of the General Partner and employees and members of management of affiliated companies that entitle these persons to receive preference shares or, following the conversion offer in 2005, ordinary shares. At December 31, 2010, 58,663 convertible bonds or options for preference shares remained outstanding with a remaining average term of 3.38 years and 12,152,108 convertible bonds or options for ordinary shares remained outstanding with a remaining

average term of 4.8 years under these programs. For the year ending December 31, 2010, 72,840 options for preference shares and 2,532,366 options for ordinary shares had been exercised under these employee participation plans (see Note 15).

As the result of the Company's three-for-one stock split for both preference and ordinary shares on June 15, 2007, and with the approval of the shareholders as the AGM on May 15, 2007, the Company's Conditional Capital was increased by $6,557 (€4,454). Conditional Capital available for all programs at December 31, 2010 is $31,477 (€23,557) which includes $17,476 (€13,079) for the 2006 Plan and $14,001 (€10,478) for all other plans.

Dividends

Under German law, the amount of dividends available for distribution to shareholders is based upon the unconsolidated retained earnings of Fresenius Medical Care AG & Co. KGaA as reported in its balance sheet determined in accordance with the German Commercial Code (*Handelsgesetzbuch*).

If no dividends on the Company's preference shares are declared for two consecutive years after the year for which the preference shares are entitled to dividends, then the holders of such preference shares would be entitled to the same voting rights as holders of ordinary shares until all arrearages are paid. In addition, the payment of dividends by FMC-AG & Co. KGaA is subject to limitations under the Amended 2006 Senior Credit Agreement (see Note 9).

Cash dividends of $231,967 for 2009 in the amount of €0.63 per preference share and €0.61 per ordinary share were paid on May 12, 2010.

Cash dividends of $231,940 for 2008 in the amount of €0.60 per preference share and €0.58 per ordinary share were paid on May 8, 2009.

Cash dividends of $252,395 for 2007 in the amount of €0.56 per preference share and €0.54 per ordinary share were paid on May 21, 2008.

14. Earnings Per Share

The following table contains reconciliations of the numerators and denominators of the basic and diluted earnings per share computations for 2010 and 2009:

	2010	2009	2008
Numerators:			
Net income attributable to FMC-AG & Co. KGaA	$ 978,517	$ 891,138	$ 817,607
less:			
Dividend preference on Preference shares	104	107	112
Income available to all classes of shares	$ 978,413	$ 891,031	$ 817,495
Denominators:			
Weighted average number of:			
Ordinary shares outstanding	296,808,978	294,418,795	293,233,477
Preference shares outstanding	3,912,348	3,842,586	3,795,248
Total weighted average shares outstanding	300,721,326	298,261,381	297,028,725
Potentially dilutive Ordinary shares	1,311,042	—	777,848
Potentially dilutive Preference shares	35,481	66,314	98,060
Total weighted average Ordinary shares outstanding assuming dilution	298,120,020	294,418,795	294,011,325
Total weighted average Preference shares outstanding assuming dilution	3,947,829	3,908,900	3,893,308
Basic income per Ordinary share	$ 3.25	$ 2.99	$ 2.75
Plus preference per Preference share	0.03	0.03	0.03
Basic income per Preference Share	$ 3.28	$ 3.02	$ 2.78
Fully diluted income per Ordinary share	$ 3.24	$ 2.99	$ 2.74
Plus preference per Preference share	0.03	0.03	0.03
Fully diluted income per Preference share	$ 3.27	$ 3.02	$ 2.77

15. Stock Options

In connection with its stock option program, the Company incurred compensation expense of $27,981, $33,746 and $31,879 for the years ending December 31, 2010, 2009, and 2008, respectively. There were no capitalized compensation costs in any of the three years presented. The Company also recorded a related deferred income tax of $8,020, $9,740 and $9,158 for the years ending December 31, 2010, 2009, and 2008, respectively.

Stock Options and other Share-Based Plans

At December 31, 2010, the Company has awards outstanding under various stock-based compensation plans.

Incentive plan

In 2010, Management Board members were eligible for performance — related compensation that depended upon achievement of targets. The targets are measured by reference to operating profit margin, growth of group-wide after-tax earnings (EAT growth) as well as the development of free cash flow (cash flow before acquisitions), and are derived from the comparison of targeted and actually achieved current year figures. Targets are divided into Group level targets and those to be achieved in individual regions.

The bonus for fiscal year 2010 will consist proportionately of a cash component and a share-based component which will be paid in cash. Upon meeting the annual targets, the cash component was or will be paid after the end of 2010. The share-based component is subject to a three-year vesting period, although a shorter period may apply in special cases. The amount of cash payment relating to the share-based component will correspond to the share price of Fresenius Medical Care AG & Co. KGaA ordinary shares upon exercise after the three-year vesting period. The amount of the maximum achievable bonus for each of the members of the Management Board is capped.

In 2006, Fresenius Medical Care Management AG adopted a three-year performance related compensation plan for fiscal years 2008, 2007 and 2006, for the members of its management board in the form of a variable bonus. A special bonus component (award) for some of the management board members consists in equal parts of cash payments and a share-based compensation based on development of the share price of Fresenius Medical Care AG & Co. KGaA's ordinary shares. The amount of the award in each case depends on the achievement of certain performance targets. The targets are measured by reference to revenue growth, operating income, consolidated net income, and cash flow development. Annual targets have been achieved, the cash portion of the award has been paid after the end of the respective fiscal year. The share-based compensation portion of the award has been granted but subject to a three-year vesting period beginning after the respective fiscal year in which the target has been met and is amortized over the same three-year vesting period. The payment of the share-based compensation portion corresponds to the share price of Fresenius Medical Care AG & Co. KGaA's ordinary shares on exercise, i.e. at the end of the vesting period, and is also made in cash. The share-based compensation is revalued each reporting period during the vesting period to reflect the market value of the stock as of the reporting date with any changes in value recorded in the reporting period.

The share-based compensation incurred under these plans for years 2010, 2009 and 2008 was $2,603, $1,537 and $2,189, respectively.

Fresenius Medical Care AG & Co. KGaA Stock Option Plan 2006

On May 9, 2006, as amended on May 15, 2007, the Fresenius Medical Care AG & Co. KGaA Stock Option Plan 2006 (the "Amended 2006 Plan") was established by resolution of the Company's AGM with a conditional capital increase up to €15,000 subject to the issue of up to fifteen million no par value bearer ordinary shares with a nominal value of €1.00 each. Under the Amended 2006 Plan, up to fifteen million options can be issued, each of which can be exercised to obtain one ordinary share, with up to three million options designated for members of the Management Board of the General Partner, up to three million options designated for members of management boards of direct or indirect subsidiaries of the Company and up to nine million options designated for managerial staff members of the Company and such subsidiaries. With respect to participants who are members of the General Partner's Management Board, the general partner's Supervisory Board has sole authority to grant stock options and exercise other decision making powers under the Amended 2006 Plan (including decisions regarding certain adjustments and forfeitures). The General Partner has such authority with respect to all other participants in the Amended 2006 Plan.

Options under the Amended 2006 Plan can be granted the last Monday in July and/or the first Monday in December. The exercise price of options granted under the Amended 2006 Plan shall be the average closing price on the Frankfurt Stock Exchange of the Company's ordinary shares during the 30 calendar days immediately prior to each grant date. Options granted under the Amended 2006 Plan have a seven-year term but can be exercised only after a three-year vesting period. The vesting of options granted is subject to achievement of performance targets measured over a three-year period from the grant date. For each such year, the performance target is achieved if the Company's adjusted basic income per ordinary share ("EPS"), as calculated in accordance with the Amended 2006 Plan, increases by at least 8% year over year during the vesting period, beginning with EPS for the year of grant as compared to EPS for the year preceding such grant. Calculation of EPS under the Amended 2006 Plan excluded, among other items, the costs of the transformation of the Company's legal form and the conversion of preference shares into ordinary shares. For each grant, one-third of the options granted are forfeited for each year in which EPS does not meet or exceed the 8% target. The performance targets for 2010, 2009 and 2008 were met. Vesting of the portion or portions of a grant for a year or years in which the performance target is met does not occur until completion of the entire three-year vesting period.

During 2010, the Company awarded 2,817,879 options under the Amended 2006 Plan, including 423,300 options granted to members of the Management Board of Fresenius Medical Care Management AG, the Company's general partner, at a weighted average exercise price of $57.07 (€42.71), a weighted average fair value of $10.47 each and a total fair value of $29,515 which will be amortized over the three year vesting period. As of December 2010, no further grants will be issued under the Amended 2006 Plan.

During 2009, the Company awarded 2,585,196 options under the Amended 2006 Plan, including 348,600 options granted to members of the Management Board of Fresenius Medical Care Management AG, the Company's

general partner, at a weighted average exercise price of $46.22 (€32.08), a weighted average fair value of $10.95 each and a total fair value of $28,318 which will be amortized over the three year vesting period.

During 2008, the Company awarded 2,523,729 options under the Amended 2006 Plan, including 398,400 options granted to members of the Management Board of the General Partner, at a weighted average exercise price of $49.38 (€35.48), a weighted average fair value of $15.37 each and a total fair value of $38,788, which will be amortized on a straight line basis over the three-year vesting period.

Options granted under the Amended 2006 Plan to US participants are non-qualified stock options under the United States Internal Revenue Code of 1986, as amended. Options under the Amended 2006 Plan are not transferable by a participant or a participant's heirs, and may not be pledged, assigned, or otherwise disposed of.

Fresenius Medical Care 2001 International Stock Option Plan

Under the Fresenius Medical Care 2001 International Stock Incentive Plan (the "2001 Plan"), options in the form of convertible bonds with a principal of up to €10,240 were issued to the members of the Management Board and other employees of the Company representing grants for up to 4 million non-voting preference shares. The convertible bonds originally had a par value of €2.56 and bear interest at a rate of 5.5%. In connection with the share split effected in 2007, the principal amount was adjusted in the same proportion as the share capital out of the capital increase and the par value of the convertible bonds was adjusted to €0.85 without affecting the interest rate. Except for the members of the Management Board, eligible employees may purchase the bonds by issuing a non-recourse note with terms corresponding to the terms of and secured by the bond. The Company has the right to offset its obligation on a bond against the employee's obligation on the related note; therefore, the convertible bond obligations and employee note receivables represent stock options issued by the Company and are not reflected in the Consolidated Financial Statements. The options expire ten years from issuance and can be exercised beginning two, three or four years after issuance. Compensation costs related to awards granted under this plan are amortized on a straight-line basis over the vesting period for each separately vesting portion of the awards. Bonds issued to Management Board members who did not issue a note to the Company are recognized as a liability on the Company's balance sheet.

Upon issuance of the option, the employees had the right to choose options with or without a stock price target. The conversion price of options subject to a stock price target corresponds to the stock exchange quoted price of the preference shares upon the first time the stock exchange quoted price exceeds the initial value by at least 25%. The initial value ("Initial Value") is the average price of the preference shares during the last 30 trading days prior to the date of grant. In the case of options not subject to a stock price target, the number of convertible bonds awarded to the eligible employee would be 15% less than if the employee elected options subject to the stock price target. The conversion price of the options without a stock price target is the Initial Value. Each option entitles the holder thereof, upon payment of the respective conversion price, to acquire one preference share. Effective May 2006, no further grants can be issued under the 2001 Plan and no options were granted under the 2001 Plan after 2005.

At December 31, 2010, the Management Board members of the General Partner held 2,178,699 stock options for ordinary shares and employees of the Company held 9,973,409 stock options for ordinary shares and 58,663 stock options for preference shares, under the various stock-based compensation plans of the Company. The Table below provides reconciliations for options outstanding at December 31, 2010, as compared to December 31, 2009.

	Options (in thousands)	Weighted average exercise price	Weighted average exercise price
		€	$
Ordinary shares			
Balance at December 31, 2009	11,894	30.50	40.75
Granted	2,818	42.71	57.07
Exercised	2,532	28.38	37.92
Forfeited	28	30.35	40.55
Balance at December 31, 2010	12,152	33.78	45.14
Preference shares			
Balance at December 31, 2009	147	18.35	24.52
Exercised	73	18.57	24.81
Forfeited	15	13.95	18.64
Balance at December 31, 2010	59	19.19	25.64

The following table provides a summary of fully vested options outstanding and exercisable for both preference and ordinary shares at December 31, 2010:

	Fully Vested Outstanding and Exercisable Options					
	Number of Options	Weighted average remaining contractual life in years	Weighted average exercise price	Weighted average exercise price	Aggregate intrinsic value	Aggregate intrinsic value
	(in thousands)		€	US$	€	US$
Options for preference shares	59	3.38	19.19	25.65	940	1,255
Options for ordinary shares	4,316	3.29	27.99	37.40	65,785	87,902

At December 31, 2010, there was $43,604 of total unrecognized compensation costs related to non-vested options granted under all plans. These costs are expected to be recognized over a weighted-average period of 1.6 years.

During the years ended December 31, 2010, 2009, and 2008, the company received cash of $96,204, $64,271 and $36,755, respectively, from the exercise of stock options (see Note 13). The intrinsic value of options exercised for the twelve-month periods ending December 31, 2010, 2009, and 2008 was $50,921, $28,170 and $27,135, respectively. The Company recorded a related tax benefit of $13,313, $8,123 and $7,132 for the years ending December 31, 2010, 2009, and 2008, respectively.

Fair Value Information

The Company used a binomial option-pricing model in determining the fair value of the awards under the 2006 Plan. Option valuation models require the input of highly subjective assumptions including expected stock price volatility. The Company's assumptions are based upon its past experiences, market trends and the experiences of other entities of the same size and in similar industries. Expected volatility is based on historical volatility of the Company's shares. To incorporate the effects of expected early exercise in the model, an early exercise of vested options was assumed as soon as the share price exceeds 155% of the exercise price. The Company's stock options have characteristics that vary significantly from traded options and changes in subjective assumptions can

materially affect the fair value of the option. The assumptions used to determine the fair value of the 2010 and 2009 grants are as follows:

	2010	2009
Expected dividend yield	1.98%	2.39%
Risk-free interest rate	2.28%	3.11%
Expected volatility	22.92%	25.85%
Expected life of options	7 years	7 years
Weighted average exercise price (in €)	42.71	32.08
Weighted average exercise price (in US-$)	57.07	46.22

16. Income Taxes

Income before income taxes is attributable to the following geographic locations:

	2010	2009	2008
Germany	$ 303,954	$ 296,326	$ 372,174
United States	1,084,756	904,083	773,089
Other	255,031	255,224	190,427
	$1,643,741	$1,455,633	$1,335,690

Income tax expense (benefit) for the years ended December 31, 2010, 2009, and 2008, consisted of the following:

	2010	2009	2008
Current:			
Germany	$100,635	$ 68,442	$ 62,609
United States	355,739	318,589	198,763
Other	101,206	81,236	77,134
	557,580	468,267	338,506
Deferred:			
Germany	(16,479)	5,041	43,593
United States	52,648	22,498	105,152
Other	(15,404)	(5,393)	(11,549)
	20,765	22,146	137,196
	$578,345	$490,413	$475,702

In 2010, 2009 and 2008, the Company is subject to German federal corporation income tax at a base rate of 15% plus a solidarity surcharge of 5.5% on federal corporation taxes payable.

A reconciliation between the expected and actual income tax expense is shown below. The expected corporate income tax expense is computed by applying the German corporation tax rate (including the solidarity surcharge) and the effective trade tax rate on income before income taxes. The respective combined tax rates are 28.71%, 29.13% and 29.58% for the fiscal years ended December 31, 2010, 2009, and 2008, respectively.

	2010	2009	2008
Expected corporate income tax expense	$471,836	$423,953	$395,097
Tax free income	(24,088)	(33,284)	(49,309)
Tax rate differentials	117,946	96,237	93,877
Non-deductible expenses	6,934	3,947	5,494
Taxes for prior years	11,994	6,663	21,371
Change in valuation allowance	(2,259)	8,950	4,168
Noncontrolling partnership interests	(26,870)	(26,876)	(13,440)
Other	22,852	10,823	18,444
Actual income tax expense	$578,345	$490,413	$475,702
Effective tax rate	35.2%	33.7%	35.6%

The tax effects of the temporary differences that give rise to deferred tax assets and liabilities at December 31, 2010 and 2009, are presented below:

	2010	2009
Deferred tax assets:		
Accounts receivable, primarily due to allowance for doubtful accounts	$ 28,538	$ 37,571
Inventory, primarily due to additional costs capitalized for tax purposes, and inventory reserve accounts	35,172	33,798
Plant, equipment, intangible assets and other non current assets, principally due to differences in depreciation and amortization	79,244	50,925
Accrued expenses and other liabilities for financial accounting purposes, not currently tax deductible	310,730	291,767
Net operating loss carryforwards, tax credit carryforwards and interest carryforwards	93,165	78,730
Derivatives	60,199	52,283
Stock-based compensation expense	24,112	22,981
Other	12,626	21,530
Total deferred tax assets	$643,786	$589,585
Less: valuation allowance	(71,799)	(63,497)
Net deferred tax assets	$571,987	$526,088
Deferred tax liabilities:		
Accounts receivable	$ 12,549	$ 10,670
Inventory, primarily due to inventory reserve accounts for tax purposes	7,730	9,643
Accrued expenses and other liabilities deductible for tax prior to financial accounting recognition	45,370	14,941
Plant, equipment and intangible assets, principally due to differences in depreciation and amortization	510,284	513,254
Derivatives	—	3,128
Other	81,969	53,343
Total deferred tax liabilities	657,902	604,979
Net deferred tax assets (liabilities)	$ (85,915)	$ (78,891)

The valuation allowance increased by $8,302 in 2010 and by $7,328 in 2009.

The expiration of net operating losses is as follows:

2011	$ 6,919
2012	17,067
2013	13,949
2014	19,539
2015	20,078
2016	27,730
2017	9,444
2018	13,201
2019	4,507
2020 and thereafter	5,476
Without expiration date	155,064
Total	$292,974

In assessing the realizability of deferred taxes, management considers whether it is more-likely-than-not that some portion or all of a deferred tax asset will be realized or whether deferred tax liabilities will be reversed. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities and projected future taxable income in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more-likely-than-not the Company will realize the benefits of these deductible differences, net of the existing valuation allowances at December 31, 2010.

The Company provides for income taxes on the cumulative earnings of foreign subsidiaries that will not be reinvested. At December 31, 2010, the Company provided for $11,603 of deferred tax liabilities associated with earnings that are likely to be distributed in 2011 and the following years. Provision has not been made for additional taxes on $3,411,518 undistributed earnings of foreign subsidiaries as these earnings are considered permanently reinvested. The earnings could become subject to additional tax if remitted or deemed remitted as dividends; however calculation of such additional tax is not practical. These taxes would predominantly comprise foreign withholding tax on dividends of foreign subsidiaries, and German income tax of approx 1.4 percent on all dividends and capital gains.

FMC-AG & Co. KGaA companies are subject to tax audits in Germany and the U.S. on a regular basis and on-going tax audits in other jurisdictions.

In Germany, the tax audit for the years 1998 until 2001 has been finalized. The Company recognized and recorded the results of the audit in 2006 and thereafter paid all amounts due to the tax authorities. Fiscal years 2002 through 2005 are currently under audit. As of December 31, 2010, all proposed adjustments are deemed immaterial and have been recognized in the financial statements. Fiscal years 2006, 2007, 2008, 2009 and 2010 are open to audit.

For the tax year 1997, the Company recognized an impairment of one of its subsidiaries which the German tax authorities disallowed in 2003 at the conclusion of its audit for the years 1996 and 1997. The Company filed a complaint with the appropriate German court to challenge the tax authority's decision. In January 2011, the Company reached an agreement with the tax authorities, estimated to be slightly more favorable than the tax benefit recognized previously. The additional benefit will be recognized in 2011.

In the U.S., the Company filed claims for refunds contesting the Internal Revenue Service's ("IRS") disallowance of FMCH's civil settlement payment deductions taken by FMCH in prior year tax returns. As a result of a settlement agreement with the IRS, the Company received a partial refund in September 2008 of $37,000, inclusive of interest and preserved the right to continue to pursue claims in the United States Courts for refunds of all other disallowed deductions. On December 22, 2008, we filed a complaint for a complete refund in the United States District Court for the District of Massachusetts, styled as FMCH v. United States. On June 24, 2010, the court denied FMCH's motion for summary judgment and the litigation is proceeding towards trial. The unrecognized tax benefit relating to these deductions is included in the total unrecognized tax benefit noted below.

The IRS tax audits of FMCH for the years 2002 through 2006 have been completed. The IRS has disallowed all deductions taken during these audit periods related to intercompany mandatorily redeemable preferred shares. The

Company has protested the disallowed deductions and will avail itself of all remedies. An adverse determination with respect to the disallowed deductions related to the intercompany mandatorily redeemable preferred shares could have a material adverse effect on the results of operations and liquidity. In addition, the IRS proposed other adjustments which have been recognized in the financial statements.

Fiscal years 2007 and 2008 are currently under audit and 2009 and 2010 are open to audit. There are a number of state audits in progress and various years are open to audit in various states. All expected results have been recognized in the financial statements.

Subsidiaries of FMC-AG & Co. KGaA in a number of countries outside of Germany and the U.S. are also subject to tax audits. The Company estimates that the effects of such tax audits are not material to these consolidated financial statements.

The following table shows the reconciliation of the beginning and ending amounts of unrecognized tax benefits:

	2010	2009	2008
Unrecognized tax benefits (net of interest)			
Balance at January 1, 2010	$410,016	$379,327	$354,050
Increases in unrecognized tax benefits prior periods	12,782	59,833	24,074
Decreases in unrecognized tax benefits prior periods	(11,429)	(13,911)	(36,334)
Increases in unrecognized tax benefits current period	13,588	7,587	20,180
Changes related to settlements with tax authorities	(34,410)	(8,599)	(2,042)
Reductions as a result of a lapse of the statute of limitations	(129)	—	—
Foreign currency translation	(14,518)	(14,221)	19,399
Balance at December 31, 2010	$375,900	$410,016	$379,327

Included in the balance at December 31, 2010 are $347,081 of unrecognized tax benefits which would affect the effective tax rate if recognized. As a result of the settlement agreement for 1997 noted above, the Company estimates that the unrecognized tax benefits at December 31, 2010 could be reduced by approximately $196,000 in 2011 with a small portion of the reduction being realized as an additional tax benefit in 2011. The Company is currently not in a position to forecast the timing and magnitude of changes in other unrecognized tax benefits.

During the year ended December 31, 2010 the Company recognized $10,650 in interest and penalties. The Company had a total accrual of $57,378 of tax related interest and penalties at December 31, 2010.

17. Operating Leases

The Company leases buildings and machinery and equipment under various lease agreements expiring on dates through 2034. Rental expense recorded for operating leases for the years ended December 31, 2010, 2009 and 2008 was $563,182, $532,465 and $497,875, respectively. For information regarding intercompany operating leases, see Note 3 a).

Future minimum rental payments under noncancelable operating leases for the five years succeeding December 31, 2010 and thereafter are:

2011	$ 489,481
2012	427,901
2013	376,255
2014	319,724
2015	272,369
Thereafter	910,381
	2,796,111

18. Commitments and Contingencies

Legal Proceedings

The Company is routinely involved in numerous claims, lawsuits, regulatory and tax audits, investigations and other legal matters arising, for the most part, in the ordinary course of its business of providing healthcare services and products. The outcome of litigation and other legal matters is always difficult to accurately predict and outcomes that are not consistent with the Company's view of the merits can occur. The Company 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.

Commercial Litigation

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

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

In 2003, the Company reached agreement with the asbestos creditors' committees on behalf of the W.R. Grace & Co. bankruptcy estate and W.R. Grace & Co. in the matters pending in the Grace Chapter 11 Proceedings for the settlement of all fraudulent conveyance and tax claims against it and other claims related to the Company that arise out of the bankruptcy of W.R. Grace & Co. Under the terms of the settlement agreement as amended (the "Settlement Agreement"), fraudulent conveyance and other claims raised on behalf of asbestos claimants will be dismissed with prejudice and the Company will receive protection against existing and potential future W.R. Grace & Co. related claims, including fraudulent conveyance and asbestos claims, and indemnification against income tax claims related to the non-NMC members of the W.R. Grace & Co. consolidated tax group upon confirmation of a W.R. Grace & Co. bankruptcy reorganization plan that contains such provisions. Under the Settlement Agreement, the Company will pay a total of $115,000 without interest to the W.R. Grace & Co. bankruptcy estate, or as otherwise directed by the Court, upon plan confirmation. No admission of liability has been or will be made. The Settlement Agreement has been approved by the U.S. District Court. On January 31, 2011, the U.S. Bankruptcy Court approved W.R. Grace & Co.'s plan of reorganization, including the Settlement Agreement, and recommended approval of the plan to the U.S. District Court. Subsequent to the Merger, W.R. Grace & Co. was involved in a multi-step transaction involving Sealed Air Corporation ("Sealed Air," formerly known as Grace Holding, Inc.). The Company is engaged in litigation with Sealed Air to confirm its entitlement to indemnification from Sealed Air for all losses and expenses incurred by the Company relating to pre-Merger tax liabilities and Merger-related claims. Under the Settlement Agreement, upon final confirmation of a plan of reorganization that satisfies the conditions of the Company's payment obligation, this litigation will be dismissed with prejudice.

On April 4, 2003, FMCH filed a suit in the U.S. District Court for the Northern District of California, styled Fresenius USA, Inc., et al., v. Baxter International Inc., et al., Case No. C 03-1431, seeking a declaratory judgment that FMCH does not infringe patents held by Baxter International Inc. and its subsidiaries and affiliates ("Baxter"), that the patents are invalid, and that Baxter is without right or authority to threaten or maintain suit against FMCH for alleged infringement of Baxter's patents. In general, the asserted patents concern the use of touch screen

interfaces for hemodialysis machines. Baxter filed counterclaims against FMCH seeking more than $140,000 in monetary damages and injunctive relief, and alleging that FMCH willfully infringed on Baxter's patents. On July 17, 2006, the court entered judgment on a jury verdict in favor of FMCH finding that all the asserted claims of the Baxter patents are invalid as obvious and/or anticipated in light of prior art.

On February 13, 2007, the court granted Baxter's motion to set aside the jury's verdict in favor of FMCH and reinstated the patents and entered judgment of infringement. Following a trial on damages, the court entered judgment on November 6, 2007 in favor of Baxter on a jury award of $14,300. On April 4, 2008, the court denied Baxter's motion for a new trial, established a royalty payable to Baxter of 10% of the sales price for continuing sales of FMCH's 2008K hemodialysis machines and 7% of the sales price of related disposables, parts and service beginning November 7, 2007, and enjoined sales of the touchscreen-equipped 2008K machine effective January 1, 2009. The Company appealed the court's rulings to the United States Court of Appeals for the Federal Circuit ("Federal Circuit"). In October 2008, the Company completed design modifications to the 2008K machine that eliminate any incremental hemodialysis machine royalty payment exposure under the original District Court order. On September 10, 2009, the Federal Circuit reversed the district court's decision and determined that the asserted claims in two of the three patents at issue are invalid. As to the third patent, the Federal Circuit affirmed the district court's decision; however, the Court also vacated the injunction and award of damages. These issues were remanded to the District Court for reconsideration in light of the invalidity ruling on most of the claims. As a result, FMCH is no longer required to fund the court-approved escrow account set up to hold the royalty payments ordered by the district court, although funds already contributed will remain in escrow until the case is finally concluded. On March 18, 2010, the U.S. Patent and Trademark Office (USPTO) and the Board of Patent Appeals and Interferences ruled in reexamination that the remaining Baxter patent is invalid. On October 5, 2010, Baxter appealed the Board's ruling to the Federal Circuit.

On April 28, 2008, Baxter filed suit in the U.S. District Court for the Northern District of Illinois, Eastern Division (Chicago), styled Baxter International, Inc. and Baxter Healthcare Corporation v. Fresenius Medical Care Holdings, Inc. and Fresenius USA, Inc., Case No. CV 2389, asserting that FMCH's hemodialysis machines infringe four patents issued in 2007 and 2008, all of which are based on one of the patents at issue in the April 2003 Baxter case described above. The new patents expire in April 2011 and relate to trend charts shown on touch screen interfaces and the entry of ultrafiltration profiles (ultrafiltration is the removing of liquid from a patient's body using osmotic pressure). This case is currently stayed pursuant to court order. The Company believes that its hemodialysis machines do not infringe any valid claims of the Baxter patents at issue. All the asserted patents now stand rejected in an ongoing reexamination at the USPTO.

On October 17, 2006, Baxter and DEKA Products Limited Partnership (DEKA) filed suit in the U.S. District Court for the Eastern District of Texas which was subsequently transferred to the Northern District of California, styled Baxter Healthcare Corporation and DEKA Products Limited Partnership v. Fresenius Medical Care Holdings, Inc. d/b/a Fresenius Medical Care North America and Fresenius USA, Inc., Case No. CV 438 TJW. The complaint alleged that FMCH's Liberty™ cycler infringes nine patents owned by or licensed to Baxter. During and after discovery, seven of the asserted patents were dropped from the suit. On July 28, 2010, at the conclusion of the trial, the jury returned a verdict in favor of FMCH finding that the Liberty™ cycler does not infringe any of the asserted claims of the Baxter patents. Baxter has asked the District Court to overturn the jury verdict.

A patent infringement action had been pending in Germany between Gambro Industries ("Gambro") on the one side and D-GmbH and FMC-AG & Co. KGaA on the other side (hereinafter collectively "Fresenius Medical Care"). Fresenius Medical Care and Gambro have resolved this and other current patent infringement lawsuits between the parties by entering into respective settlements and a series of patent licenses between the parties.

Other Litigation and Potential Exposures

Renal Care Group, Inc. ("RCG") is named as a nominal defendant in a complaint originally filed September 13, 2006 in the Chancery Court for the State of Tennessee Twentieth Judicial District at Nashville styled Indiana State District Council of Laborers and Hod Carriers Pension Fund v. Gary Brukardt et al. Following the trial court's dismissal of the complaint, plaintiff's appeal in part, and reversal in part by the appellate court, the cause of action purports to be a class action on behalf of former shareholders of RCG and seeks monetary damages only against the individual former directors of RCG. The individual defendants, however, may have claims for indemnification and

reimbursement of expenses against the Company. The Company expects to continue as a defendant in the litigation, which is proceeding toward trial in the Chancery Court, and believes that defendants will prevail.

On July 17, 2007, resulting from an investigation begun in 2005, the United States Attorney filed a civil complaint in the United States District Court for the Eastern District of Missouri (St. Louis) against Renal Care Group, Inc., its subsidiary RCG Supply Company, and FMCH in its capacity as RCG's current corporate parent. The complaint seeks monetary damages and penalties with respect to issues arising out of the operation of RCG's Method II supply company through 2005, prior to FMCH's acquisition of RCG in 2006. The complaint is styled United States of America ex rel. Julie Williams et al. vs. Renal Care Group, Renal Care Group Supply Company and FMCH. On August 11, 2009, the Missouri District Court granted RCG's motion to transfer venue to the United States District Court for the Middle District of Tennessee (Nashville). On March 22, 2010, the Tennessee District Court entered judgment against defendants for approximately $23,000 in damages and interest under the unjust enrichment count of the complaint but denied all relief under the six False Claims Act counts of the complaint. The Company appealed the Tennessee District Court's decision to the United States Court of Appeals for the Sixth Circuit and secured a stay of enforcement of the judgment pending appeal. The United States Attorney filed a cross appeal, but also asked the Tennessee District Court for an indicative or supplemental ruling. On June 23, 2010, the Tennessee District Court issued an indicative ruling to the effect that, if the case were remanded to the District Court, it would expect to enter a judgment under the False Claims Act against the Company for approximately $104,000. On September 23, 2010, the Court of Appeals remanded the case to the Tennessee District Court to permit revision or supplementation of the original judgment, after which the Company may pursue its appeals to the Court of Appeals. The Company believes that RCG's operation of its Method II supply company was in compliance with applicable law, that no relief is due to the United States, and that its position in the litigation will ultimately be sustained.

On November 27, 2007, the United States District Court for the Western District of Texas (El Paso) unsealed and permitted service of two complaints previously filed under seal by a qui tam relator, a former FMCH local clinic employee. The first complaint alleged that a nephrologist unlawfully employed in his practice an assistant to perform patient care tasks that the assistant was not licensed to perform and that Medicare billings by the nephrologist and FMCH therefore violated the False Claims Act. The second complaint alleged that FMCH unlawfully retaliated against the relator by discharging her from employment constructively. The United States Attorney for the Western District of Texas declined to intervene and to prosecute on behalf of the United States. On March 30, 2010, the District Court issued final judgment in favor of defendants on all counts based on a jury verdict rendered on February 25, 2010 and on rulings of law made by the Court during the trial. The plaintiff has appealed from the District Court judgment.

The Company filed claims for refunds contesting the Internal Revenue Service's ("IRS") disallowance of FMCH's civil settlement payment deductions taken by FMCH in prior year tax returns. As a result of a settlement agreement with the IRS, the Company received a partial refund in September 2008 of $37,000, inclusive of interest and preserved our right to pursue claims in the United States Courts for refunds of all other disallowed deductions. On December 22, 2008, the Company filed a complaint for complete refund in the United States District Court for the District of Massachusetts, styled as Fresenius Medical Care Holdings, Inc. v United States. On June 24, 2010, the court denied FMCH's motion for summary judgment and the litigation is proceeding towards trial.

For the tax year 1997, the Company recognized an impairment of one of our subsidiaries which the German tax authorities disallowed in 2003 at the conclusion of its audit for the years 1996 and 1997. The Company has filed a complaint with the appropriate German court to challenge the tax authority's decision. In January 2011, the Company reached an agreement with the tax authorities, estimated to be slightly more favorable than the tax benefit recognized previously. The additional benefit will be recognized in 2011.

The IRS tax audits of FMCH for the years 2002 through 2006 have been completed. The IRS has disallowed all deductions taken during these audit periods related to intercompany mandatorily redeemable preferred shares. The Company has protested the disallowed deductions and will avail itself of all remedies. An adverse determination with respect to the disallowed deductions related to intercompany mandatorily redeemable preferred shares could have a material adverse effect on our results of operations and liquidity. In addition, the IRS proposed other adjustments which have been recognized in the financial statements.

From time to time, the Company is a party to or may be threatened with other litigation or arbitration, claims or assessments arising in the ordinary course of its business. Management regularly analyzes current information including, as applicable, the Company's defenses and insurance coverage and, as necessary, provides accruals for probable liabilities for the eventual disposition of these matters.

The Company, 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 operation of manufacturing facilities, laboratories and dialysis clinics, and environmental and occupational health and safety. The Company must also comply with the Anti-Kickback Statute, the False Claims Act, the Stark Law, and 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 the Company'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 "whistle blower" actions. In May 2009, the scope of the False Claims Act was expanded and additional protections for whistle blowers and procedural provisions to aid whistle blowers' ability to proceed in a False Claims Act case were added. By virtue of this regulatory environment, the Company's business activities and practices are subject to extensive review by regulatory authorities and private parties, and continuing audits, investigative demands, subpoenas, other inquiries, claims and litigation relating to the Company's compliance with applicable laws and regulations. The Company may not always be aware that an inquiry or action has begun, particularly in the case of "whistle blower" actions, which are initially filed under court seal.

The Company operates many facilities throughout the United States. In such a decentralized system, it is often difficult to maintain the desired level of oversight and control over the thousands of individuals employed by many affiliated companies. The Company relies upon its management structure, regulatory and legal resources, and the effective operation of its compliance program to direct, manage and monitor the activities of these employees. On occasion, the Company may identify instances where employees, deliberately or inadvertently, have submitted inadequate or false billings. The actions of such persons may subject the Company and its subsidiaries to liability under the Anti-Kickback Statute, the Stark Law and the False Claims Act, among other laws.

Physicians, hospitals and other participants in the health care industry are also subject to a large number of lawsuits alleging professional negligence, malpractice, product liability, worker's compensation or related claims, many of which involve large claims and significant defense costs. The Company has been and is currently subject to these suits due to the nature of its business and expects that those types of lawsuits may continue. Although the Company maintains insurance at a level which it believes to be prudent, it cannot assure that the coverage limits will be adequate or that insurance will cover all asserted claims. A successful claim against the Company or any of its subsidiaries in excess of insurance coverage could have a material adverse effect upon it and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

The Company has also had claims asserted against it and has had lawsuits filed against it relating to alleged patent infringements or businesses that it has acquired or divested. These claims and suits relate both to operation of the businesses and to the acquisition and divestiture transactions. The Company has, when appropriate, asserted its own claims, and claims for indemnification. A successful claim against the Company or any of its subsidiaries could have a material adverse effect upon its business, financial condition, and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

Accrued Special Charge for Legal Matters

At December 31, 2001, the Company recorded a pre-tax special charge of $258,159 to reflect anticipated expenses associated with the defense and resolution of pre-Merger tax claims, Merger-related claims, and commercial insurer claims. The costs associated with the Settlement Agreement and settlements with insurers have been charged against this accrual. With the exception of the proposed $115,000 payment under the Settlement Agreement in the Grace Chapter 11 Proceedings, all other matters included in the special charge have been

resolved. While the Company believes that its remaining accrual reasonably estimates its currently anticipated costs related to the continued defense and resolution of this matter, no assurances can be given that its actual costs incurred will not exceed the amount of this accrual.

19. Financial Instruments

As a global supplier of dialysis services and products in more than 120 countries throughout the world, the Company is faced with a concentration of credit risks due to the nature of the reimbursement systems which are often provided by the governments of the countries in which the Company operates. Changes in reimbursement rates or the scope of coverage could have a material adverse effect on the Company's business, financial condition and results of operations and thus on its capacity to generate cash flow. In the past we experienced and, after the implementation of the new bundled reimbursement system in the U.S., also expect in the future generally stable reimbursements for our dialysis services. This includes the balancing of unfavorable reimbursement changes in certain countries with favorable changes in other countries. Due to the fact that a large portion of the Company's reimbursement is provided by public health care organizations and private insurers, the Company expects that most of its accounts receivables will be collectable, albeit somewhat more slowly in the International segment in the immediate future, particularly in countries which continue to be severely affected by the global financial crisis.

Non-derivative Financial Instruments

The following table presents the carrying amounts and fair values of the Company's non-derivative financial instruments at December 31, 2010, and December 31, 2009.

	2010		2009	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Non-derivatives				
Assets				
Cash and cash equivalents	$ 522,870	$ 522,870	$ 301,225	$ 301,225
Accounts Receivable	2,687,234	2,687,234	2,558,795	2,558,795
Liabilities				
Accounts payable	542,524	542,524	639,836	639,836
Short-term borrowings	670,671	670,671	316,344	316,344
Short-term borrowings from related parties	9,683	9,683	10,440	10,440
Long term debt, excluding Amended 2006 Senior Credit Agreement, Euro Notes and Senior Notes	528,082	528,082	282,051	282,051
Amended 2006 Senior Credit Agreement	2,953,890	2,937,504	3,522,040	3,429,470
Euro Notes	267,240	276,756	288,120	299,621
Senior Notes	824,446	880,366	493,344	498,750
Trust Preferred Securities	625,549	643,828	656,096	688,026
Noncontrolling interests subject to put provisions	279,709	279,709	231,303	231,303

The carrying amounts in the table are included in the consolidated balance sheet under the indicated captions or in the case of long-term debt, as noted in the captions shown in Note 9.

The significant methods and assumptions used in estimating the fair values of non-derivative financial instruments are as follows:

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

Short-term financial instruments such as accounts receivable, accounts payable and short-term borrowings are valued at their carrying amounts, which are reasonable estimates of the fair value due to the relatively short period to maturity of these instruments.

The fair values of the major long-term financial liabilities are calculated on the basis of market information. Instruments for which market quotes are available are measured using these quotes. The fair values of the other long-term financial liabilities are calculated at the present value of the respective future cash flows. To determine

these present values, the prevailing interest rates and credit spreads for the Company as of the balance sheet date are used.

The valuation of the noncontrolling interests subject to put provisions is determined using significant unobservable inputs (Level 3). See Note 12 for a discussion of the Company's methodology for estimating the fair value of these noncontrolling interests subject to put obligations.

The credit risk exposure related to the company's financing receivables is insignificant and any impact on our operating results from allowances on credit losses of financing receivables can be considered immaterial.

Derivative Financial Instruments

The Company is exposed to market risk from changes in interest rates and foreign exchange rates. In order to manage the risk of interest rate and currency exchange rate fluctuations, the Company enters into various hedging transactions by means of derivative instruments with highly rated financial institutions as authorized by the Company's General Partner. On a quarterly basis the Company performs an assessment of its counterparty credit risk. The Company currently considers this risk to be low. The Company's policy, which has been consistently followed, is that financial derivatives be used only for the purpose of hedging foreign currency and interest rate exposure.

In certain instances, the Company enters into derivative contracts that do not qualify for hedge accounting but are utilized for economic purposes ("economic hedges"). The Company does not use financial instruments for trading purposes.

The Company established guidelines for risk assessment procedures and controls for the use of financial instruments. They include a clear segregation of duties with regard to execution on one side and administration, accounting and controlling on the other.

Foreign Exchange Risk Management

The Company conducts business on a global basis in various currencies, though its operations are mainly in Germany and the United States. For financial reporting purposes, the Company has chosen the U.S. dollar as its reporting currency. Therefore, changes in the rate of exchange between the U.S. dollar and the local currencies in which the financial statements of the Company's international operations are maintained affect its results of operations and financial position as reported in its consolidated financial statements.

The Company's exposure to market risk for changes in foreign exchange rates relates to transactions such as sales and purchases. The Company has significant amounts of sales of products invoiced in euro from its European manufacturing facilities to its other international operations and, to a lesser extent, sales of products invoiced in other non-functional currencies. This exposes the subsidiaries to fluctuations in the rate of exchange between the euro and the currency in which their local operations are conducted. For the purpose of hedging existing and foreseeable foreign exchange transaction exposures the Company enters into foreign exchange forward contracts and, on a small scale, foreign exchange options. As of December 31, 2010 the Company had no foreign exchange options.

Changes in the fair value of the effective portion of foreign exchange forward contracts designated and qualifying as cash flow hedges of forecasted product purchases and sales are reported in accumulated other comprehensive income (loss) ("AOCI"). Additionally, in connection with intercompany loans in foreign currency, the Company uses foreign exchange swaps thus assuring that no foreign exchange risks arise from those loans, which, if they qualify for cash flow hedge accounting, are also reported in AOCI. These amounts recorded in AOCI are subsequently reclassified into earnings as a component of cost of revenues for those contracts that hedge product purchases or SG&A for those contracts that hedge loans, in the same period in which the hedged transaction affects earnings. The notional amounts of foreign exchange contracts in place that are designated and qualify as cash flow hedges totaled $1,026,937 and $1,076,217 at December 31, 2010 and December 31, 2009, respectively.

The Company also enters into derivative contracts for forecasted product purchases and sales and for intercompany loans in foreign currency that do not qualify for hedge accounting but are utilized for economic hedges as defined above. In these cases, the change in value of the economic hedge is recorded in the income statement and usually offsets the change in value recorded in the income statement for the underlying asset or

liability. The notional amounts of economic hedges that do not qualify for hedge accounting totaled $1,607,312 and $750,812 at December 31, 2010 and December 31, 2009, respectively.

Interest Rate Risk Management

The Company enters into derivatives, particularly interest rate swaps and to a certain extent, interest rate options, to protect against the risk of changes in interest rates. These interest rate derivatives are designated as cash flow hedges. The majority of the interest rate swap agreements effectively convert the major part of payments based on variable interest rates applicable to the Company's Amended 2006 Senior Credit Agreement denominated in U.S. dollars into payments at a fixed interest rate. The remaining interest rate swaps have been entered into in anticipation of future debt issuances. The swap agreements, all of which expire at various dates in 2011 and 2012, bear an average interest rate of 4.26%. Interest payable and receivable under the swap agreements is accrued and recorded as an adjustment to interest expense.

As of December 31, 2010 and 2009, the notional amounts of interest rate swaps in place were $3,175,000 and $2,400,000, respectively.

Derivative Financial Instruments Valuation

The following table shows the Company's derivatives at December 31, 2010 and December 31, 2009.

	December 31, 2010		December 31, 2009	
	Assets[2]	Liabilities[2]	Assets[2]	Liabilities[2]
Derivatives in cash flow hedging relationships[1]				
Current				
Foreign exchange contracts	3,703	(51,816)	8,899	(9,251)
Interest rate contracts (Dollar)	—	(51,604)	—	(305)
Interest rate contracts (Yen)	—	(0)	—	—
Non—current				
Foreign exchange contracts	810	(486)	5,284	(830)
Interest rate contracts (Dollar)	—	(73,221)	—	(105,810)
Interest rate contracts (Yen)	—	—	—	(3)
Total	$4,513	$(177,127)	$14,183	$(116,199)
Derivatives not designated as hedging instruments[1]				
Current				
Foreign exchange contracts	3,517	(20,751)	7,696	(6,217)
Non-current				
Foreign exchange contracts	509	(213)	9	—
Total	$4,026	$ (20,964)	$ 7,705	$ (6,217)

(1) As of December 31, 2010 and December 31, 2009, the valuation of the Company's derivatives was determined using Significant Other Observable Inputs (Level 2) in accordance with the fair value hierarchy levels established in the Codification.

(2) Derivative instruments are marked to market each reporting period resulting in carrying amounts being equal to fair values at the reporting date.

The carrying amounts for the current portion of derivatives indicated as assets in the table above are included in Prepaid expenses and other current assets in the Consolidated Balance Sheets while the current portion of those indicated as liabilities are included in Accrued expenses and other current liabilities. The non-current portions indicated as assets or liabilities are included in the Consolidated Balance Sheets in Other assets or Other liabilities, respectively.

The significant methods and assumptions used in estimating the fair values of derivative financial instruments are 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 balance sheet date. 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 balance sheet date. The result is then discounted on the basis of the market interest rates prevailing at the balance sheet date for the applicable currency.

The Company includes its own credit risk for financial instruments deemed liabilities and counterparty-credit risks for financial instruments deemed assets when measuring the fair value of derivative financial instruments.

The Effect of Derivatives on the Consolidated Financial Statements

Derivatives in Cash Flow Hedging Relationships	Amount of Gain or (Loss) Recognized in OCI on Derivatives (Effective Portion) for the year ended December 31, 2010	Amount of Gain or (Loss) Recognized in OCI on Derivatives (Effective Portion) for the year ended December 31, 2009	Location of (Gain) or Loss Reclassified from AOCI in Income (Effective Portion)	Amount of (Gain) or Loss Reclassified from AOCI in Income (Effective Portion) for the year ended December 31, 2010	Amount of (Gain) or Loss Reclassified from AOCI in Income (Effective Portion) for the year ended December 31, 2009
Interest rate contracts (Dollar)	$(18,710)	$42,832	Interest income/expense	$ —	$ (33)
Interest rate contracts (Yen)	2	6	Interest income/expense	—	—
Foreign exchange contracts	3,046	(6,785)	Costs of Revenue	7,553	(5,938)
	$(15,662)	$36,053		$7,553	$(5,971)

Derivatives not Designated as Hedging Instruments	Location of (Gain) or Loss Recognized in Income on Derivative	Amount of (Gain) or Loss Recognized in Income on Derivatives for the year ended December 31, 2010	Amount of (Gain) or Loss Recognized in Income on Derivatives for the year ended December 31, 2009
Foreign exchange contracts	Selling, general and administrative expense	$72,454	$(3,309)
	Interest income/expense	(8,622)	3,883
		$63,832	$ 574

For foreign exchange derivatives, the Company expects to recognize $3,745 of losses deferred in accumulated other comprehensive income at December 31, 2010, in earnings during the next twelve months.

The Company expects to incur additional interest expense of $63,812 over the next twelve months which is currently deferred in accumulated other comprehensive income. This amount reflects the current fair value at December 31, 2010, of expected additional interest payments resulting from interest rate swaps entered into to reduce the volatility of interest payments for certain parts of the Amended 2006 Credit Agreement and for future debt issuances.

As of December 31, 2010, the Company had foreign exchange derivatives with maturities of up to 59 months and interest rate swaps with maturities of up to 20 months.

20. Other Comprehensive Income (Loss)

The changes in the components of other comprehensive income (loss) for the years ended December 31, 2010, 2009, and 2008 are as follows:

	Year ended December 31, 2010			Year ended December 31, 2009			Year ended December 31, 2008		
	Pretax	Tax Effect	Net	Pretax	Tax Effect	Net	Pretax	Tax Effect	Net
Other comprehensive income (loss) relating to cash flow hedges:									
Changes in fair value of cash flow hedges during the period	(15,662)	2,241	(13,421)	36,053	(16,419)	19,634	(107,316)	42,764	(64,552)
Reclassification adjustments	7,553	(1,928)	5,625	(5,971)	1,375	(4,596)	(924)	296	(628)
Total other comprehensive income (loss) relating to cash flow hedges:	(8,109)	313	(7,796)	30,082	(15,044)	15,038	(108,240)	43,060	(65,180)
Foreign-currency translation adjustment	(110,888)	—	(110,888)	82,545	—	82,545	(170,748)	—	(170,748)
Adjustments related to pension obligations	(35,654)	12,508	(23,146)	9,708	(3,927)	5,781	(28,551)	12,632	(15,919)
Other comprehensive income (loss)	$(154,651)	$12,821	$(141,830)	$122,335	$(18,971)	$103,364	$(307,539)	$55,692	$(251,847)

21. Business Segment Information

The Company has identified three business segments, North America, International, and Asia Pacific, which were determined based upon how the Company manages its businesses. All segments are primarily engaged in providing dialysis services and manufacturing and distributing products and equipment for the treatment of end-stage renal disease. In the U.S., the Company also engages in performing clinical laboratory testing and providing inpatient dialysis services, and other services under contract to hospitals. The Company has aggregated the International and Asia Pacific operating segments as "International." The segments are aggregated due to their similar economic characteristics. These characteristics include the same services provided and the same products sold, the same type patient population, similar methods of distribution of products and services and similar economic environments.

Management evaluates each segment using a measure that reflects all of the segment's controllable revenues and expenses. Management believes that the most appropriate measure in this regard is operating income which measures the Company's source of earnings. Financing is a corporate function, which the Company's segments do not control. Therefore, the Company does not include interest expense relating to financing as a segment measure. Similarly, the Company does not allocate "corporate costs" which relate primarily to certain headquarters overhead charges, including accounting and finance, professional services, etc., because the Company believes that these costs are also not within the control of the individual segments. The Company also regards income taxes to be outside the segment's control. In addition, certain acquisitions and intangible assets are not allocated to a segment but are accounted for as "corporate."

	North America	International	Segment Total	Corporate	Total
2010					
Net revenue external customers	$ 8,129,737	$3,923,301	$12,053,038	$ 452	$12,053,490
Inter-segment revenue	5,419	88,965	94,384	(94,384)	—
Revenue	8,135,156	4,012,266	12,147,422	(93,932)	12,053,490
Depreciation and amortization	(287,062)	(207,072)	(494,134)	(9,090)	(503,224)
Operating Income	1,385,651	677,630	2,063,281	(139,476)	1,923,805
Segment assets	11,720,495	4,787,479	16,507,974	586,687	17,094,661
thereof investments in equity method investees	243,452	6,921	250,373	—	250,373
Capital expenditures, acquisitions and investments[1]	524,330	608,263	1,132,593	155,374	1,287,967
2009					
Net revenue external customers	$ 7,611,500	$3,635,373	$11,246,873	$ 604	$11,247,477
Inter-segment revenue	2,752	77,856	80,608	(80,608)	—
Revenue	7,614,252	3,713,229	11,327,481	(80,004)	11,247,477
Depreciation and amortization	(264,785)	(183,405)	(448,190)	(8,895)	(457,085)
Operating Income	1,249,769	636,665	1,886,434	(130,838)	1,755,596
Segment assets	11,202,999	4,253,058	15,456,057	365,258	15,821,315
thereof investments in equity method investees	—	5,795	5,795	—	5,795
Capital expenditures, acquisitions and investments[2]	422,537	338,000	760,537	1,182	761,719
2008					
Net revenue external customers	$ 7,005,401	$3,606,270	$10,611,671	$ 652	$10,612,323
Inter-segment revenue	2,100	82,283	84,383	(84,383)	—
Revenue	7,007,501	3,688,553	10,696,054	(83,731)	10,612,323
Depreciation and amortization	(238,300)	(169,999)	(408,299)	(7,372)	(415,671)
Operating Income	1,168,173	616,034	1,784,207	(111,775)	1,672,432
Segment assets	10,960,264	3,557,247	14,517,511	402,165	14,919,676
thereof investments in equity method investees	—	4,396	4,396	—	4,396
Capital expenditures, acquisitions and investments[3]	497,612	358,930	856,542	107,287	963,829

(1) North America, International and Corporate acquisitions exclude $122,847, $32,935 and $2,125, respectively, of non-cash acquisitions and investments for 2010.

(2) International acquisitions exclude $4,151 of non-cash acquisitions for 2009.

(3) North America and International acquisitions exclude $22,542 and $24,710, respectively, of non-cash acquisitions and investments for 2008.

For the geographic presentation, revenues are attributed to specific countries based on the end user's location for products and the country in which the service is provided. Information with respect to the Company's geographic operations is set forth in the table below:

	Germany	North America	Rest of the World	Total
2010				
Net revenue	$374,883	$8,129,737	$3,548,870	$12,053,490
Long-lived assets	471,537	9,236,166	2,139,877	11,847,580
2009				
Net revenue	$358,060	$7,611,500	$3,277,917	$11,247,477
Long-lived assets	350,194	8,864,165	1,809,114	11,023,473
2008				
Net revenue	$350,995	$7,005,401	$3,255,927	$10,612,323
Long-lived assets	306,963	8,706,790	1,597,576	10,611,329

22. Supplementary Cash Flow Information

The following additional information is provided with respect to the consolidated statements of cash flows:

	2010	2009	2008
Supplementary cash flow information:			
Cash paid for interest	$ 264,525	$ 332,731	$ 357,295
Cash paid for income taxes[(1)]	$ 520,766	$ 425,945	$ 343,224
Cash inflow for income taxes from stock option exercises	$ 13,313	$ 8,123	$ 7,132
Supplemental disclosures of cash flow information:			
Details for acquisitions:			
Assets acquired	$(668,198)	$(241,745)	$(129,711)
Liabilities assumed	102,698	20,574	9,858
Noncontrolling interests	36,141	35,448	(3,706)
Notes assumed in connection with acquisition	31,666	4,151	2,490
Cash paid	(497,693)	(181,572)	(121,069)
Less cash acquired	16,318	7,059	714
Net cash paid for acquisitions	$(481,375)	$(174,513)	$(120,355)

(1) net of tax refund

23. Supplemental Condensed Combining Information

In June 2001 FMC Trust Finance S.à.r.l. Luxembourg III, a wholly-owned subsidiary of FMC-AG & Co. KGaA, issued euro-denominated and U.S. dollar-denominated senior subordinated debt securities, fully and unconditionally guaranteed, jointly and severally, on a senior subordinated basis, by FMC-AG & Co. KGaA, D-GmbH and FMCH (D-GmbH and FMCH being the "Guarantor Subsidiaries"). The senior subordinated debt securities were issued to Fresenius Medical Care Capital Trust IV and Fresenius Medical Care Capital Trust V, statutory trusts organized under the laws of the State of Delaware, which issued trust preferred securities that were guaranteed by the Company through a series of undertakings by the Company and the Guarantor Subsidiaries, and the Company acquired all of the common securities of the trusts. In December 2004, the Company assumed the obligations of its wholly owned subsidiary as the issuer of the euro-denominated senior subordinated notes held by Capital Trust V.

In addition, FMC Finance III S.A., a wholly-owned subsidiary of the Company, is the obligor on 6 7/8% senior notes which are fully and unconditionally guaranteed, jointly and severally on a senior basis, by the Company and by the Guarantor Subsidiaries and FMC Finance VI S.A., a wholly-owned subsidiary of the Company, is the obligor on 5.50% senior notes which are fully and unconditionally guaranteed, jointly and severally on a senior basis, by the Company and by the Guarantor Subsidiaries (see Note 9). The financial statements in this report present the financial condition, results of operations and cash flows of the Company, the obligor on the above-mentioned euro-denominated senior subordinated notes, on a consolidated basis as of December 31, 2010 and 2009 and for the years ended December 31, 2010 and 2009. The following combining financial information for the Company is as of December 31, 2010 and December 31, 2009 and for the years ended December 31, 2010 and 2009, segregated between FMC Finance III S.A. and FMC Finance VI S.A. as issuers, the Company, D-GmbH and FMCH as guarantors, and each of the Company's other businesses (the "Non-Guarantor Subsidiaries"). For purposes of the condensed combining information, the Company and the Guarantors carry their investments under the equity method. Other (income) expense includes income (loss) related to investments in consolidated subsidiaries recorded under the equity method for purposes of the condensed combining information. In addition, other (income) expense includes income and losses from profit and loss transfer agreements as well as dividends received.

	For the year ended December 31, 2010							
	Issuer		Guarantors					
	FMC Finance III	FMC Finance VI	FMC - AG & Co. KGaA	D-GmbH	FMCH	Non-Guarantor Subsidiaries	Combining Adjustment	Combined Total
Net revenue	$ —	$ —	$ —	$1,587,720	$ —	$12,744,881	$(2,279,111)	$12,053,490
Cost of revenue	—	—	—	1,022,617	—	9,148,969	(2,262,817)	7,908,769
Gross profit	—	—	—	565,103	—	3,595,912	(16,294)	4,144,721
Operating expenses (income):								
Selling, general and administrative	31	39	113,176	158,538	20,158	1,843,202	(10,760)	2,124,384
Research and development	—	—	—	62,435	—	34,097	—	96,532
Operating (loss) income	(31)	(39)	(113,176)	344,130	(20,158)	1,718,613	(5,534)	1,923,805
Other (income) expense:								
Interest, net	(719)	(545)	39,113	2,388	56,047	192,183	(8,403)	280,064
Other, net	—	—	(1,200,299)	210,649	(664,020)	—	1,653,670	—
Income (loss) before income taxes	688	506	1,048,010	131,093	587,815	1,526,430	(1,650,801)	1,643,741
Income tax expense (benefit)	196	143	69,493	99,957	(30,025)	634,911	(196,330)	578,345
Net income (loss)	492	363	978,517	31,136	617,840	891,519	(1,454,471)	1,065,396
Net income attributable to Noncontrolling interests	—	—	—	—	—	—	86,879	86,879
Net income (loss) attributable to FMC-AG & Co. KGaA	$ 492	$ 363	$ 978,517	$ 31,136	$ 617,840	$ 891,519	$(1,541,350)	$ 978,517

	For the year ended December 31, 2009						
	Issuer	Guarantors					
	FMC Finance III	FMC - AG & Co. KGaA	D-GmbH	FMCH	Non-Guarantor Subsidiaries	Combining Adjustment	Combined Total
Net revenue	$ —	$ —	$1,521,831	$ —	$12,041,002	$(2,315,356)	$11,247,477
Cost of revenue	—	—	997,257	—	8,734,160	(2,315,452)	7,415,965
Gross profit	—	—	524,574	—	3,306,842	96	3,831,512
Operating expenses (income):							
Selling, general and administrative	28	87,774	173,215	(19,877)	1,753,586	(12,620)	1,982,106
Research and development	—	—	64,911	—	28,899	—	93,810
Operating (loss) income	(28)	(87,774)	286,448	19,877	1,524,357	12,716	1,755,596
Other (income) expense:							
Interest, net	(720)	35,184	6,070	56,269	231,559	(28,399)	299,963
Other, net	—	(1,032,515)	190,345	(560,286)	—	1,402,456	—
Income (loss) before income taxes	692	909,557	90,033	523,894	1,292,798	(1,361,341)	1,455,633
Income tax expense (benefit)	197	18,419	86,728	(14,338)	518,329	(118,922)	490,413
Net income (loss)	495	891,138	3,305	538,232	774,469	(1,242,419)	965,220
Net income attributable to Noncontrolling interests	—	—	—	—	—	74,082	74,082
Net income (loss) attributable to FMC-AG & Co. KGaA	$ 495	$ 891,138	$ 3,305	$ 538,232	$ 774,469	$(1,316,501)	$ 891,138

	For the year ended December 31, 2008						
	Issuer	Guarantors					
	FMC Finance III	FMC - AG & Co. KGaA	D-GmbH	FMCH	Non-Guarantor Subsidiaries	Combining Adjustment	Combined Total
Net revenue	$ —	$ —	$1,745,311	$ —	$11,218,494	$(2,351,482)	$10,612,323
Cost of revenue	—	—	1,082,077	—	8,215,977	(2,314,579)	6,983,475
Gross profit	—	—	663,234	—	3,002,517	(36,903)	3,628,848
Operating expenses (income):							
Selling, general and administrative	93	49,245	208,299	(5,503)	1,600,385	23,658	1,876,177
Research and development	—	—	55,448	—	24,791	—	80,239
Operating (loss) income	(93)	(49,245)	399,487	5,503	1,377,341	(60,561)	1,672,432
Other (income) expense:							
Interest, net	(721)	13,597	14,565	79,688	260,600	(30,987)	336,742
Other, net	—	(945,938)	255,501	(568,804)	—	1,259,241	—
Income (loss) before income taxes	628	883,096	129,421	494,619	1,116,741	(1,288,815)	1,335,690
Income tax expense (benefit)	185	65,489	114,279	(29,118)	376,169	(51,302)	475,702
Net income (loss)	443	817,607	15,142	523,737	740,572	(1,237,513)	859,988
Net income attributable to Noncontrolling interests	—	—	—	—	—	42,381	42,381
Net income (loss) attributable to FMC-AG & Co. KGaA	$ 443	$ 817,607	$ 15,142	$ 523,737	$ 740,572	$(1,279,894)	$ 817,607

	At December 31, 2010							
	Issuer		Guarantors					
	FMC Finance III	FMC Finance VI	FMC - AG & Co. KGaA	D-GmbH	FMCH	Non-Guarantor Subsidiaries	Combining Adjustment	Combined Total
Current assets:								
Cash and cash equivalents	$ 123	$ 7	$ 147,177	$ 225	$ —	$ 342,394	$ 32,944	$ 522,870
Trade accounts receivable, less allowance for doubtful accounts	—	—	—	157,755	—	2,415,503	—	2,573,258
Accounts receivable from related parties	16,542	8,971	2,418,066	667,484	441,601	2,817,556	(6,256,244)	113,976
Inventories	—	—	—	184,948	—	711,053	(86,904)	809,097
Prepaid expenses and other current assets	1	1	111,594	11,341	50	662,187	(1,943)	783,231
Deferred taxes	—	—	14,221	—	—	317,644	18,297	350,162
Total current assets	16,666	8,979	2,691,058	1,021,753	441,651	7,266,337	(6,293,850)	5,152,594
Property, plant and equipment, net	—	—	390	168,939	—	2,458,364	(100,401)	2,527,292
Intangible assets	—	—	428	65,684	—	626,432	—	692,544
Goodwill	—	—	—	65,315	—	8,075,153	—	8,140,468
Deferred taxes	—	—	9,463	4,693	—	121,875	(42,863)	93,168
Other assets	494,231	330,215	7,201,295	644,523	9,320,731	(6,911,510)	(10,590,890)	488,595
Total assets	$510,897	$339,194	$9,902,634	$1,970,907	$9,762,382	$11,636,651	$(17,028,004)	$17,094,661
Current liabilities:								
Accounts payable	$ —	$ —	$ 5,738	$ 22,387	$ —	$ 392,512	$ —	$ 420,637
Accounts payable to related parties	229	—	952,141	670,613	1,538,658	3,210,393	(6,250,147)	121,887
Accrued expenses and other current liabilities	15,866	8,457	122,000	94,978	2,054	1,284,105	9,963	1,537,423
Short-term borrowings	—	—	121	—	—	670,550	—	670,671
Short-term borrowings from related parties	—	—	—	—	—	2,004	7,679	9,683
Current portion of long-term debt and capital lease obligations	—	—	106,862	—	101,145	55,975	—	263,982
Company obligated mandatorily redeemable preferred securities of subsidiary Fresenius Medical Care Capital Trusts holding solely Company-guaranteed debentures of subsidiaries-current portion	—	—	—	—	—	625,549	—	625,549
Income tax payable	24	144	54,366	—	—	62,360	648	117,542
Deferred taxes	—	—	—	5,513	—	27,143	(10,307)	22,349
Total current liabilities	16,119	8,601	1,241,228	793,491	1,641,857	6,330,591	(6,242,164)	3,789,723
Long term debt and capital lease obligations, less current portion	494,231	330,215	870,348	—	1,357,745	3,739,390	(2,482,253)	4,309,676
Long term borrowings from related parties	—	—	334,428	208,368	494,231	400,883	(1,437,910)	—
Other liabilities	—	—	73,382	11,241	—	184,542	24,850	294,015
Pension liabilities	—	—	4,933	143,362	—	41,855	—	190,150
Income tax payable	—	—	1,057	—	—	75,055	124,469	200,581
Deferred taxes	—	—	—	—	—	522,521	(15,625)	506,896
Total liabilities	510,350	338,816	2,525,376	1,156,462	3,493,833	11,294,837	(10,028,633)	9,291,041
Noncontrolling interests subject to put provisions	—	—	—	—	—	279,709	—	279,709
Total FMC-AG & Co. KGaA shareholders' equity	547	378	7,377,258	814,445	6,268,549	(84,548)	(6,999,371)	7,377,258
Noncontrolling interests not subject to put provisions	—	—	—	—	—	146,653	—	146,653
Total equity	547	378	7,377,258	814,445	6,268,549	62,105	(6,999,371)	7,523,911
Total liabilities and equity	$510,897	$339,194	$9,902,634	$1,970,907	$9,762,382	$11,636,651	$(17,028,004)	$17,094,661

	At December 31, 2009						
	Issuer	Guarantors					
	FMC Finance III	FMC - AG & Co. KGaA	D-GmbH	FMCH	Non-Guarantor Subsidiaries	Combining Adjustment	Combined Total
Current assets:							
Cash and cash equivalents	$ 108	$ 24	$ 194	$ —	$ 286,205	$ 14,694	$ 301,225
Trade accounts receivable, less allowance for doubtful accounts	—	—	158,089	—	2,128,308	(488)	2,285,909
Accounts receivable from related parties	16,543	1,837,748	628,819	539,867	2,600,656	(5,350,747)	272,886
Inventories	—	—	202,837	—	701,429	(82,612)	821,654

	At December 31, 2009						
	Issuer	Guarantors					
	FMC Finance III	FMC - AG & Co. KGaA	D-GmbH	FMCH	Non-Guarantor Subsidiaries	Combining Adjustment	Combined Total
Prepaid expenses and other current assets	1	110,117	16,072	50	608,990	(5,924)	729,306
Deferred taxes	—	—	—	—	294,214	22,606	316,820
Total current assets	16,652	1,947,889	1,006,011	539,917	6,619,802	(5,402,471)	4,727,800
Property, plant and equipment, net	—	266	191,445	—	2,322,145	(94,286)	2,419,570
Intangible assets	—	622	50,263	—	808,310	—	859,195
Goodwill	—	—	3,508	—	7,507,926	—	7,511,434
Deferred taxes	—	—	—	—	91,346	(26,597)	64,749
Other assets	493,344	7,001,455	1,193,451	8,910,859	(6,023,422)	(11,337,120)	238,567
Total assets	$509,996	$8,950,232	$2,444,678	$9,450,776	$11,326,107	$(16,860,474)	$15,821,315
Current liabilities:							
Accounts payable	$ 4	$ 217	$ 19,131	$ —	$ 343,055	$ —	$ 362,407
Accounts payable to related parties	200	867,147	600,951	1,500,829	2,672,902	(5,364,600)	277,429
Accrued expenses and other current liabilities	15,868	42,304	98,966	791	1,178,644	(1,020)	1,335,553
Short-term borrowings	—	130	—	—	316,214	—	316,344
Short-term borrowings from related parties	—	—	—	—	2,161	8,279	10,440
Current portion of long-term debt and capital lease obligations	—	—	—	133,866	23,768	—	157,634
Income tax payable	30	32,342	—	—	83,958	648	116,978
Deferred taxes	—	2,569	8,692	—	24,288	(2,619)	32,930
Total current liabilities	16,102	944,709	727,740	1,635,486	4,644,990	(5,359,312)	2,609,715
Long term debt and capital lease obligations, less current portion	493,344	1,063,346	—	1,576,242	4,096,766	(2,801,777)	4,427,921
Long term borrowings from related parties	—	4,543	226,936	493,344	430,743	(1,155,566)	—
Other liabilities	—	105,810	7,693	—	170,121	23,488	307,112
Pension liabilities	—	3,702	114,666	—	28,959	—	147,327
Income tax payable	—	1,139	—	—	100,917	113,865	215,921
Deferred taxes	—	6,051	3,110	—	428,448	(10,079)	427,530
Company obligated mandatorily redeemable preferred securities of subsidiary Fresenius Medical Care Capital Trusts holding solely Company-guaranteed debentures of subsidiary	—	—	—	—	656,096	—	656,096
Total liabilities	509,446	2,129,300	1,080,145	3,705,072	10,557,040	(9,189,381)	8,791,622
Noncontrolling interests subject to put provisions	—	—	—	—	231,303	—	231,303
Total FMC-AG & Co. KGaA shareholders' equity	550	6,820,932	1,364,533	5,745,704	414,661	(7,671,093)	6,675,287
Noncontrolling interests not subject to put provisions	—	—	—	—	123,103	—	123,103
Total equity	550	6,820,932	1,364,533	5,745,704	537,764	(7,671,093)	6,798,390
Total liabilities and equity	$509,996	$8,950,232	$2,444,678	$9,450,776	$11,326,107	$(16,860,474)	$15,821,315

	For the year ended December 31, 2010							
	Issuer		Guarantors					
	FMC Finance III	FMC Finance VI	FMC - AG & Co. KGaA	D-GmbH	FMCH	Non-Guarantor Subsidiaries	Combining Adjustment	Combined Total
Operating Activities:								
Net income (loss)	$ 492	$ 363	$ 978,517	$ 31,136	$ 617,840	$ 891,519	$(1,454,471)	$ 1,065,396
Adjustments to reconcile net income to net cash provided by (used in) operating activities:								
Equity affiliate income	—	—	(683,735)	—	(664,020)	—	1,347,755	—
Depreciation and amortization	—	—	1,452	47,161	888	476,647	(22,924)	503,224
Change in deferred taxes, net	—	—	(9,645)	(2,636)	—	30,710	(3,742)	14,687
(Gain) loss on sale of fixed assets and investments	—	—	(18)	155	—	(6,653)	—	(6,516)
Loss (gain) on investments	—	—	883	28	—	225	(1,136)	—
Compensation expense related to stock options	—	—	27,981	—	—	—	—	27,981
Changes in assets and liabilities, net of amounts from businesses acquired:								
Trade accounts receivable, net	—	—	—	(11,037)	—	(289,237)	—	(300,274)
Inventories	—	—	—	6,063	—	7,082	5,181	18,326
Prepaid expenses and other current and non-current assets	—	—	(355)	804	10,725	(70,862)	(617)	(60,305)
Accounts receivable from / payable to related parties	30	(8,901)	76,758	105,072	34,394	(319,995)	103,603	(9,039)
Accounts payable, accrued expenses and other current and non-current liabilities	(6)	8,365	31,784	22,268	1,263	56,439	4,166	124,279
Income tax payable	(6)	143	24,179	—	(30,025)	(21,344)	17,419	(9,634)
Net cash provided by (used in) operating activities	510	(30)	447,801	199,014	(28,935)	754,531	(4,766)	1,368,125
Investing Activities:								
Purchases of property, plant and equipment	—	—	(340)	(31,749)	—	(522,514)	30,974	(523,629)
Proceeds from sale of property, plant and equipment	—	—	30	1,099	—	14,979	—	16,108
Disbursement of loans to related parties	—	(327,045)	227,151	180	314,665	—	(214,951)	—
Acquisitions and investments, net of cash acquired, and net purchases of intangible assets	—	—	(273,710)	(19,881)	—	(614,049)	143,302	(764,338)
Proceeds from divestitures	—	—	132,823	—	—	14,245	(233)	146,835
Net cash (used in) provided by investing activities	—	(327,045)	85,954	(50,351)	314,665	(1,107,339)	(40,908)	(1,125,024)
Financing Activities:								
Short-term borrowings, net	—	—	—	(148,617)	—	171,078	—	22,461
Long-term debt and capital lease obligations, net	—	327,045	(146,443)	—	(285,730)	(235,418)	214,951	(125,595)
(Decrease) increase of accounts receivable securitization program	—	—	—	—	—	296,000	—	296,000
Proceeds from exercise of stock options	—	—	96,204	—	—	13,314	—	109,518
Dividends paid	(495)	—	(231,967)	—	—	(6,193)	6,688	(231,967)
Capital increase (decrease)	—	—	—	—	—	143,069	(143,069)	—
Distributions to Noncontrolling interests	—	—	—	—	—	(111,550)	—	(111,550)
Contributions from Noncontrolling interests	—	—	—	—	—	26,416	—	26,416
Net cash (used in) provided by financing activities	(495)	327,045	(282,206)	(148,617)	(285,730)	296,716	78,570	(14,717)
Effect of exchange rate changes on cash and cash equivalents	—	(4)	(104,396)	(15)	—	97,628	48	(6,739)
Cash and Cash Equivalents:								
Net increase (decrease) in cash and cash equivalents	15	(34)	147,153	31	—	41,536	32,944	221,645
Cash and cash equivalents at beginning of period	108	41	24	194	—	300,858	—	301,225
Cash and cash equivalents at end of period	$ 123	7	$ 147,177	$ 225	$ —	$ 342,394	$ 32,944	$ 522,870

	For the year ended December 31, 2009						
	Issuer	Guarantors					
	FMC Finance III	FMC - AG & Co. KGaA	D-GmbH	FMCH	Non-Guarantor Subsidiaries	Combining Adjustment	Combined Total
Operating Activities:							
Net income (loss)	$ 495	$ 891,138	$ 3,305	$ 538,232	$ 774,469	$(1,242,419)	$ 965,220
Adjustments to reconcile net income to net cash provided by (used in) operating activities:							
Equity affiliate income	—	(635,395)	—	(560,286)	—	1,195,681	—
Depreciation and amortization	—	1,470	38,029	888	439,196	(22,498)	457,085
Change in deferred taxes, net	—	23,191	4,707	—	(15,491)	9,595	22,002
Loss (gain) on sale of fixed assets and investments	—	—	411	—	(353)	—	58
Loss (gain) on investments	—	7,063	—	—	—	(7,063)	—
Write-off of loans from related parties	—	50	—	—	—	(50)	—
Compensation expense related to stock options	—	33,746	—	—	—	—	33,746
Changes in assets and liabilities, net of amounts from businesses acquired:							
Trade accounts receivable, net	—	—	(13,874)	—	(28,120)	—	(41,994)
Inventories	—	—	(27,435)	—	(49,213)	(12,285)	(88,933)
Prepaid expenses and other current and non-current assets	—	(37,138)	9,921	(18,344)	(93,954)	(7,590)	(147,105)
Accounts receivable from / payable to related parties	208	(388,546)	7,308	39,091	256,906	79,315	(5,718)
Accounts payable, accrued expenses and other current and non-current liabilities	(15)	16,210	12,731	(1,149)	38,065	5,250	71,092
Income tax payable	(160)	(23,961)	—	(14,338)	71,931	39,692	73,164
Net cash provided by (used in) operating activities	528	(112,172)	35,103	(15,906)	1,393,436	37,628	1,338,617
Investing Activities:							
Purchases of property, plant and equipment	—	(152)	(65,684)	—	(537,167)	29,397	(573,606)
Proceeds from sale of property, plant and equipment	—	—	731	—	10,999	—	11,730
Disbursement of loans to related parties	—	(7,270)	178	17,240	—	(10,148)	—
Acquisitions and investments, net of cash acquired, and net purchases of intangible assets	—	(11,841)	(1,900)	—	(185,878)	11,506	(188,113)
Proceeds from divestitures	—	13,380	—	—	1,965	36,620	51,965
Net cash (used in) provided by investing activities	—	(5,883)	(66,675)	17,240	(710,081)	67,375	(698,024)
Financing Activities:							
Short-term borrowings, net	—	(95,795)	31,716	—	10,943	(108,439)	(161,575)
Long-term debt and capital lease obligations, net	—	396,013	—	(1,334)	(261,528)	10,148	143,299
(Decrease) increase of accounts receivable securitization program	—	—	—	—	(325,000)	—	(325,000)
Proceeds from exercise of stock options	—	64,271	—	—	8,123	—	72,394
Dividends paid	(443)	(231,940)	—	—	(5,321)	5,764	(231,940)
Capital increase (decrease)	—	—	—	—	(1,874)	1,874	—
Distributions to Noncontrolling interests	—	—	—	—	(68,004)	—	(68,004)
Contributions from Noncontrolling interests	—	—	—	—	12,699	—	12,699
Net cash (used in) provided by financing activities	(443)	132,549	31,716	(1,334)	(629,962)	(90,653)	(558,127)
Effect of exchange rate changes on cash and cash equivalents	—	(14,470)	6	—	11,590	49	(2,825)
Cash and Cash Equivalents:							
Net increase (decrease) in cash and cash equivalents	85	24	150	—	64,983	14,399	79,641
Cash and cash equivalents at beginning of period	23	—	44	—	221,517	—	221,584
Cash and cash equivalents at end of period	$ 108	$ 24	$ 194	$ —	$ 286,500	$ 14,399	$ 301,225

	For the year ended December 31, 2008						
	Issuer	Guarantors					
	FMC Finance III	FMC - AG & Co. KGaA	D-GmbH	FMCH	Non-Guarantor Subsidiaries	Combining Adjustment	Combined Total
Operating Activities:							
Net income (loss)	$ 443	$ 817,607	$ 15,142	$ 523,737	$ 740,572	$(1,237,513)	$ 859,988
Adjustments to reconcile net income to net cash provided by (used in) operating activities:							
Equity affiliate income	—	(462,412)	—	(568,804)	—	1,031,216	—
Depreciation and amortization	—	1,472	40,895	888	393,558	(21,142)	415,671
Change in deferred taxes, net	—	(7,951)	3,169	—	97,726	40,103	133,047
(Gain) loss on sale of fixed assets and investments	—	(422)	(55)	—	(21,009)	422	(21,064)
Write-up of loans from related parties	—	(17,727)	—	—	—	17,727	—
Compensation expense related to stock options	—	31,879	—	—	—	—	31,879
Changes in assets and liabilities, net of amounts from businesses acquired:							
Trade accounts receivable, net	—	—	(34,889)	—	(207,078)	—	(241,967)
Inventories	—	—	(27,549)	—	(82,328)	15,765	(94,112)
Prepaid expenses and other current and non-current assets	—	(32,757)	(25,384)	(3,964)	(30,156)	8,172	(84,089)
Accounts receivable from / payable to related parties	899	(318,373)	43,853	34,620	104,895	166,358	32,252
Accounts payable, accrued expenses and other current and non-current liabilities	(1,237)	1,140	22,438	(4,538)	(38,463)	3,620	(17,040)
Income tax payable	96	(49,994)	—	(29,118)	91,779	(10,930)	1,833
Net cash provided by (used in) operating activities	201	(37,538)	37,620	(47,179)	1,049,496	13,798	1,016,398
Investing Activities:							
Purchases of property, plant and equipment	—	(186)	(77,381)	—	(646,396)	36,607	(687,356)
Proceeds from sale of property, plant and equipment	—	16	1,348	—	12,482	—	13,846
Disbursement of loans to related parties	—	(123,908)	177	164,746	—	(41,015)	—
Acquisitions and investments, net of cash acquired, and net purchases of intangible assets	—	(36,148)	(39,721)	—	(186,477)	(14,127)	(276,473)
Proceeds from divestitures	—	—	—	—	58,582	—	58,582
Net cash (used in) provided by investing activities	—	(160,226)	(115,577)	164,746	(761,809)	(18,535)	(891,401)
Financing Activities:							
Short-term borrowings, net	—	36,847	78,179	—	(123,064)	—	(8,038)
Long-term debt and capital lease obligations, net	—	366,231	(221)	(117,567)	(644,378)	41,015	(354,920)
Increase (decrease) of accounts receivable securitization program	—	—	—	—	454,000	—	454,000
Proceeds from exercise of stock options	—	36,755	—	—	7,132	—	43,887
Dividends paid	(222)	(252,395)	—	—	163	59	(252,395)
Capital increase (decrease)	—	—	—	—	35,873	(35,873)	—
Distributions to Noncontrolling interests	—	—	—	—	(38,592)	—	(38,592)
Net cash (used in) provided by financing activities	(222)	187,438	77,958	(117,567)	(308,866)	5,201	(156,058)
Effect of exchange rate changes on cash and cash equivalents	—	10,326	(2)	—	(2,419)	50	7,955
Cash and Cash Equivalents:							
Net (decrease) increase in cash and cash equivalents	(21)	—	(1)	—	(23,598)	514	(23,106)
Cash and cash equivalents at beginning of period	44	—	45	—	244,601	—	244,690
Cash and cash equivalents at end of period	$ 23	$ —	$ 44	$ —	$ 221,003	$ 514	$ 221,584

FINANCIAL STATEMENTS INCORPORATED BY REFERENCE

The specified pages of the following documents which were prepared in accordance with the International Financial Reporting Standards of the International Accounting Standards Board (IASB) as adopted by the European Union ("IFRS") and which have previously been published at the Company's website at www.fmc-ag.com/3572.htm and which have been filed with the CSSF are incorporated by reference into this prospectus/offering memorandum and form part of it:

(1) The German language audited consolidated financial statements of the Company for the financial year ended on December 31, 2009 (*Konzernabschluss zum 31. Dezember 2009 nach den International Financial Reporting Standards*) consisting of

- Consolidated Statement of Income (*Konzern-Gewinn- und Verlustrechnung*) (page 2 in the Consolidated Financial Statements (IFRS Filing) 2009),
- Consolidated Statement of Comprehensive Income (*Konzern-Gesamtergebnisrechnung*) (page 3 in the Consolidated Financial Statements (IFRS Filing) 2009),
- Consolidated Balance Sheet (*Konzern-Bilanz*) (page 4 in the Consolidated Financial Statements (IFRS Filing) 2009),
- Consolidated Cash Flow Statement (*Konzern-Kapitalflussrechnung*) (page 5 in the Consolidated Financial Statements (IFRS Filing) 2009),
- Consolidated Statement of Changes in Equity (*Eigenkapitalveränderungsrechnung*) (page 6 in the Consolidated Financial Statements (IFRS Filing) 2009),
- Notes to the Consolidated Financial Statements (*Konzernanhang*) (pages 7 to 89 in the Consolidated Financial Statements (IFRS Filing) 2009),
- Independent Auditor's Report (*Bestätigungsvermerk des Abschlussprüfers*) (page 137 in the Consolidated Financial Statements (IFRS Filing) 2009).[(1)]

(2) The German language audited consolidated financial statements of the Company for the financial year ended on December 31, 2010 (*Konzernabschluss zum 31. Dezember 2010 nach den International Financial Reporting Standards*) consisting of

- Consolidated Statement of Income (*Konzern-Gewinn- und Verlustrechnung*) (page 2 in the Consolidated Financial Statements (IFRS Filing) 2010),
- Consolidated Statement of Comprehensive Income (*Konzern-Gesamtergebnisrechnung*) (page 3 in the Consolidated Financial Statements (IFRS Filing) 2010),
- Consolidated Balance Sheet (*Konzern-Bilanz*) (page 4 in the Consolidated Financial Statements (IFRS Filing) 2010),
- Consolidated Cash Flow Statement (*Konzern-Cash Flow-Rechnung*) (page 5 in the Consolidated Financial Statements (IFRS Filing) 2010),
- Consolidated Statement of Changes in Equity (*Eigenkapitalveränderungsrechnung*) (page 6 in the Consolidated Financial Statements (IFRS Filing) 2010),
- Notes to the Consolidated Financial Statements (*Konzernanhang*) (pages 7 to 132 in the Consolidated Financial Statements (IFRS Filing) 2010),
- Independent Auditor's Report (*Bestätigungsvermerk des Abschlussprüfers*) (page 180 in the Consolidated Financial Statements (IFRS Filing) 2010).[(1)]

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(1) The Independent Auditor's Reports have been issued in accordance with § 322 HGB and relate to the complete annual report 2010 and 2009, respectively, comprising the statements of income, statements of comprehensive income, balance sheets, statements of cash flows, statements of shareholders' equity and notes and the group management reports for the years ended December 31, 2010 and 2009. The group management reports are neither included nor incorporated by reference in this prospectus/offering memorandum.

(3) The German language unaudited consolidated interim financial statements of the Company for the six-month period ended on June 30, 2011 consisting of

- Consolidated Statement of Income (*Konzern-Gewinn- und Verlustrechnung*) (page 23 in the 1st Half-year Report 2011),
- Consolidated Statement of Comprehensive Income (*Konzern-Gesamtergebnisrechnung*) (page 24 in the 1st Half-year Report 2011),
- Consolidated Balance Sheet (*Konzern-Bilanz*) (page 25 in the 1st Half-year Report 2011),
- Consolidated Cash Flow Statement (*Konzern-Cash Flow-Rechnung*) (page 26 in the 1st Half-year Report 2011),
- Consolidated Statement of Changes in Equity (*Eigenkapitalveränderungsrechnung*) (page 27 in the 1st Half-year Report 2011),
- Notes to the Consolidated Interim Financial Statements (*Anmerkungen zum Konzernabschluss*) (pages 28 to 57 in the 1st Half-year Report 2011).

Any information not listed in the reference list above but included in the documents incorporated by reference is given for information purposes only.

For so long as any Note is outstanding, copies of the documents incorporated by reference into the prospectus/offering memorandum will be available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

English language translations of the documents incorporated by reference are available at the Company's website at www.fmc-ag.com/3572.htm.

Annex 1

ZUSAMMENFASSUNG

Der folgende Abschnitt ist eine Zusammenfassung der ausführlicheren Informationen, die an anderer Stelle in dem vorliegenden Prospekt/Offering Memorandum enthalten sind. Die Zusammenfassung ist als Einleitung zu diesem Prospekt/Offering Memorandum zu lesen. Sie ist nicht als vollständige Darstellung zu verstehen und ist im Zusammenhang mit dem vollständigen Prospekt/Offering Memorandum zu lesen. Der Anleger sollte jede Entscheidung zur Anlage in die Schuldverschreibungen auf die Prüfung des gesamten Prospekts/Offering Memorandums einschließlich der per Verweis einbezogenen Dokumente stützen. Für den Fall, dass vor einem Gericht in einem Staat des Europäischen Wirtschaftsraums Ansprüche aufgrund der in diesem Prospekt/Offering Memorandum enthaltenen Informationen geltend gemacht werden, könnte der klagende Anleger in Anwendung der nationalen Rechtsvorschriften die Kosten für die Übersetzung des Prospekts/Offering Memorandum vor Prozessbeginn zu tragen haben. Eine zivilrechtliche Haftung der Emittenten kommt nur in Betracht, wenn diese Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit anderen Teilen des Prospekt/Offering Memorandums gelesen wird. Sie sollten den gesamten Prospekt/Offering Memorandum einschließlich des Abschnitts „Risk Factors" und die per Verweis einbezogenen Dokumente sorgfältig lesen. Soweit sich aus dem Inhalt nicht etwas anderes ergibt oder abweichend angegeben ist, bezieht sich „wir", „uns", „unsere" und vergleichbare Formulierungen sowie Bezugnahmen auf „die Gesellschaft" und auf „FMC-AG & Co. KGaA" auf sämtliche unserer konsolidierten Tochtergesellschaften einschließlich der Emittenten. „Dollar-Emittent" bezieht sich auf die Fresenius Medical Care US Finance II, Inc. als Emittent der auf Dollar lautenden Schuldverschreibungen und „Euro-Emittent" bezieht sich auf FMC Finance VIII S.A. als Emittent der auf Euro lautenden Schuldverschreibungen (die auf Dollar lautenden Schuldverschreibungen und die auf Euro lautenden Schuldverschreibungen gemeinsam die „Schuldverschreibungen") und der Begriff „Emittenten" bezieht sich auf den Dollar-Emittenten und den Euro-Emittenten. Definitionen der in dem vorliegenden Prospekt/Offering Memorandum enthaltenen Begriffe finden Sie in dem Abschnitt „Description of the Notes" sowie an anderer Stelle in diesem Prospekt/Offering Memorandum. Mit Ausnahme (i) der Angaben im Abschnitt „Zusammenfassung — Zusammenfassung der historischen konsolidierten Finanzdaten und sonstige Daten — IFRS" und „Selected Historical Consolidated Financial Data Prepared under IFRS" und (ii) der auf Seiten F-95-F-96 aufgeführten und durch Verweis in diesen Prospekt/Offering Memorandum einbezogenen Finanzangaben, sind die in diesem Prospekt/Offering Memorandum enthaltenen Finanzangaben der Gesellschaft in Übereinstimmung mit den nach U.S. GAAP erstellten Abschlüssen dargestellt oder wurden diesen abgeleitet. Die in diesen Prospekt/Offering Memorandum enthaltene Bilanz des Euro-Emittenten wurde in Übereinstimmung mit den luxemburgischen allgemein anerkannten Rechnungslegungsgrundsätzen erstellt.

Unser Unternehmen

Unsere Geschäftstätigkeit

Wir sind nach den veröffentlichten Umsätzen und der Anzahl der behandelten Patienten der weltweit größte Dialyseanbieter, und sind sowohl in dem Bereich der Dialyseprodukte als auch im Bereich der Dialysedienstleistungen tätig. In dem unten stehenden Abschnitt „Überblick über die Dialyseindustrie" finden Sie eine Beschreibung unseres internen Informations- und Datenerfassungstools. Als vertikal integriertes Unternehmen bieten wir Produkte und Dienstleistungen entlang der gesamten Wertschöpfungskette der Dialyse an. Zum 30. Juni 2011 erbrachten wir weltweit Dialysedienstleistungen an 225.909 Patienten in 2.838 Kliniken in über 35 Ländern. In den USA führen wir darüber hinaus klinische Labortests durch und bieten stationäre Dialysebehandlungen sowie im Rahmen von Verträgen mit Krankenhäusern weitere Dienstleistungen an. In dem zum 30. Juni 2011 endenden Sechs-Monats-Zeitraum haben wir ca. 16,6 Millionen Dialysebehandlungen durchgeführt, was einem Anstieg von ca. 9 % im Verhältnis zu dem vergleichbaren Zeitraum im Jahr 2010 entspricht, und im Jahr 2010 haben wir ca. 31,7 Millionen Dialysebehandlungen durchgeführt, was einem Anstieg von ca. 8 % im Vergleich zum Jahr 2009 entspricht. Wir entwickeln und produzieren außerdem ein breites Sortiment an Geräten, Systemen und Verbrauchsmaterialien, die wir an Kunden in mehr als 120 Ländern verkaufen. In dem am 31. Dezember 2010 endenden Geschäftsjahr erzielten wir Umsatzerlöse in Höhe von $12,1 Milliarden, was einem Anstieg von 7 % (7 % währungsbereinigt) gegenüber dem vergleichbaren Vorjahreszeitraum entspricht. Das EBITDA lag im Geschäftsjahr 2010 bei $2,4 Milliarden. In dem am 30. Juni 2011 endenden Zwölf-Monats-Zeitraum haben wir Umsatzerlöse von $12,5 Milliarden und ein EBITDA von $2,5 Milliarden erzielt. 67 % unserer Umsätze in dem am 31. Dezember 2010 endenden Geschäftsjahr entfallen auf unsere Geschäftstätigkeit in Nordamerika und 33 % auf unsere internationale Geschäftstätigkeit, welche unsere Geschäftstätigkeit in Europa (21 %), Lateinamerika (5 %) und im Raum Asien-Pazifik (7 %) beinhaltet. Unsere Stammaktien und unsere Vorzugsaktien werden an der Frankfurter Wertpapierbörse notiert, und unsere American Depositary Receipts (ADR), die unsere Stammaktien und unsere Vorzugsaktien repräsentieren, werden an der New York Stock Exchange gehandelt. Am 31. Juli 2011 hatten wir eine Marktkapitalisierung in Höhe von ca. $23,3 Milliarden.

Unsere im Rahmen der Behandlung von Patienten gewonnenen Erkenntnisse nutzen wir zur Entwicklung neuer und verbesserter Produkte. Wir sind der Auffassung, dass unsere Größe, unsere Aktivitäten in den Bereichen

Dialysedienstleistungen und Dialyseprodukte sowie unsere Konzentration auf spezifische geografische Bereiche es uns erlauben, kosteneffizienter als viele unserer Wettbewerber zu arbeiten.

Die nachfolgende Tabelle gibt einen Überblick über die Umsatzerlöse in unserem Segment Nordamerika und unserem Segment International sowie über unsere wichtigsten Tätigkeitsbereiche für die zum 30. Juni 2011 und 2010 endenden Sechs-Monats-Zeiträume sowie für die drei zum 31. Dezember 2010, 2009 und 2008 endenden Geschäftsjahre.

	Sechs-Monats-Zeitraum zum 30. Juni		Geschäftsjahr zum 31. Dezember		
	2011	2010	2010	2009	2008
			(in Millionen)		
Nordamerika					
Dialysedienstleistungen	$3.610	3.578	7.303	6.794	6.247
Dialyseprodukte	395	408	827	818	758
	4.005	3.986	8.130	7.612	7.005
International					
Dialysedienstleistungen	1.037	817	1.767	1.556	1.490
Dialyseprodukte	1.180	1.025	2.156	2.079	2.117
	2.217	1.842	3.923	3.635	3.607

Geschichte

Die Fresenius Medical Care & Co. KGaA („FMC-AG & Co. KGaA“ oder die „Gesellschaft“) ist eine deutsche Kommanditgesellschaft auf Aktien, die aus einem Rechtsformwechsel der nach deutschem Recht gegründeten Aktiengesellschaft Fresenius Medical Care AG („FMC-AG“) hervorgegangen ist.

Die Gesellschaft wurde am 5. August 1996 zunächst als Aktiengesellschaft (AG) gegründet. Am 30. September 1996 haben wir sämtliche ausstehenden Aktien der W.R. Grace & Co. erworben, deren einzige Geschäftstätigkeit seinerzeit das globale Dialyse-Geschäft der National Medical Care, Inc. war. Zum gleichen Zeitpunkt wurden außerdem sämtliche im Streubesitz befindliche Aktien an der Fresenius USA, Inc. erworben. Die Gesellschaft wurde mit Eintragung am 10. Februar 2006 formwechselnd in eine Kommanditgesellschaft auf Aktien umgewandelt.

Am 31. März 2006 konnte die Gesellschaft den Erwerb der Renal Care Group, Inc. („RCG“), eine nach dem Recht des Staates Delaware gegründete Gesellschaft mit Hauptsitz in Nashville, Tennessee, für einen Gesamtbarkaufpreis, abzüglich erworbener liquider Mittel, von ca. $ 4,2 Milliarden für sämtliche ausstehende Aktien einschließlich der Aktienoptionen der RCG und gleichzeitiger Rückzahlung von Verschuldung der RCG in Höhe von ca. $ 657,8 Millionen abschließen. Im Jahr 2005 erbrachte RCG Dialysedienstleistungen und Nebenleistungen für über 32.360 Patienten in über 450 eigenen Dialyse-Kliniken in 34 Bundesstaaten der Vereinigten Staaten sowie Akutdialyse-Dienste für mehr als 200 Krankenhäuser.

Mit Wirkung zum 15. Juni 2007 wurde ein 3:1 Aktiensplit unserer Stammaktien und unserer Vorzugsaktien durchgeführt. Sämtliche Angaben über Aktien und Ergebnisse je Aktie in den in diesem Prospekt/Offering Memorandum enthaltenen konsolidierten Abschlüssen und den korrespondierenden Anhängen wurden unter Berücksichtigung des Aktiensplits neu berechnet.

Überblick über die Dialyseindustrie

Wir bieten lebensrettende Produkte und Dienstleistungen für nierenkranke Menschen in einem Markt an, der von einer für uns günstigen demografischen Entwicklung gekennzeichnet ist. Als globaler Marktführer für Dialyseprodukte und Dialysedienstleistungen ist es für Fresenius Medical Care wichtig, über präzise und aktuelle Informationen über den Status und die Entwicklung der globalen, regionalen und nationalen Märkte zu verfügen.

Zur Beschaffung und Verwaltung dieser Informationen hat Fresenius Medical Care unter der Bezeichnung Market and Competitor Survey („MCS“) ein internes Informationstool entwickelt. Das MCS dient innerhalb der Gesellschaft als Instrument, um aktuelle, präzise und grundlegende Informationen über den Dialyse-Markt, Entwicklungstrends und die Marktposition der Fresenius Medical Care sowie die ihrer Mitbewerber zu sammeln, zu analysieren und zu kommunizieren. Für jedes einzelne Land werden am Ende jedes Kalenderjahres Umfragen durchgeführt, um die Gesamtzahl der wegen terminaler Niereninsuffizienz (sog. End-Stage Renal Disease oder „ESRD“) behandelten Patienten, die gewählten Behandlungsmethoden, die verwendeten Produkte, die Behandlungsorte und die Struktur der Pflegeeinrichtungen für ESRD-Patienten zu erfassen. Die Studie wurde über die Jahre weiterentwickelt, um einen besseren Zugang zu detaillierteren Informationen zu erhalten und Änderungen hinsichtlich der Entwicklung von Therapien und Produkten sowie Strukturänderungen in unserem Wettbewerbsumfeld widerzuspiegeln. Die Fragebögen

werden an Experten im Bereich Dialyse verteilt, die selbst in der Lage sind, ESRD-relevante länderspezifische Informationen zur Verfügung zu stellen oder die entsprechenden Informationen von Kontaktpersonen mit den relevanten Kenntnissen in den jeweiligen Ländern einholen können. Die Studien werden anschließend zentral ausgewertet und durch einen Abgleich mit aktuellen Quellen der nationalen ESRD-Informationen (z. B. Registrierungsdaten oder Veröffentlichungen, falls erhältlich) sowie den Ergebnissen der in früheren Jahren durchgeführten Studien auf ihre Übereinstimmung überprüft. Die gesammelten Informationen werden auf globaler und regionaler Ebene konsolidiert und analysiert und gemeinsam mit öffentlich zugänglichen Informationen, die von unseren Wettbewerbern veröffentlicht wurden, verteilt.

Soweit nachfolgend nicht ausdrücklich anders angegeben, wurden sämtliche Patienten- und Marktdaten in diesem Prospekt/Offering Memorandum dem MCS entnommen.

Terminale Niereninsuffizienz (ESRD)

ESRD ist das Stadium einer fortgeschrittenen chronischen Nierenerkrankung, die durch den irreversiblen Verlust der Nierenfunktionen gekennzeichnet ist und die zur Lebenserhaltung eine regelmäßige Dialysebehandlung bzw. eine Nierentransplantation erfordert. Eine normal funktionierende menschliche Niere sorgt für die Ausscheidung von Stoffwechselprodukten und von überschüssigem Wasser aus dem Blut. Dies verhindert den Aufbau von Giftstoffen, Überwässerung und eine mögliche Vergiftung des Körpers. Die meisten Patienten, die an ESRD leiden, sind auf Dialyse angewiesen, durch die künstlich giftige Ausscheidungsstoffe und überschüssige Flüssigkeit aus dem Körper entfernt werden. Chronische Nierenerkrankungen werden durch eine Reihe von Faktoren, wie Diabetes, Bluthochdruck, Glomerulonephritis und Erbkrankheiten verursacht. Die Mehrheit sämtlicher an ESRD leidenden Personen erkrankt infolge von Komplikationen einer oder mehrerer dieser Primärerkrankungen.

Es gibt gegenwärtig lediglich zwei Methoden zur Behandlung von ESRD: Dialyse und Nierentransplantationen. Durch den Mangel an passenden Nieren ist die Möglichkeit von Transplantationen begrenzt. Daher sind die meisten an ESRD erkrankten Patienten auf Dialysebehandlungen angewiesen.

Wir schätzen, dass es Ende 2010 weltweit ca. 2,622 Mio. ESRD-Patienten gab, von denen ca. 593.000 mit einer transplantierten Niere lebten. Die Zahl der Organspenden ist weltweit seit vielen Jahren signifikant geringer als die Anzahl der Patienten auf den Transplantationswartelisten. Folglich lebt weniger als ein Viertel aller ESRD-Patienten weltweit mit einem Spenderorgan, und die verbleibenden Patienten erhalten eine Nierenersatztherapie in Form einer Dialyse. Trotz anhaltender und umfangreicher Bemühungen regionaler Initiativen, das Bewusstsein und die Bereitschaft für eine Nierenspende zu erhöhen, hat sich die Verteilung der Patienten auf die unterschiedlichen Behandlungsmethoden in den vergangenen zehn Jahren nicht wesentlich verändert. Sowohl in den USA als auch in Deutschland leben ca. 30 % aller ESRD-Patienten mit einem funktionierenden Nierentransplantat und ca. 70 % sind auf eine Dialysebehandlung angewiesen.

In der Dialyse wird heute grundsätzlich zwischen zwei verschiedenen Behandlungsverfahren unterschieden, der Hämodialyse („HD“) und der Peritonealdialyse („PD“). Diese werden nachfolgend in dem Abschnitt „Dialysebehandlungsmöglichkeiten für ESRD-Patienten“ beschrieben. Von den im Jahr 2010 geschätzten 2,029 Mio. Dialysepatienten wurden ungefähr 1,810 Mio. durch HD und ungefähr 219.000 durch PD behandelt. In der Regel legt der behandelnde Arzt eines ESRD-Patienten in Abstimmung mit dem Patienten die Behandlungsmethode fest, die von den medizinischen und persönlichen Gegebenheiten und Bedürfnissen des Patienten abhängt.

Die Zahl der Dialysepatienten stieg im Jahr 2010 weltweit um ca. 7 % an. Die derzeitige jährliche Patientenwachstumsrate in Nordamerika, dem größten Dialyse-Markt, beträgt ca. 5 % pro Jahr, während in vielen Entwicklungsländern Wachstumsraten von 10 % oder mehr zu verzeichnen sind. Wir sind der Ansicht, dass das weltweite Wachstum weiterhin bei ca. 6 % pro Jahr liegen wird. Ende 2010 gab es in Nordamerika (einschließlich Mexiko) ca. 494.000 Patienten, ca. 322.000 Dialysepatienten in den 27 Ländern der Europäischen Union (EU), ca. 250.000 Patienten in Europa (ohne EU-Länder), dem Mittleren Osten und Afrika, ca. 215.000 Patienten in Lateinamerika (ohne Mexiko) und ca. 748.000 Patienten im Raum Asien-Pazifik (einschließlich ca. 299.000 Patienten in Japan).

Hinsichtlich des Wachstums der Patientenzahlen bestehen erhebliche Unterschiede zwischen den einzelnen Regionen. In den USA, Japan, West- und Mitteleuropa werden bei der Zahl der Patienten eher unterdurchschnittliche Zuwachsraten verzeichnet, da Patienten mit terminaler Niereninsuffizienz in diesen Regionen bereits seit vielen Jahren Zugang zu einer entsprechenden Behandlung — im Regelfalle der Dialyse — hatten. Im Gegensatz dazu sind in den ökonomisch schwächeren Regionen überdurchschnittliche, in einigen Fällen zweistellige Zuwachsraten zu verzeichnen. Daraus wird ersichtlich, dass der Zugang zu Behandlungen in diesen Ländern weiterhin eingeschränkt ist, sich jedoch schrittweise verbessert.

Wir schätzen, dass von den insgesamt weltweit behandelten Patienten ca. 20 % in den USA, ca. 16 % in der EU und ca. 15 % in Japan behandelt werden. Die verbleibenden 49 % aller Dialyse-Patienten verteilen sich über ca. 120 Länder in verschiedenen geographischen Regionen.

Wir führen die stetig steigende Anzahl der Dialysepatienten im Wesentlichen auf folgende Faktoren zurück:

- steigende allgemeine Lebenserwartung und das insgesamt zunehmende Durchschnittsalter der Bevölkerung;
- Engpass an Spenderorganen für Nierentransplantationen;
- verbesserte Dialysetechnologie, die damit einer größeren Anzahl Patienten den Zugang zur lebensverlängernden Dialyse ermöglicht;
- verbesserter weltweiter Lebensstandard, der zu einem besserer Zugang zu Behandlungen in Entwicklungsländern führt; und
- vermehrtes Auftreten von Bluthochdruck, Diabetes und anderen Krankheiten, die zu ESRD führen und eine bessere Behandlung und höhere Lebenserwartung von Patienten mit diesen Krankheiten.

Dialysebehandlungsmöglichkeiten für ESRD-Patienten

Hämodialyse. Bei der Hämodialyse wird das Blut außerhalb des Körpers des Patienten von Giftstoffen und überschüssiger Flüssigkeit befreit. Dabei wird das Blut über Kunststoffschläuche, sog. Blutschläuche, in einen speziellen Filter, den so genannten Dialysator, geleitet. Der Dialysator filtert Giftstoffe und überschüssiges Wasser aus dem Blut. Die Dialyselösung, die durch den Dialysator fließt, transportiert die Giftstoffe und das überschüssige Wasser ab und reichert das Blut mit gelösten Stoffen an, die durch die Niereninsuffizienz erforderlich werden. Das gereinigte Blut wird dem Körper des Patienten wieder zugeführt. Das Hämodialysegerät pumpt Blut, setzt Gerinnungshemmer zu, reguliert den Reinigungsprozess und steuert das Mischen der Dialyselösung sowie ihren Durchfluss durch das System. Darüber hinaus kann dieses Gerät die Vitalfunktionen des Patienten überwachen und dokumentieren.

In der Regel muss sich ein Patient dreimal wöchentlich einer jeweils zwischen drei und fünf Stunden dauernden Hämodialysebehandlung unterziehen. Die Mehrzahl der Patienten werden in ambulanten Dialysekliniken, wie etwa unseren, behandelt, an denen die Hämodialyse unter Mitwirkung eines Krankenpflegers oder eines Dialysetechnikers und unter Aufsicht eines Arztes erfolgt.

Die Patienten können Hämodialysebehandlungen in Kliniken erhalten, die von (1) einem öffentlichen Zentrum (das sich in staatlichem Eigentum oder im Eigentum einer staatlichen Tochtergesellschaft befindet oder von diesen betrieben wird), (2) einer Gesundheitsorganisation (nicht gewinnorientierte, gemeinnützige Organisationen), (3) einem privaten Gesundheitszentrum (das sich im Eigentum einzelner Ärzte oder einer Gruppe von Ärzten befindet bzw. von diesen betrieben wird) betrieben wird oder sich in (4) einer Klinik behandeln lassen, die im Eigentum eines Unternehmens steht, einschließlich Betreiber mehrerer Kliniken (die Eigentum eines Unternehmens wie der FMC-AG & Co. KGaA sind oder durch diese betrieben werden). Im Jahr 2010 gab es ca. 5.600 von Medicare zertifizierte Kliniken zur Behandlung von ESRD-Patienten in den USA, wobei lediglich ca. 1 % der Patienten in öffentlichen Gesundheitszentren behandelt wurden. Im Jahr 2010 gab es in der EU ca. 5.200 Dialyse-Kliniken, in denen Dialysepatienten behandelt wurden. In der EU erhielten ca. 45 % der Dialysepatienten eine Behandlung in öffentlichen Gesundheitszentren, ca. 13 % in Gesundheitszentren, die sich im Eigentum von Gesundheitsorganisationen befanden, ca. 21 % in privaten Zentren und ca. 21 % in unternehmenseigenen Kliniken wie unseren Kliniken. In Lateinamerika waren private Gesundheitszentren und unternehmenseigene Kliniken vorherrschend, in denen mehr als 83 % sämtlicher Dialysepatienten behandelt wurden. In Japan wurden ca. 80 % der Patienten von Nephrologen (Ärzte mit einer Spezialisierung in der Behandlung von Nierenpatienten) in deren privaten Gesundheitszentren behandelt.

Unter den unternehmenseigenen Kliniken sind zum Ende des Jahres 2010 Fresenius Medical Care mit ca. 215.000 Patienten und DaVita mit ca. 125.000 Patienten die größten Anbieter. Alle übrigen unternehmenseigenen Kliniken behandeln jeweils weniger als 20.000 Patienten.

Von den ca. 2.029 Millionen Patienten, die im Jahr 2010 eine Dialyse erhielten, wurden mehr als 89 % mittels Hämodialyse behandelt. Hämodialyse-Patienten repräsentierten ca. 93 % sämtlicher Dialysepatienten in den USA, ca. 96 % sämtlicher Dialysepatienten in Japan, 91 % in der EU und 85 % in den übrigen Teilen der Welt. In den 15 größten Dialyse-Ländern (gemessen an der Zahl der Patienten), die ca. 75 % der Dialysepatienten weltweit repräsentieren, ist mit Ausnahme von Mexiko in sämtlichen Ländern die Hämodialyse die vorherrschende Behandlungsmethode. Angesichts dieser Zahlen wird deutlich, dass die Hämodialyse im weltweiten Vergleich der Therapiemethoden die vorherrschende Position einnimmt.

Peritonealdialyse. Bei der Peritonealdialyse wird das Bauchfell, eine Membran, die im Unterleibsbereich die inneren Organe abdeckt, als Filter genutzt, um Giftstoffe aus dem Blut zu filtern. Die meisten Peritonealdialyse-Patienten führen die Behandlung selbst zu Hause oder am Arbeitsplatz entweder als kontinuierliche ambulante Peritonealdialyse

(CAPD) oder in Form einer so genannten kontinuierlichen zyklischen Peritonealdialyse (CCPD) durch. Voraussetzung für beide Behandlungsformen ist die chirurgische Implantation eines Katheters als Zugang zur Bauchhöhle. Über diesen Katheter leitet der Patient aus einem Lösungsbeutel eine sterile Dialyselösung durch einen Schlauch in die Bauchhöhle ein. Das Bauchfell wirkt dabei als natürliche Filtermembran, und nach einer bestimmten Einwirkzeit wird die Lösung abgeleitet und entsorgt. In der Regel wird bei der CAPD viermal täglich die Dialyselösung ein- und ausgeleitet. Bei der CCPD kommt ein Gerät zum Einsatz, das die Lösung in die Bauchhöhle des Patienten pumpt und wieder abpumpt, während der Patient schläft. Während des Tages verbleiben anderthalb bis zwei Liter Dialyselösung in der Bauchhöhle des Patienten. Das menschliche Bauchfell kann nur über einen begrenzten Zeitraum als Dialysator dienen, idealerweise nur dann, wenn die Nieren bis zu einem gewissen Grad noch funktionsfähig sind.

Unsere Strategie und Wettbewerbsstärken

Wachstumsziele

Goal 13 ist unsere langfristige Wachstumsstrategie bis 2013. Goal 13 beinhaltet die folgenden jährlichen Ziele für die Jahre 2011, 2012 und 2013:

Jährliches Umsatzwachstum*	6-8 %
Jährlicher durchschnittlicher Zinssatz	6,0-6,5 %
Ergebnis, das auf die Anteilseigner der FMC AG & Co. KGaA entfällt (Wachstumsrate in %)	hohe einstellige bis niedrige zweistellige Wachstumsrate
Ergebnis je Aktie (Wachstumsrate in %)	hohe einstellige bis niedrige zweistellige Wachstumsrate
Cash flow aus betrieblicher Tätigkeit**	>10 %
Investitionen und Akquisitionen**	>7 %

* währungsbereinigt

** als prozentualer Anteil der Umsatzerlöse

Wachstumswege

Wir haben vier Wege entwickelt, die die Gesellschaft weiter verfolgen wird, um in einem breiteren Spektrum des globalen Dialysemarktes erfolgreich zu sein und unsere Wachstums- und Gewinnziele zu erreichen:

Weg 1: Organisches Wachstum

Auf diesem Weg werden wir weiterhin integrierte, innovative Behandlungskonzepte wie UltraCare®, NephroCare und unser vor kurzem eingeführtes umfassendes PD Therapieprogramm *Protect, Preserve and Prolong* („P3“) sowie die kardioprotektive Hämodialyse unter Verwendung unseres *Body Composition Monitor* zur Messung der Menge von Wasseransammlungen des Patienten, die ein wesentlicher Faktor für die Gesundheit des Herz-Kreislaufsystems von Dialysepatienten (vgl. den Abschnitt *"Business — Research and Development*") ist, anbieten. Wir beabsichtigen, diese Behandlungen z. B. mit unseren Dialysemedikamenten zu kombinieren. Mittels dieser Maßnahmen möchten wir unser Dienstleistungsportfolio von dem unserer Wettbewerber abheben. Außerdem planen wir, unser Umsatzwachstum in den nächsten drei Jahren durch Eröffnung von jährlich 100 bis 120 neuer Dialysekliniken zu steigern und die Anzahl der Patienten, deren Behandlungen von privaten Krankenversicherungen abgedeckt sind, weiter zu erhöhen.

Wir beabsichtigen außerdem, weiterhin innovative Dialyseprodukte zu entwickeln. Unsere qualitativ hochwertigen Produkte wie unsere vor kurzem vorgestellten klassischen HD-Maschinen 2008T und 4008S sowie das Therapiesystem 5008 und eine kosteneffiziente Herstellung sollen signifikant zum weiteren Wachstum unseres Produktbereichs Dialyseprodukte beitragen.

Weg 2: Akquisitionen

Wir beabsichtigen, zur Ausweitung des Netzes unserer Dialysekliniken attraktive und zielgerichtete Akquisitionen vorzunehmen. In Nordamerika möchten wir unser Netzwerk in besonders attraktiven Regionen ausbauen. Am 2. August 2011 haben wir bekannt gegeben, dass wir eine verbindliche Vereinbarung zur Übernahme der Liberty Dialysis Holdings, Inc., geschlossen haben, der Holdinggesellschaft der Liberty Dialysis und der Renal Advantage. Liberty Dialysis Holding betreibt ungefähr 260 Dialysekliniken. Die Investition wird einschließlich der Übernahme der Finanzverbindlichkeiten voraussichtlich rund $1,7 Milliarden betragen. Zusätzlich hatten wir zuvor bereits rund $294 Millionen in Renal Advantage investiert. Die Übernahme der Liberty Dialysis Holdings, Inc. bedarf noch der Genehmigung nach dem *Hart-Scott-Rodino Antitrust Improvements Act* und der Erfüllung sonstiger marktüblicher Closing-Bedingungen. Wir gehen davon aus, dass die Transaktion Anfang 2012 abgeschlossen wird. Darüber hinaus haben wir eine Vereinbarung über den Erwerb der American Access Care Holdings, LLC („AAC“) für $385 Millionen abgeschlossen. AAC betreibt 28 unabhängige Zentren, die auf die ambulante Behandlung von Gefäßzugängen bei Dialysepatienten spezialisiert sind. Die Transaktion bedarf noch der Genehmigung nach dem *Hart-Scott-Rodino Antitrust Improvements Act* und der Erfüllung

sonstiger marktüblicher Closing-Bedingungen. Wir gehen davon aus, dass die Transaktion im vierten Quartal 2011 abgeschlossen wird. Wir betreiben derzeit 13 auf Gefäßzugänge spezialisierte Zentren und sind der Auffassung, dass diese Akquisition für den Umfang, die Ressourcen und die operative Effizienz der Tätigkeiten im Bereich Gefäßzugang förderlich sein wird. Es besteht keine Gewissheit dafür, dass diese Akquisitionen abgeschlossen werden. Der Abschluss dieser Akquisitionen ist keine Bedingung für das Angebot.

Außerhalb Nordamerikas beabsichtigen wir, am Privatisierungsprozess des Gesundheitssystems zu partizipieren und streben ein überdurchschnittliches Wachstum in Osteuropa und Asien an; Akquisitionen werden dabei förderlich sein. Wir haben mit der japanischen Gesellschaft Nikkiso Co. Ltd. eine langjährige und für einen Zeitraum von zehn Jahren exklusiv bestehende Vereinbarung über den Vertrieb von Hämodialyse- und Peritonealdialyseprodukten in Japan abgeschlossen und haben Nikkiso Medical Korea Co. Ltd., eine 100%ige Tochtergesellschaft der Nikkiso Co. Ltd., erworben. In unserem Kliniknetz außerhalb Nordamerikas konzentrieren wir uns weiter auf die Verbesserung unserer strategischen Position in ausgewählten Märkten. Im Juli 2010 konnten wir durch den Erwerb der Asia Renal Care Ltd., dem zweitgrößten Anbieter von Dialysedienstleistungen und Nebendienstleistungen im Raum Asien-Pazifik (nach Fresenius Medical Care) mit mehr als 80 Kliniken in ganz Asien, in denen ca. 5.300 Patienten behandelt werden, eine signifikante Expansion unserer Aktivitäten auf dem Gebiet der Dialysedienstleistungen im Raum Asien-Pazifik abschließen. Im zweiten Quartal 2010 haben wir den Erwerb der KNC (Kraevoy Nefrologocheskiy Centr), einen privaten Betreiber von Dialysekliniken in der russischen Region Krasnodar, der ca. 1.000 Patienten in fünf Kliniken behandelt, bekanntgegeben, und im Dezember 2010 haben wir das weltweite Peritoneldialyse-Geschäft (PD) der Gambro AB übernommen, im Rahmen dessen mehr als 4.000 PD-Patienten in mehr als 25 Ländern behandelt werden. Damit haben wir vor allem in Europa und im Raum Asien-Pazifik unsere Aktivitäten im Bereich Heimdialyse ausgeweitet. Mit Wirkung zum 30. Juni 2011 hat die Gesellschaft die Akquisition der International Dialysis Centers („IDC"), dem Dialysedienstleistungsgeschäft der Euromedic International abgeschlossen. IDC behandelt mehr als 8.200 Hämodialysepatienten vornehmlich in Mittel- und Osteuropa und betreibt insgesamt 70 Kliniken in neun Ländern. Der Abschluss der Akquisition erfolgte nach der endgültigen Freigabe der Transaktion durch die zuständigen Kartellbehörden, mit Ausnahme von Portugal, wo die Prüfung der Transaktion durch die zuständige Kartellbehörde noch nicht abgeschlossen ist. Der Endkaufpreis für die Akquisition belief sich auf €529 Mio.

Weg 3: Horizontale Erweiterung

Wir beabsichtigen, neue Wachstumschancen auf dem Dialysemarkt zu eröffnen, indem wir unser Produktportfolio über die Produkte für die Behandlung von Patienten und Dialyseprodukte hinaus ausweiten werden. Zu diesem Zweck haben wir seit 2006 unsere Aktivitäten in einigen Bereichen der Dialysemedikation verstärkt und beabsichtigen, dies auch zukünftig fortzusetzen. Zunächst haben wir uns auf Medikamente zur Regulierung des Mineralhaushalts und des Blutspiegels, einschließlich Phosphatbindern, Eisen- und Vitamin-D-Präparaten und sogenannten Kalzimimetika konzentriert. Hohe Phosphatwerte im Blut können mittelfristig zu Knochenerkrankungen und Schädigungen der Blutgefäße der Patienten führen. Im Jahr 2006 haben wir das PhosLo®-Phosphatbindergeschäft der Nabi Biopharmaceuticals übernommen, und im Jahr 2008 haben wir einen Lizenz- und Vertriebsvertrag zur Vermarktung und zum Vertrieb von intravenös zu verabreichenden Eisenpräparaten wie Venofer® und Ferinject® zur Dialysebehandlung abgeschlossen. Im Dezember 2010 haben wir diese Vereinbarung erweitert, indem wir gemeinsam mit der Galenica Ltd., einer Gesellschaft für Nierenpharmazie, die Vifor Fresenius Medical Care Renal Pharma Ltd. (bedarf in einigen Regionen noch der Freigabe durch die Kartellbehörden) gegründet haben, die auf die Entwicklung und den Vertrieb von Produkten zur Behandlung von Eisenmangel und Knochenstoffwechselerkrankungen für Prädialyse- und Dialysepatienten ausgerichtet ist. Wir halten 45 % an dieser neuen Gesellschaft. Vgl. die untenstehende Beschreibung in "Business — Dialysis Products — Renal Pharmaceuticals".

Weg 4: Heimdialyse

Ca. 11 % aller Dialysepatienten führt die Dialyse zuhause durch, vorwiegend im Wege der PD, wobei die verbleibenden 89 % in Kliniken behandelt werden. Wir streben es nach wie vor langfristig an, eine weltweit führende Rolle in dem relativ kleinen Bereich der Heimtherapie zu übernehmen, der sowohl die Peritonealdialyse als auch die Heim-Hämodialyse umfasst. Um dieses Ziel zu erreichen, können wir unsere umfangreiche und innovative Produktpalette mit unserer Kompetenz in der Behandlung von Patienten kombinieren. Im Jahr 2007 haben wir Renal Solutions, Inc. erworben, deren Technologie zu einer signifikanten Reduktion der bei der Hämodialyse verwendeten Wasservolumina verwendet werden kann, was einen wichtigen Schritt zur Förderung der Heim-Hämodialyse darstellt, und im März 2010 hat eine Tochtergesellschaft der FMCH weitestgehend alle Vermögenswerte der Xcorporeal, Inc. („Xcorporeal") und der National Quality Care, Inc. („NQCI") erworben. Xcorporeal hat unter Lizenz von NQCI funktionsfähige Prototypen einer tragbaren künstlichen Niere für betreute Behandlungen in der Heimdialyse entwickelt und hat den technisch machbaren Prototyp einer tragbaren künstlichen Niere vorgestellt.

Wir gehen davon aus, dass diese strategischen Schritte die horizontale Erweiterungen unseres Produktfolios über eine Verstärkung unserer Aktivitäten im Bereich Dialyse-Medikamente (Weg 3), die Weiterentwicklung unserer Heimtherapien (Weg 4) und das organische Wachstum (Weg 1) bis 2013 zu einem durchschnittlichen jährlichen Umsatzwachstum von ca. 6 bis 8 % auf währungsbereinigter Basis führen werden. Für die Jahre 2011 bis 2013 erwarten wir ein jährliches prozentuales Wachstum des Ergebnisses nach Steuern und des Ergebnisse je Aktie im hohen einstelligen bis niedrigen zweistelligen Bereich.

Unsere Wettbewerbsstärken

Wir sind davon überzeugt, gut aufgestellt zu sein, um unsere strategischen Ziele zu erreichen. Unsere Wettbewerbsstärken beinhalten:

Unsere führende Marktposition

Wir sind nach den öffentlich bekannten Umsätzen und der Anzahl der behandelten Patienten der weltweit größte Dialyseanbieter, der sowohl in dem Bereich der Dialyseprodukte als auch im Bereich der Dialysedienstleistungen tätig ist. Die von uns bei der Behandlung von Patienten gewonnenen Erkenntnisse nutzen wir zur Entwicklung neuer und verbesserter Produkte. Wir sind der Auffassung, dass unsere Größe, unsere Tätigkeiten in den Bereichen Dialysedienstleistungen und Dialyseprodukte sowie unsere Konzentration auf spezifische geografische Gebiete es uns ermöglichen, kosteneffizienter als viele unserer Wettbewerber zu arbeiten.

Unser gesamtes Spektrum an Dialyse- und Labordienstleistungen

Wir bieten erweiterte und verbesserte Patientendienstleistungen, einschließlich Dialysearzneimitteln, sowie in den Vereinigten Staaten von Amerika Labordienstleistungen für unsere eigenen Kliniken wie auch für Kliniken Dritter an. Wir haben Methoden zum Management des jeweiligen Krankheitsstandes entwickelt, die der Koordination der ganzheitlichen Behandlung von ESRD Patienten dienen und von denen wir der Auffassung sind, dass sie attraktiv für die Träger der Behandlungskosten sind. Wir bieten ESRD-Behandlungsprogramme und auf chronisch Nierenkranke ausgerichtete Behandlungsprogramme für ca. 4.000 Patienten an. In den Vereinigten Staaten betreiben wir zudem ein chirurgisches Zentrum für die Steuerung und Behandlung von Gefäßzugängen für ESRD-Patienten, wodurch Krankenhausaufenthalte verringert werden können.

Patientenversorgungsprogramme, die sich von denen unserer Konkurrenten unterscheiden

Wir sind davon überzeugt, dass wir uns durch das in unseren Dialyse-Zentren in Nordamerika angebotene Patientenbehandlungsprogramm UltraCare® von den Patientenbehandlungen unserer Mitbewerber abheben und unterscheiden. Mit UltraCare® unterstreichen wir unsere Zusage, Patienten mittels innovativer Programme, neuesten Technologien, kontinuierlichen Qualitätsverbesserungen und einer Fokussierung auf erstklassigen Kundenservice eine exzellente Behandlung zur Verfügung zu stellen.

Unsere Reputation für hochqualitative Patientenbehandlungen und Produkte und unser umfangreiches Kliniknetzwerk

Wir sind der Ansicht, dass unsere Reputation für hochqualitative Patientenbehandlung einen Wettbewerbsvorteil darstellt. Die große Anzahl unserer Patienten hat es uns ermöglicht, eigene Datenbanken mit Patientenstatistiken aufzubauen, um die Ergebnisse unserer Dialysebehandlung sowie die Qualität und Wirkung unserer Dialyseprodukte weiter zu verbessern. Unser umfangreiches Netz von Dialysekliniken erlaubt es den Ärzten, ihre Patienten an eine günstig gelegene Klinik zu überweisen.

Unsere Stellung als Entwickler in der Produkt- und Verfahrenstechnik

Wir nehmen sowohl im Bereich der Hämodialyse- als auch der Peritonealdialyseprodukte eine technologische Führungsposition ein. Unsere Forschungs- und Entwicklungsteams fokussieren sich darauf, unseren Patienten neue Produkte und Therapien auf dem Gebiet der Dialyse und sonstige extrakorporale Therapien zur Verfügung zu stellen, die zu einer Verbesserung ihrer Lebensqualität und zur Erhöhung ihrer Lebenserwartung beitragen. Wir sind der Auffassung, dass unsere umfangreiche Erfahrung in der Behandlung von Patienten sowie die uns vorliegenden klinischen Daten auch weiterhin unsere Fähigkeit zur Entwicklung effektiverer Produkte und Behandlungsmethoden verbessern wird. Unsere Fähigkeit zur kostengünstigen und wettbewerbsfähigen Herstellung von Dialyseprodukten resultiert zu einem großen Teil aus der von uns angewendeten Verfahrenstechnik. In den letzten Jahren konnten wir durch die Entwicklung eigener Herstellungsverfahren, mit denen der Produktionsprozess weiter rationalisiert und automatisiert wurde, unsere Stückkosten in der Produktion senken.

Unser vollständiges Produktangebot für Dialyse mit wiederkehrenden Zahlungsströmen aus Verbrauchsmaterialien

Wir bieten eine umfangreiche und wettbewerbsfähige Produktpalette für die Hämodialyse und die Peritonealdialyse an. Diese Produktlinien genießen eine breite Marktakzeptanz und ermöglichen es unseren Kunden, Dialysegeräte, das notwendige Zubehör und sämtliche Verbrauchsmaterialien aus einer Hand zu beziehen.

Unsere Produktionsstätten weltweit

Wir betreiben in allen wesentlichen Regionen der Welt — Nordamerika, Europa, Lateinamerika und im Raum Asien-Pazifik — moderne Produktionsstätten, um der Nachfrage nach unseren Dialyseprodukten, einschließlich Dialysegeräten, Dialysatoren und sonstiger Ausrüstung und Verbrauchsmaterialien nachzukommen. Wir haben erheblich in die Entwicklung eigener Prozesse, Technologien und Produktionsanlagen investiert, die nach unserer Auffassung einen Wettbewerbsvorteil bei der Herstellung unserer Produkte darstellen. Unsere dezentrale Produktionsstruktur ermöglichtes uns, Einsparungen bei den Transportkosten zu erzielen.

Die Emittenten

Die Fresenius Medical Care US Finance II, Inc. ist eine hundertprozentige Tochtergesellschaft der Fresenius Medical Care AG & Co. KGaA. Sie wurde unter dem *General Corporation Law* des Bundesstaates Delaware am 22. August 2011 mit der Identifikationsnummer 5021129 gegründet. Der Gesellschaftszweck, unter dem sie tätig wird, ist das „Eingehen gesetzmäßiger Finanzierungen und vergleichbare Aktivitäten und jede andere darauf bezogene oder dies fördernde Tätigkeit, für die Gesellschaften unter dem *General Corporation Law* des Bundesstaates Delaware gegründet und errichtet werden können". Ihre Geschäftsräume befinden sich in 920 Winter Street, Waltham, Massachusetts, 02451-1457, USA, und ihre Telefonnummer lautet +1 (781) 699-9000. Ihr Sitz befindet sich in c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, County of New Castle, Delaware, 19801, U.S.A.

Die FMC Finance VIII S.A. ist eine unter luxemburgischem Recht gegründete und bestehende Gesellschaft (*Société Anonyme*) und eine hundertprozentige Tochtergesellschaft der Fresenius Medical Care AG & Co. KGaA. Sie wurde am 12. August 2011 auf unbestimmte Zeit errichtet. Sie wurde für folgende Zwecke gegründet:

- Übernahme, Begebung und Verkauf von Schuldverschreibungen, inklusive der auf Euro lautenden Schuldverschreibungen und sonstigen auf Euro lautenden Schuldverschreibungen sowie sonstige Schuldverschreibungen des Euro Emittenten, soweit es nach dem Indenture (*Begebungsvertrag*), der die auf Euro lautenden Schuldverschreibungen umfasst und sonstigen Indentures (*Begebungsverträgen*), hinsichtlich derer sie Partei sein kann, gestattet ist;
- Auszahlung der Erlöse aus den auf Euro lautenden Schuldverschreibungen an uns und unsere Tochtergesellschaften;
- Beteiligung als Garantiegeber unter unserem Kreditvertrag 2006 (*Amended 2006 Senior Credit Agreement*) und jeder Refinanzierung davon; und
- Beteiligung ausschließlich an solchen Tätigkeiten, die dazu erforderlich, zweckmäßig oder zulässig sind.

Die FMC Finance VIII S.A. ist im Luxemburger Handels- und Gesellschaftsregister (R.C.S. Luxembourg) unter B 162959 registriert. Der Sitz der FMC Finance VIII S.A. und ihre Geschäftsanschrift ist 28-30, Val St-André, L-1128 Luxemburg, Tel. +352 26 33 75 901.

Die Garantiegeber

Die Fresenius Medical Care AG & Co. KGaA ist im Handelsregister des Amtsgerichts Hof an der Saale, Deutschland, unter HRB 4019 registriert. Ihr Sitz befindet sich in Hof an der Saale, Deutschland, und ihre Geschäftsanschrift ist Else-Kröner-Straße 1, 61352 Bad Homburg, Deutschland, Tel. +49-6172-609-0.

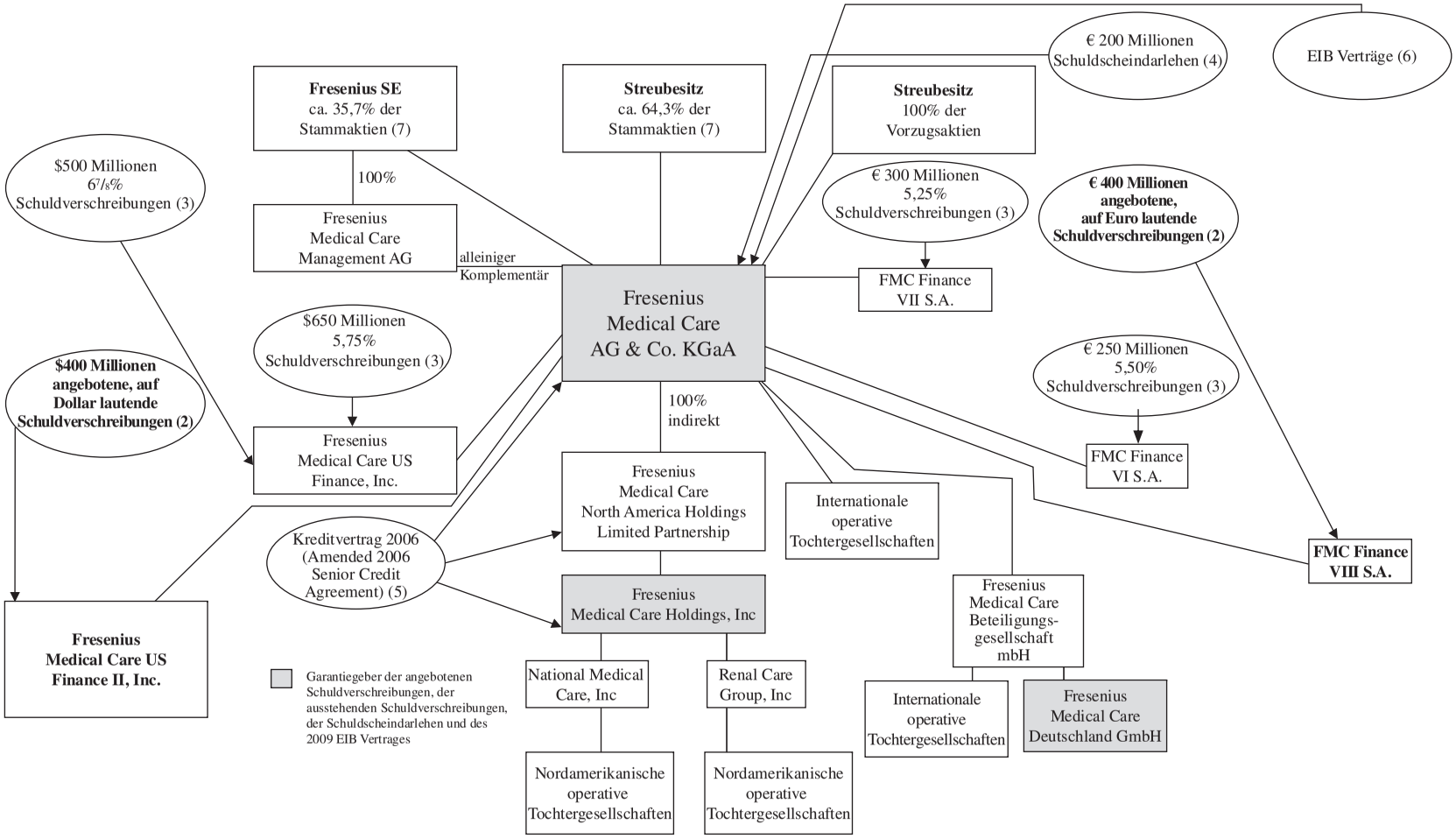
Die Fresenius Medical Care Holdings, Inc. ist eine mittelbare hundertprozentige Tochtergesellschaft der Fresenius Medical Care AG & Co. KGaA. Sie wurde unter dem *Business Corporation Law* des Bundesstaates New York am 21. März 1988 gegründet. Bei der Fresenius Medical Care Holdings, Inc. handelt es sich um eine Holdinggesellschaft, die durch ihre Tochtergesellschaften Dialysebehandlungen in ihren eigenen Kliniken anbietet, Dialyseprodukte herstellt und diese Produkte ihren eigenen Kliniken zur Verfügung stellt, an andere Dialysekliniken verkauft, klinische Labortests durchführt und stationäre Dialyse-Dienstleistungen sowie andere Dienstleistungen an Kliniken erbringt. Sie ist die

wesentliche Holdinggesellschaft für unsere Geschäftstätigkeit in Nordamerika. Ihre Geschäftsräume befinden sich in 920 Winter Street, Waltham, Massachusetts, 02451-1457, USA, und ihre Telefonnummer lautet +1 (781) 699-9000.

Die Fresenius Medical Care Deutschland GmbH ist eine unter deutschem Recht gegründete Gesellschaft mit beschränkter Haftung, eingetragen im Handelsregister des Amtsgerichts Bad Homburg vor der Höhe unter HRB 5748. Sie wurde am 5. Juni 1996 gegründet. Die Fresenius Medical Care Deutschland GmbH ist eine mittelbare hundertprozentige Tochtergesellschaft der Fresenius Medical Care AG & Co. KGaA und deckt als eine unserer wichtigsten operativen Tochtergesellschaften in unserer Gruppe unser Geschäftstätigkeit in den Märkten in Europa und im Mittleren Osten ab. Die Geschäftsanschrift und der Sitz der Fresenius Medical Care Deutschland GmbH befindet sich in der Else-Kröner-Straße 1, 61352 Bad Homburg v.d. Höhe. Die Telefonnummer ihrer Geschäftsanschrift ist die +49-6172-609-0.

Zusammenfassung der Konzern- und Finanzstruktur[1]

Das nachstehende Diagramm gibt in verkürzter Form unsere Konzernstruktur und verschiedene Finanzverbindlichkeiten unter der Annahme wieder, dass die Schuldverschreibungen platziert wurden. Vgl. den Abschnitt „Description of Certain Indebtedness“. Die Gesellschaft und sämtliche ihrer Tochtergesellschaften werden Beschränkungen unter den Begebungsverträgen (*Indentures)* unterliegen.



(1) Zum 30. Juni 2011, unter der Annahme, dass die Schuldverschreibungen platziert wurden.

(2) Bei den auf Dollar lautenden Schuldverschreibungen wird es sich um unbesicherte vorrangige Verbindlichkeiten des Dollar-Emittenten und bei den auf Euro lautenden Euro-Schuldverschreibungen um unbesicherte vorrangige Verbindlichkeiten des Euro-Emittenten handeln. Die auf Dollar lautenden Schuldverschreibungen und die auf Euro lautenden Schuldverschreibungen werden mit sämtlichen bestehenden und zukünftigen unbesicherten Verbindlichkeiten der jeweiligen Emittenten gleichrangig sein. Die Fresenius Medical Care AG & Co. KGaA, die FMCH und die D-GmbH werden jeweils gesamtschuldnerisch für die Verbindlichkeiten aus den Schuldverschreibungen unbedingt und unwiderruflich garantieren. Sonstige Tochtergesellschaften der Fresenius Medical Care AG & Co. KGaA werden für die Schuldverschreibungen keine Garantie übernehmen, die Fresenius Medical Care AG & Co. KGaA und ihre Tochtergesellschaften unterliegen jedoch vertraglichen Beschränkungen unter den Begebungsverträgen (*Indentures*).

(3) Bei den bereits begebenen ausstehenden Schuldverschreibungen handelt es sich um unbesicherte vorrangige Verpflichtungen der Emittenten dieser Schuldverschreibungen, die gleichrangig mit allen sonstigen bestehenden und zukünftigen unbesicherten vorrangigen Verbindlichkeiten dieser Emittenten sind. Für alle Verbindlichkeiten aus unseren bereits begebenen ausstehenden Schuldverschreibungen haben die Fresenius Medical Care AG & Co. KGaA, die FMCH und die D-GmbH jeweils gesamtschuldnerisch unbedingte und unwiderrufliche Garantien übernommen. Sonstige Tochtergesellschaften der Fresenius Medical Care AG & Co. KGaA haben für diese bereits begebenen Schuldverschreibungen keine Garantie übernommen, die Fresenius Medical Care AG & Co. KGaA und ihre Tochtergesellschaften unterliegen jedoch vertraglichen Beschränkungen unter den jeweils bereits begebenen Schuldverschreibungen.

(4) Bei den Schuldscheindarlehen, die in den Jahren 2012 und 2014 auslaufen werden, handelt es sich um unbesicherte vorrangige Verbindlichkeiten der Fresenius Medical Care AG & Co. KGaA, die gleichrangig mit allen sonstigen bestehenden und zukünftigen unbesicherten vorrangigen Verbindlichkeiten der Fresenius Medical Care AG & Co. KGaA sind. Für alle Verbindlichkeiten aus den Schuldscheindarlehen haben die FMCH und die D-GmbH jeweils gesamtschuldnerisch unbedingte und unwiderrufliche Garantien übernommen. Sonstige Tochtergesellschaften der Fresenius Medical Care AG & Co. KGaA haben für die Schuldscheindarlehen keine Garantie übernommen.

(5) Die Fresenius Medical Care AG & Co. KGaA und FMCH sind Kreditnehmer und Garantiegeber unter unserer Kreditvereinbarung 2006 (*Amended 2006 Senior Credit Agreement*). Die D-GmbH und verschiedene andere internationale Tochtergesellschaften sind Garantiegeber unter der Kreditvereinbarung 2006 (*Amended 2006 Senior Credit Agreement*). Darüber hinaus sind verschiedene andere internationale sowie in Nordamerika ansässige Tochtergesellschaften der Fresenius Medical Care AG & Co. KGaA Kreditnehmer und/oder Garantiegeber unter diesem Vertrag. Der Kreditvertrag 2006 (*Amended 2006 Senior Credit Agreement*) ist durch die Verpfändung von Geschäftsanteilen verschiedener direkter und indirekter Tochtergesellschaften der Fresenius Medical Care AG & Co. KGaA besichert.

(6) Die EIB-Verträge umfassen einen jeweils im Jahr 2005 abgeschlossenen Kredit über €41.000.000,00 sowie einen revolvierenden Kredit in Höhe von €90.000.000,00, einen im Jahr 2006 abgeschlossenen Kredit in Höhe von €90.000.000,00 und einen im Dezember 2009 abgeschlossenen Kredit über €50.000.000,00. Die Fresenius Medical Care AG & Co. KGaA ist Darlehensnehmerin unter sämtlichen EIB-Verträgen. Die FMCH und die D-GmbH haben unter dem EIB Vertrag 2009 jeweils unbeschränkte Garantien übernommen und haften gesamtschuldnerisch für alle vorrangigen unbesicherten Verpflichtungen, sind allerdings nicht Garantiegeber unter den EIB Verträgen 2005 oder 2006.

(7) Nach dem 30. Juni 2011 wurde der Anteil der Fresenius SE an unseren Stammaktien auf ca. 30,4 % reduziert. Siehe „Management — Significant Shareholders — Security Ownership of Certain Beneficial Owners of the Company".

Zusammenfassung des Angebots

Die nachfolgende Zusammenfassung erläutert die wesentlichen Bedingungen der Schuldverschreibungen. Einige der nachstehend beschriebenen Bedingungen unterliegen wesentlichen Einschränkungen und Ausnahmen. Der Abschnitt „Description of the Notes" in diesem Prospekt/diesem Offering Memorandum enthält eine ausführlichere Beschreibung der Bedingungen der Schuldverschreibungen.

Dollar-Emittent	Fresenius Medical Care US Finance II, Inc., eine nach dem Recht des Bundesstaates Delaware, zum Zwecke der Begebung, der Ausgabe und des Verkaufs von auf Dollar lautenden Schuldverschreibungen gegründete hundertprozentige Tochtergesellschaft der Fresenius Medical Care AG & Co. KGaA.
Euro-Emittent	FMC Finance VIII S.A., eine nach dem Recht von Luxemburg zum Zwecke der Begebung, der Ausgabe und des Verkaufs von auf Euro lautenden Schuldverschreibungen gegründete hundertprozentige Tochtergesellschaft der Fresenius Medical Care AG & Co. KGaA.
Angebot der auf Dollar lautenden Schuldverschreibungen	$400.000.000 Gesamtnennbetrag 6,50 % Schuldverschreibungen, fällig 2018.
Angebot der auf Euro lautenden Schuldverschreibungen	€400.000.000 Gesamtnennbetrag 6,50 % Schuldverschreibungen fällig 2018.
Ausgabetag	14. September 2011.
Stückelung	Die auf Dollar lautenden Schuldverschreibungen werden in einer Stückelung von $2.000 und darüber hinaus in weiteren Stückelungen von je $1.000 angeboten. Die auf Euro lautenden Schuldverschreibungen werden in einer Stückelung von €1.000 und darüber hinaus in weiteren Stückelungen von je €1.000 angeboten.
Lieferung der Schuldverschreibungen	Die Lieferung der auf Dollar lautenden Schuldverschreibungen an Investoren erfolgt durch Depotgutschrift durch die Depository Trust Company und die Lieferung der auf Euro lautenden Schuldverschreibungen an Investoren erfolgt durch Depotgutschrift durch Euroclear oder Clearstream, jeweils am oder um den 14. September 2011.
Form der Schuldverschreibungen	Die Schuldverschreibungen werden durch eine oder mehrere Globalurkunden ohne Zinsscheine verbrieft.
Laufzeit	Auf Dollar lautende Schuldverschreibungen - 15. September 2018. Auf Euro lautende Schuldverschreibungen - 15. September 2018.
Zinssatz	Die auf Dollar lautenden Schuldverschreibungen werden mit einem jährlichen Zinssatz von 6,50 % verzinst, jeweils halbjährlich nachträglich zahlbar in bar. Die auf Euro lautenden Schuldverschreibungen werden mit einem jährlichen Zinssatz von 6,50 % verzinst, jeweils nachträglich zahlbar in bar.
Zinszahlungstage	Auf Dollar lautende Schuldverschreibungen und auf Euro lautende Schuldverschreibungen am 15. März und 15. September jeden Jahres, beginnend ab dem 15. März 2012. Die Zinszahlung am 15. März 2012 deckt den Zeitraum vom Ausgabetag bis zum 15. März 2012 ab.
Garantien	Die Fresenius Medical Care AG & Co. KGaA wird für die Verbindlichkeiten jedes Emittenten aus den Schuldverschreibungen unbedingt und unwiderruflich garantieren. Die Fresenius Medical Care Holdings, Inc. und die Fresenius Medical Care Deutschland GmbH, beide Tochtergesellschaften der Fresenius Medical Care AG & Co. KGaA, werden jeweils beide gesamtschuldnerisch mit der Fresenius Medical Care AG & Co. KGaA unbedingt und unwiderruflich für die Verbindlichkeiten jedes Emittenten aus den Schuldverschreibungen garantieren. Sobald ein

Garantiegeber (außer der Fresenius Medical Care AG & Co. KGaA) nicht mehr Verpflichteter unter unserer Kreditvereinbarung 2006 (*Amended 2006 Senior Credit Agreement,* in der jeweils durch Änderung, Neufassung, Refinanzierung oder Ersetzung geltenden Fassung) ist, ist dieser Garantiegeber nicht mehr Garantiegeber der Schuldverschreibungen. Die Garantien der Tochtergesellschaften übersteigen nicht den Betrag, für den die betreffende Tochtergesellschaft garantieren kann, ohne dass die Garantie im Verhältnis zur garantierenden Tochtergesellschaft nach allgemeinen für Gläubigerrechte geltenden Bestimmungen unwirksam oder unvollstreckbar wird. Im Falle der Fresenius Medical Care Deutschland GmbH wird der Höchstbetrag der Garantie und dessen Vollstreckbarkeit möglicherweise eingeschränkt, wenn anderenfalls die persönliche Haftung der Geschäftsführer nach in Deutschland geltendem Recht oder aufgrund von Urteilen des Bundesgerichtshofs die Folge wäre.

Status . . . . . Bei den auf Dollar lautenden Schuldverschreibungen wird es sich um unbesicherte vorrangige Verbindlichkeiten des Dollar-Emittenten und bei den auf Euro lautenden Euro-Schuldverschreibungen um unbesicherte vorrangige Verbindlichkeiten des Euro-Emittenten handeln. Die Schuldverschreibungen werden mit sämtlichen bestehenden und zukünftigen unbesicherten Verbindlichkeiten der jeweiligen Emittenten gleichrangig sein, soweit in diesen nicht ausdrücklich bestimmt wurde, dass sie gegenüber den Schuldverschreibungen nachrangig sind.

Die Garantie der Fresenius Medical Care AG & Co. KGaA und die Garantien der beiden Tochtergesellschaften werden unbesicherte vorrangige Verbindlichkeiten der Garantiegeber sein. Die Garantien:

- sind mit sämtlichen Verbindlichkeiten der jeweiligen Garantiegeber gleichrangig, soweit nicht ausdrücklich bestimmt ist, dass diese gegenüber den Garantien nachrangig sind;
- sind mit den Verbindlichkeiten der Garantiegeber aus der Kreditvereinbarung 2006 (*Amended 2006 Senior Credit Agreement*) gleichrangig, werden faktisch jedoch gegenüber diesen Verbindlichkeiten bis zur Höhe der diesen Verbindlichkeiten zugrunde liegenden Sicherheiten nachrangig sein;
- sind mit den jeweiligen Garantien der Garantiegeber unter unseren 2017 fällig werdenden 6⅞ % Schuldverschreibungen gleichrangig;
- sind mit den jeweiligen Garantien der Garantiegeber unter unseren 2016 fällig werdenden 5,50 % Schuldverschreibungen gleichrangig;
- sind mit jeweiligen Garantien der Garantiegeber unter unseren jeweils 2021 fälligen 5,75 % Schuldverschreibungen und unseren 5,25 % Schuldverschreibungen gleichrangig;
- sind faktisch gegenüber den Verbindlichkeiten unserer Tochtergesellschaften, die keine Garantiegeber der Schuldverschreibungen sind (einschließlich der Verbindlichkeiten dieser Tochtergesellschaften gemäß unserer Kreditvereinbarung 2006) nachrangig; und
- sind im Falle der Garantie der Fresenius Medical Care Deutschland GmbH gegenüber den Forderungen ihrer Drittgläubiger aufgrund der für die Garantie geltenden Beschränkungen faktisch nachrangig.

Alle unsere Tochtergesellschaften, die Verpflichtete unter unserer Kreditvereinbarung 2006 (*Amended 2006 Senior Credit Agreement*) sind, haften mit den sonstigen Darlehensnehmern und Garantiegebern der Kreditvereinbarung gesamtschuldnerisch für sämtliche Verbindlichkeiten unter dieser Kreditvereinbarung bis zu dem Höchstbetrag, für den die jeweilige Tochtergesellschaft garantieren kann, ohne dass die Garantie nach

	den jeweils anwendbaren Rechtsvorschriften unwirksam oder unvollstreckbar wird.
Optionale Rückzahlung	Die Schuldverschreibungen können nach Wahl des jeweiligen Emittenten jederzeit vollständig oder teilweise zu einem Preis von 100 % des Nennbetrages zuzüglich der bis zum Rückzahlungstag aufgelaufenen und nicht gezahlten Zinsen, zuzüglich einer Ausgleichszahlung (*„make-whole" premium*) zurückgezahlt werden. Die Schuldverschreibungen sind außerdem unter den in "Description of the Notes — Redemption for Changes in Withholding Taxes" beschriebenen Umständen rückzahlbar.
Kontrollwechsel.	Im Falle eines Kontrollwechsels (*Change of Control*) und einer Herabstufung des Ratings (*Ratings Decline*) (jeweils wie in den Bedingungen der Schuldverschreibungen definiert) haben Anleger das Recht, vollständig oder teilweise die Rückzahlung ihrer Schuldverschreibungen zu einem Rückzahlungspreis zu verlangen, der 101 % des jeweiligen Nennbetrags zuzüglich der aufgelaufenen und nicht gezahlten Zinsen entspricht. Siehe hierzu „Description of the Notes — Change of Control".
Bestimmte Auflagen (Covenants)	Die auf Dollar lautenden Schuldverschreibungen und die auf Euro lautenden Schuldverschreibungen werden auf der Grundlage von separaten, am oder um den 14. September 2011 mit der U.S. Bank National Association als Treuhänderin (*Trustee*) zu schließenden Begebungsverträgen (*Indentures*) ausgegeben. Jeder Begebungsvertrag enthält verschiedene gleichlautende Auflagen (*Covenants*), aufgrund deren es uns und unseren Tochtergesellschaften unter anderem nur eingeschränkt möglich ist: • Verschuldung einzugehen; • Sicherungsrechte zu gewähren; • Sale- and Lease-back-Transaktionen zu schließen; und • mit anderen Gesellschaften zu fusionieren oder sich mit diesen zusammenzuschließen oder unsere bzw. die Vermögenswerte unserer Tochtergesellschaften zu veräußern. Wir werden nach diesen Verträgen außerdem verpflichtet sein, der Treuhänderin regelmäßig Finanzberichte vorzulegen. Diese Auflagen unterliegen erheblichen Ausnahmen und Einschränkungen. Für weitere Einzelheiten siehe „Description of the Notes — Certain Covenants".
Anwendbares Recht.	Die Schuldverschreibungen, die jeweiligen Begebungsverträge (*Indentures*) und die Garantieverträge werden dem Recht des Bundesstaates New York unterliegen und, mit Ausnahme einiger einschränkenden Regelungen, für die das deutsche Recht maßgeblich ist, nach diesem Recht ausgelegt werden.
Verkaufsbeschränkungen; bislang kein öffentlicher Handel	Die Schuldverschreibungen wurden nicht nach dem Securities Act registriert und dürfen nur unter einer Befreiung von der Registrierungspflicht nach dem U.S. Securities Act oder im Rahmen einer Transaktion, die keinen Registrierungserfordernissen unterliegt, angeboten oder verkauft werden. Bei den Schuldverschreibungen wird es sich um neu ausgegebene Wertpapiere handeln, für die es bislang keinen Markt gibt. Wir haben einen Antrag auf Einbeziehung der Schuldverschreibungen in die Official List der Luxemburger Wertpapierbörse und auf Zulassung zum Handel im regulierten Markt der Luxemburger Wertpapierbörse gestellt. Wenngleich wir von den Konsortialbanken (*initial purchasers*) darüber informiert wurden, dass sie gegenwärtig beabsichtigen, einen Handel für die Schuldverschreibungen einzurichten, sind diese dazu nicht verpflichtet und können den Handel jederzeit ohne vorherige Ankündigung beenden. Demzufolge können wir nicht

	versprechen, dass sich für die Schuldverschreibung ein liquider Markt entwickeln oder aufrecht erhalten wird.
Verwendung des Emissionserlöses	Wir werden den Nettoemissionserlös aus diesem Angebot für Akquisitionen, zur Refinanzierung der bestehenden Verschuldung unter dem revolvierenden Kredit unter unserer Kreditvereinbarung 2006 (*Amended 2006 Senior Credit Agreement*) und unter unserem Forderungsverkaufsprogramm (*A/R Facility*) und für allgemeine Geschäftszwecke verwenden. Siehe hierzu auch den Abschnitt "Use of Proceeds".

Zusammenfassung der Risikofaktoren

Investitionen in die Schuldverschreibungen bergen erhebliche Risiken. Wir sind einer Reihe von Risiken ausgesetzt, die einzeln oder gemeinsam erhebliche nachteilige Auswirkungen auf die Vermögens-, Finanz- und Ertragslage und auf unsere Fähigkeit haben kann, die Verpflichtungen unter diesen Schuldverschreibungen zu erfüllen. Die nachfolgende Zusammenfassung der Risikofaktoren sollte vor einer Investition in die Schuldverschreibungen berücksichtigt werden, da die Risiken die Emittenten und die Garantiegeber beeinträchtigen können.

Risiken im Zusammenhang mit unserer Geschäftstätigkeit

- *Ein erheblicher Teil unserer in Nordamerika erzielten Erträge ist abhängig von den Leistungen, die wir für eine Minderheit unserer Patienten, die privat versichert sind, erbringen.*
- *Es besteht für uns das Risiko von Ansprüchen aus Produkthaftung, Patentverletzung und sonstigen Ansprüchen, die erhebliche Kosten und Verpflichtungen auslösen könnten. Möglicherweise sind wir künftig nicht in der Lage, diese Ansprüche zu akzeptablen Bedingungen zu versichern.*
- *Unser Wachstum hängt zum Teil von unserer Fähigkeit ab, auch weiterhin Akquisitionen durchzuführen.*
- *Das internationale Geschäft birgt besondere Risiken für uns.*
- *Wenn Ärzte und andere Stellen keine Patienten mehr an unsere Dialysekliniken überweisen oder keine Dialyseprodukte mehr kaufen oder verschreiben, würde dies einen Umsatzrückgang zur Folge haben.*
- *Unser Pharmabereich könnte Umsatzanteile an Hersteller von Generika oder an neue Medikamente im Markenbereich verlieren.*
- *Unsere Wettbewerber könnten über die Entwicklung überlegener Technologien oder anderweitig unseren Umsatz beeinflussen.*
- *Die weltwirtschaftlichen Rahmenbedingungen könnten sich nachteilig auf unsere Geschäftstätigkeit auswirken.*
- *Wenn es uns nicht gelingt, qualifizierte Mitarbeiter im medizinischen und technischen Bereich zu gewinnen und zu halten, sind wir möglicherweise nicht mehr in der Lage, unser Wachstum zu steuern oder unsere technologische Entwicklung fortzusetzen.*
- *Aufgrund abweichender Auffassungen von Steuerbehörden könnten wir zu Steuernachzahlungen verpflichtet werden.*

Prozessrisiken und regulatorische Risiken

- *Unser Umsatz und unser Betriebsergebnis könnten aufgrund einer Änderung des US-Vergütungssystems für Dialysebehandlungen erheblich zurückgehen.*
- *Eine Herabsetzung der Vergütung für EPO oder eine Änderung bei der Verwendung von EPO könnte zu einem erheblichen Rückgang unseres Umsatzes und unseres Betriebsergebnisses führen. Im Falle von Lieferunterbrechungen oder wenn es uns nicht gelingt, zufriedenstellende Bedingungen für EPO zu erreichen, könnten wir Umsatzeinbußen erleiden.*
- *Falls wir die für unseren Geschäftsbetrieb geltenden zahlreichen staatlichen Vorschriften nicht einhalten, könnten wir von den Vergütungssystemen der Gesundheitsfürsorgeprogramme ausgeschlossen werden, oder es könnten uns Betriebserlaubnisse entzogen werden, was jeweils zu einem erheblichen Umsatzrückgang führen würde.*
- *Wir sind in vielen verschiedenen Jurisdiktionen tätig, und wir könnten durch eine Verletzung des U.S. Foreign Corrupt Practices Act und weltweit vergleichbarer anderer Anti-Korruptions-Gesetze beeinträchtigt werden.*

- *Gesetzesverstöße durch unsere Joint Ventures könnten erhebliche nachteilige Auswirkungen auf unsere Geschäftstätigkeit haben.*
- *Vorschläge für Gesundheitsreformen oder regulatorische Genehmigungsverfahren und der Budget Control Act of 2011 könnten zu einem Rückgang unseres Umsatzes und unseres Betriebsergebnisses führen.*

Risiken im Zusammenhang mit den Schuldverschreibungen

- *Unsere erhebliche Verschuldung könnte sich nachteilig auf unsere Finanzlage auswirken und uns an der Erfüllung unserer Verpflichtungen aus unseren Schuldverschreibungen oder bei der Umsetzung bestimmter Elemente unserer Geschäftsstrategie hindern.*
- *Einschränkende Auflagen in unseren Finanzinstrumenten beschränken unsere Möglichkeit, bestimmte Transaktionen durchzuführen und könnten unsere Fähigkeit einschränken, auf unsere Verbindlichkeiten — einschließlich der Schuldverschreibungen — Zahlungen zu leisten.*
- *Trotz unserer erheblichen Verschuldung könnte es sein, dass wir uns noch in erheblichem Maße weiter verschulden; dies könnte zu einer Erhöhung der vorstehend genannten Risiken führen.*
- *Wir erzielen unsere Einkünfte im Wesentlichen über unsere Tochtergesellschaften. Unsere Holdingstruktur kann unsere Fähigkeit, Vermögensgegenstände unserer Tochtergesellschaften zu realisieren, einschränken.*
- *Wir sind möglicherweise nicht in der Lage, geforderte Tilgungsleistungen im Falle eines Kontrollwechsels vorzunehmen.*
- *Wenn wir unsere Verpflichtungen zur Rückführung unserer Verschuldung nicht erfüllen, sind wir möglicherweise nicht in der Lage, Zahlungen auf die Schuldverschreibungen zu leisten.*
- *US-amerikanische Gerichte könnten aufgrund bundesstaatlicher und einzelstaatlicher Gesetze unter bestimmten Umständen gewährte Garantien für nichtig erklären und von den Anlegern die Rückzahlung von Beträgen verlangen, die sie von den Garantiegebern erhalten haben.*
- *Nach deutschem Insolvenzrecht kann die Leistung von Zahlungen auf die Garantien ausgeschlossen sein.*
- *Die Emittenten haben kein anderes Vermögen als die Konzernforderungen und keine andere Einnahmequelle als die durch uns und durch unsere Tochtergesellschaften fälligen Zahlungen.*
- *Ihre Möglichkeit, die Schuldverschreibungen ohne Registrierung nach dem geltenden US-amerikanischen Wertpapierrecht zu übertragen oder weiter zu veräußern ist beschränkt.*
- *Die Schuldverschreibungen werden bislang nicht öffentlich gehandelt.*
- *Durch die Anlage in die Schuldverschreibungen könnten den Anlegern Fremdwährungsrisiken entstehen.*
- *Angelegenheiten, die die Garantiegeber FMCH und D-GmbH betreffen.*

Für eine ausführlichere Beschreibung der Risiken siehe „Risk Factors“.

Zusammenfassung der historischen konsolidierten Finanzdaten und sonstiger Daten

U.S. GAAP

Die nachfolgende Tabelle fasst die konsolidierten Finanzinformationen und verschiedene andere Informationen über unsere Geschäftstätigkeit jeweils für die Jahre 2006 bis 2010 sowie zum 30. Juni 2011 und jeweils für den am 30. Juni 2010 und 2011 endenden Sechs-Monats-Zeitraum zusammen. Für jedes der dargestellten Jahre haben wir die ausgewählten konsolidierten Finanzinformationen unseren konsolidierten Jahresabschlüssen entnommen, die in Übereinstimmung mit den in den Vereinigten Staaten von Amerika geltenden Rechnungslegungsgrundsätzen („U.S. GAAP“) erstellt wurden. Die ausgewählten konsolidierten Finanzinformationen zum 30. Juni 2011 und für die am 30. Juni 2010 und 2011 endenden Zeiträume haben wir unseren ungeprüften konsolidierten Zwischenabschlüssen entnommen, die in Übereinstimmung mit U.S. GAAP erstellt wurden. Wir erstellen unsere ungeprüften konsolidierten Abschlüsse auf einer Basis, die grundsätzlich mit der unserer geprüften konsolidierten Abschlüsse vergleichbar ist. Sie sollten diese Informationen zusammen mit unseren konsolidierten Abschlüssen und den Anhängen zu diesen Abschlüssen, die an anderer Stelle dieses Prospekts/Offering Memorandums enthalten sind, und zusammen mit dem Abschnitt “Management’s Discussion and Analysis of Financial Condition and Results of Operations“ lesen.

	Sechs-Monats-Zeitraum zum 30. Juni		Geschäftsjahr zum 31. Dezember				
	2011	2010	2010	2009	2008	2007	2006(a)
	(in Millionen ausgenommen Verhältniswerte und operative Daten)						
Darstellung operativer Daten							
Umsatzerlöse	$ 6.230	$ 5.828	$ 12.053	$ 11.247	$ 10.612	$ 9.720	$ 8.499
Umsatzkosten	4.073	3.852	7.908	7.415	6.983	6.364	5.621
Bruttoergebnis	2.157	1.976	4.145	3.832	3.629	3.356	2.878
Vertriebs- und allgemeine Verwaltungskosten	1.166	1.043	2.124	1.982	1.877	1.709	1.549
Ertrag aus dem Verkauf von Dialyse Kliniken	—	—	—	—	—	—	(40)
Forschung und Entwicklung	53	45	97	94	80	67	51
Beteiligungen an assoziierten Unternehmen	(17)	(4)	—	—	—	—	—
Operatives Ergebnis	955	892	1.924	1.756	1.672	1.580	1.318
Nettozinsaufwand	146	135	280	300	336	371	351
Ergebnis vor Ertragsteuern	809	757	1.644	1.456	1.336	1.209	967
Ergebnis nach Ertragsteuern	536	500	1.066	965	860	755	563
Abzüglich auf andere Gesellschafter entfallendes Ergebnis	(55)	(41)	(87)	(74)	(42)	(38)	(26)
Konzernergebnis (Ergebnis, das auf die Anteilseigner der FMC AG & Co. KGaA entfällt)	$ 481	$ 459	$ 979	$ 891	$ 818	$ 717	$ 537
Sonstige Finanzdaten							
EBITDA[1]	1.227	1.137	2.427	2.213	2.088	1.944	1.627
Abschreibungen	272	246	503	457	416	363	309
Nettoverschuldung[2]	6.664	5.253	5.357	5.267	5.516	5.398	5.420
Nettoverschuldung ohne genussscheinähnliche Wertpapiere	6.664	4.661	4.731	4.611	4.875	4.064	4.166
Investitionen	238	227	524	574	687	573	463
Verhältnis von Ergebnis zu Fixkosten[3]	4,9x	5,2x	5,5x	4,8x	4,2x	3,7x	3,3x
Verhältnis von EBITDA zu Nettozinsaufwand	8,4x	8,4x	8,7x	7,4x	6,2x	5,2x	4,6x
Verhältnis von Nettoverschuldung zu EBITDA[4]	2,6x	2,3x	2,2x	2,4x	2,6x	2,8x	3,3x
Verhältnis von Nettoverschuldung ohne genussscheinähnliche Wertpapiere zu EBITDA[4]	2,6x	2,0x	1,9x	2,1x	2,3x	2,1x	2,6x
Pro Forma Daten							
Nettoverschuldung angepasst für das Angebot[5]	6.693						
Verhältnis von angepasster Nettoverschuldung zu EBITDA	2,7x						
Operative Daten							
Anzahl von Behandlungen	16.559.315	15.258.148	31.670.702	29.425.758	27.866.573	26.442.421	23.739.733
Anzahl von Patienten	225.909	202.414	214.648	195.651	184.086	173.863	163.517
Anzahl von Kliniken	2.838	2.599	2.757	2.553	2.388	2.238	2.108
Durchschnittlicher Erlös/Behandlung (U.S.)	$ 348	$ 356	$ 356	$ 347	$ 330	$ 327	$ 321

	30. Juni	31. Dezember				
	2011	2010	2009	2008	2007	2006
		(in Millionen)				
Bilanzangaben						
Gesamtverschuldung[6]	$ 7.114	$ 5.880	$ 5.568	$ 5.738	$ 5.642	$ 5.579
Summe Aktiva	19.053	17.095	15.821	14.920	14.170	13.045
Summe Eigenkapital	7.921	7.804	7.030	6.123	5.681	4.945

(a) Die Geschäftsaktivitäten der Renal Care Group, Inc („RCG“) und entsprechende Finanzierungskosten für den Erwerb der RCG sind in der Darstellung operativer Daten und sonstiger Daten ab dem 1. April 2006 enthalten.

(1) EBITDA (Ergebnis vor Zinsen, Steuern und Abschreibungen) ist Basis für die Beurteilung der Einhaltung von Kennziffern im Rahmen der Kreditvereinbarung 2006, den Schuldscheindarlehen, der Kredite mit der Europäischen Investitionsbank („EIB“) und den Begebungsverträgen (*Indentures*) in Bezug auf unsere ausstehenden Schuldverschreibungen. Sie sollten EBITDA nicht als Alternative zu dem nach U.S. GAAP ermittelten Jahresüberschuss oder zum dargestellten Cash Flow aus laufender Geschäftstätigkeit, Investitionstätigkeit oder Finanzierungstätigkeit auslegen. Außerdem steht nicht das gesamte EBITDA der Gesellschaft zur freien Verfügung. Beispielsweise unterliegt ein wesentlicher Teil solcher Mittel vertraglichen Beschränkungen und wird benötigt, um Bankverbindlichkeiten zu bedienen, notwendige Investitionsausgaben zu tätigen und von Zeit zu Zeit sonstige an anderer Stelle in den bei der Securities and Exchange Commission eingereichten Dokumenten in weiteren Einzelheiten beschriebenen Verpflichtungen zu erfüllen. Für eine Überleitung des Cash Flow der laufenden Geschäftstätigkeit zu EBITDA siehe “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Debt Covenant Disclosure — EBITDA“.

(2) Die Nettoverschuldung beinhaltet kurzfristige Darlehen (inklusive unseres Forderungsverkaufsprogramms (*A/R Facility*), kurzfristige Darlehen von verbundenen Unternehmen, langfristige Verbindlichkeiten (inklusive des kurzfristig fälligen Anteils) und genussscheinähnliche Wertpapiere abzüglich flüssiger Mittel.

(3) Bei der Berechnung des Verhältnisses von Ergebnis zu Fixkosten setzt sich das Ergebnis aus dem Ergebnis vor Steuern plus Fixkosten zusammen. Fixkosten setzen sich aus dem Zinsergebnis und der Abschreibung von Finanzierungskosten plus einem Zinsfaktor für Operating-Lease, berechnet auf Basis der durchschnittsgewichteten Kapitalkosten der Gesellschaft zusammen.

(4) Das Verhältnis von Nettoverschuldung zu EBITDA zum 30. Juni 2011 und 2010 und von Nettoverschuldung ohne genussscheinähnliche Wertpapiere zu EBITDA zum 30. Juni 2011 und 2010 wurde unter Verwendung des EBITDA von $2.517 Millionen für den Zwölf-Monats-Zeitraum endend zum 30. Juni 2011 und von $2.321 Millionen für den Zwölf-Monats-Zeitraum endend zum 30. Juni 2010 berechnet.

(5) Siehe „Capitalization“ unten.

(6) Die Gesamtverschuldung setzt sich aus kurzfristigen Darlehen und langfristigen Verbindlichkeiten (inklusive des kurzfristig fälligen Anteils) zusammen.

IFRS

Die Gesellschaft erstellt IFRS Abschlüsse um die Berichtsanforderungen des Handelsgesetzbuches und sonstigem deutschem Recht gerecht zu werden. Die nachfolgende Tabelle fasst die konsolidierten Finanzinformationen und verschiedene andere Informationen über unsere Geschäftstätigkeit zusammen, die in Übereinstimmung mit den International Financial Reporting Standards des International Accounting Standard Boards (IASB), wie sie in der Europäischen Union anzuwenden sind („IFRS"), erstellt wurden, jeweils für die Jahre 2009 und 2010 sowie zum 30. Juni 2011 und jeweils für den am 30. Juni 2010 und 2011 endenden Sechs-Monats-Zeitraum. Für jedes der dargestellten Jahre haben wir die ausgewählten konsolidierten Finanzinformationen unseren geprüften konsolidierten und in Übereinstimmung mit IFRS erstellten Jahresabschlüssen entnommen, die per Verweis hierin einbezogen werden. Die ausgewählten konsolidierten Finanzinformationen zum 30. Juni 2011 und für die am 30. Juni 2010 und 2011 endenden Sechs-Monats-Zeiträume haben wir unseren ungeprüften konsolidierten Zwischenabschlüssen entnommen, die in Übereinstimmung mit IFRS erstellt wurden. Wir erstellen unsere ungeprüften konsolidierten Abschlüsse auf einer Basis, die grundsätzlich mit der unserer geprüften konsolidierten Abschlüsse vergleichbar ist. Sie sollten diese Informationen zusammen mit unseren konsolidierten Abschlüssen und den Anhängen zu diesen Abschlüssen lesen, die in diesen Prospekt/Offering Memorandum per Verweis einbezogen sind.

	Sechs-Monats-Zeitraum zum 30. Juni		Geschäftsjahr zum 31. Dezember	
	2011	2010	2010	2009
	(in Millionen ausgenommen Verhältniswerte)			
Darstellung operativer Zahlen:				
Umsatzerlöse	€ 4.440	€ 4.392	€ 9.091	€ 8.065
Operatives Ergebnis	685	673	1.450	1.258
Ergebnis, das auf die FMC-AG & Co. AG entfällt	€ 348	€ 350	€ 742	€ 636
Sonstige Finanzdaten:				
EBITDA[(1)]	879	859	1.832	1.590
Abschreibungen	194	186	382	332
Nettoverschuldung[(2)]	4.573	4.256	3.976	3.633
Verhältnis von EBITDA zu Nettozinsaufwand	8,4x	8,4x	8,7x	7,4x
Verhältnis von Nettoverschuldung zu EBITDA[(3)]	2,5x	2,5x	2,2x	2,3x
Investitionen	170	171	395	412
Akquisitionen und Investitionen	784	219	575	134

	30. Juni	31. Dezember	
	2011	2010	2009
Bilanzangaben:			
Summe Aktiva	€13.148	€12.819	€11.022
Summe Eigenkapital	5.592	5.740	4.930

(1) EBITDA (Ergebnis vor Zinsen, Steuern und Abschreibungen) wurde unserem operativen Ergebnis entnommen, das in Übereinstimmung mit U.S. GAAP erstellt wurde und ist Basis für die Beurteilung der Einhaltung der Kennziffern der Kreditvereinbarung 2006 (*Amended 2006 Senior Credit Agreement*), den Schuldscheindarlehen, der EIB Kredite und den Begebungsverträgen (*Indentures*) in Bezug auf unsere ausstehenden Schuldverschreibungen. Sie sollten EBITDA nicht als Alternative zu dem nach IFRS ermittelten Jahresüberschuss oder zum Cash Flow aus laufender Geschäftstätigkeit, Investitionstätigkeit oder Finanzierungstätigkeit auslegen. Außerdem steht nicht das gesamte EBITDA der Gesellschaft zur freien Verfügung. Beispielsweise unterliegt ein wesentlicher Teil solcher Mittel vertraglichen Beschränkungen und wird benötigt, um Bankverbindlichkeiten zu bedienen, notwendige Investitionsausgaben zu tätigen und von Zeit zu Zeit sonstige an anderer Stelle in den bei der Securities and Exchange Commission eingereichten Dokumenten in weiteren Einzelheiten beschriebenen Verpflichtungen zu erfüllen.

(2) Die Nettoverschuldung beinhaltet kurzfristige Darlehen (inklusive unseres Forderungsverkaufsprogramms (*A/R Facility*), kurzfristige Darlehen von verbundenen Unternehmen, langfristige Verbindlichkeiten (inklusive des kurzfristig fälligen Anteils) und genussscheinähnliche Wertpapiere abzüglich flüssiger Mittel.

(3) Das Verhältnis von Nettoverschuldung zu EBITDA zum 30. Juni 2011 und 2010 wurde unter Verwendung des EBITDA von €1.852 Millionen für den Zwölf-Monats-Zeitraum endend zum 30. Juni 2011 und von €1.673 Millionen für den Zwölf-Monats-Zeitraum endend zum 30. Juni 2010 berechnet.

Für eine Darstellung der wesentlichen die Gesellschaft betreffenden Unterschiede zwischen IFRS und U.S. GAAP siehe „Selected Historical Consolidated Data Prepared Under IFRS."

Wechselkursinformationen

Die vorstehend unter „Zusammenfassung der historischen konsolidierten Finanzdaten und sonstiger Daten — U.S. GAAP" dargestellten historischen konsolidierten Finanzinformationen sind unseren konsolidierten Abschlüssen entnommen, die in Übereinstimmung mit U.S. GAAP erstellt wurden und für die unsere maßgebliche Währung der U.S. Dollar ist. Die vorstehend unter „Zusammenfassung der historischen konsolidierten Finanzdaten und sonstiger Daten — IFRS" dargestellten historischen konsolidierten Finanzinformationen sind unseren konsolidierten Abschlüssen entnommen, die in Übereinstimmung mit IFRS erstellt wurden und für die unsere maßgebliche Währung der Euro ist. Für Informationen über den Wechselkurs zwischen U.S. Dollar und Euro für die vorhergehenden fünf Jahre, für den am 30. Juni 2011 endenden Sechs-Monats-Zeitraum und den diesem Prospekt/Offering Memorandum vorausgehenden Sechs-Monats-Zeitraum siehe „Quantitative and Qualitative Disclosures about Market Risk — Management of Foreign Exchange and Interest Rate Risks — Foreign Exchange Risk".

Zusammenfassung der Finanzdaten der Emittenten

Am 25. August 2011 setzte sich die Bilanzsumme des Dollar-Emittenten aus liquiden Mitteln in Höhe von $15.000.000 und Eigenkapital in Höhe von $15.000.000 zusammen.

Am 12. August 2011 hatte der Euro-Emittent eine Bilanzsumme in Höhe von €31.000, die sich aus liquiden Mitteln und Eigenkapital in Höhe von €31.000 zusammensetzte.

Finanzdaten der Garantiegeber

Gesonderte Abschlüsse der Garantiegeber Fresenius Medical Care Holdings, Inc. und Fresenius Medical Care Deutschland GmbH für die Geschäftsjahre 2009 und 2010 und für den zum 30. Juni 2011 und zum 30. Juni 2010 endenden Sechs-Monats-Zeitraum sind nicht in diesem Prospekt/Offering Memorandum enthalten, da die Garantiegeber derartige Abschlüsse nicht erstellen und veröffentlichen. Unsere konsolidierten Abschlüsse enthalten jedoch auf einer konsolidierten Basis Finanzinformationen für eine Gruppe von Gesellschaften, in der auch die Fresenius Medical Care Holdings, Inc. und die Fresenius Medical Care Deutschland GmbH als unsere wesentlichen Tochtergesellschaften enthalten sind.

Unverbindliche deutsche Übersetzung

Dieses Dokument ist eine Übersetzung eines englischsprachigen Dokuments in die deutsche Sprache. Es wurde angemessene Sorgfalt aufgewandt, um die Richtigkeit der Übersetzung sicherzustellen. Es wird jedoch keine Gewähr für die Richtigkeit der Übersetzung übernommen. Insbesondere wird darauf hingewiesen, dass Begriffe und rechtliche Konzepte in einer Sprache nicht immer ihre genaue Entsprechung in der anderen Sprache finden. Verbindlich ist allein die englische Sprachfassung, die im Prospekt/Offering Memorandum im Abschnitt „Description of the Notes" abgedruckt ist.

BESCHREIBUNG DER SCHULDVERSCHREIBUNGEN

Die auf Dollar lautenden Schuldverschreibungen und die auf Euro lautenden Schuldverschreibungen werden durch separate Begebungsverträge (*Indentures*) geregelt und begeben, die jeweils auf oder vor den 14. September 2011 datiert sind (jeweils ein „Begebungsvertrag" und gemeinsam die „Begebungsverträge"). Jeder Begebungsvertrag wird mit dem zuständigen Emittenten, den Garantiegebern und der U.S. Bank National Association als Treuhänder geschlossen. Kopien von Mustern der Begebungsverträge sind auf Anfrage beim jeweiligen Emittenten verfügbar.

Sie finden die in diesem Abschnitt verwendeten Definitionen entweder im Hauptteil dieses Abschnitts oder am Ende des Abschnitts unter „— Verschiedene Definitionen." Für Zwecke dieser Beschreibung beziehen sich Verweise auf „die Gesellschaft" ausschließlich auf die Fresenius Medical Care AG & Co. KGaA, jedoch nicht auf ihre Tochtergesellschaften.

Wir haben einen Antrag auf Einbeziehung der Schuldverschreibungen in die Official List der Luxemburger Wertpapierbörse und auf Zulassung zum Handel im regulierten Markt der Luxemburger Wertpapierbörse gestellt.

Die Begebungsverträge werden nicht durch den *Trust Indenture Act von 1939* in der jeweils gültigen Fassung qualifiziert. Die Bedingungen der Schuldverschreibungen werden die in den Begebungsverträgen enthaltenen Bedingungen und die durch Verweis auf den *Trust Indenture Act* Bestandteil der Begebungsverträge gewordenen Bedingungen enthalten.

Allgemeines

Die auf Dollar lautenden Schuldverschreibungen

Die auf Dollar lautenden Schuldverschreibungen:

- sind generell unbesicherte vorrangige Verbindlichkeiten des Dollar-Emittenten;
- werden in einem Gesamtnennbetrag in Höhe von $400 Millionen angeboten;
- werden am 15. September 2018 fällig;
- werden in einer Stückelung von $2.000 und darüber hinaus in weiteren Stückelungen von einem ganzzahligen Vielfachen von $1.000 ausgegeben;
- werden durch eine oder mehrere auf Dollar und auf den Namen lautende, in Globalform verbriefte Schuldverschreibungen repräsentiert, können jedoch unter bestimmten Umständen durch auf Dollar und auf den Namen lautende, in Einzelurkunden verbriefte Schuldverschreibungen repräsentiert werden. Siehe den Abschnitt „Book-Entry, Delivery, and Form";
- sind in Bezug auf Zahlungsansprüche gleichrangig mit allen bestehenden und zukünftigen vorrangigen Verbindlichkeiten des Dollar-Emittenten; und
- werden bei Fälligkeit zum Nennbetrag in Dollar zurückgezahlt und unterliegen keinen Verpflichtungen zur Tilgung in Teilbeträgen (*sinking fund provision*).

Die auf Euro lautenden Schuldverschreibungen

Die auf Euro lautenden Schuldverschreibungen:

- sind generell unbesicherte vorrangige Verbindlichkeiten des Euro-Emittenten;
- werden in einem Gesamtnennbetrag in Höhe von €400 Millionen angeboten;
- werden am 15. September 2018 fällig;

- werden in einer Stückelung von €1.000 und darüber hinaus in weiteren Stückelungen von einem ganzzahligen Vielfachen von €1.000 ausgegeben;
- werden durch eine oder mehrere auf Euro und auf den Namen lautende, in Globalform verbriefte Schuldverschreibungen repräsentiert, können jedoch unter bestimmten Umständen durch auf Euro und auf den Namen lautende in Einzelurkunden verbriefte Schuldverschreibungen repräsentiert werden. Siehe den Abschnitt „Book-Entry, Delivery, and Form";
- sind in Bezug auf Zahlungsansprüche gleichrangig mit allen bestehenden und zukünftigen vorrangigen Verbindlichkeiten des Euro Emittenten; und
- werden bei Fälligkeit zum Nennbetrag in Euro zurückgezahlt und unterliegen keinen Verpflichtungen zur Tilgung in Teilbeträgen (*sinking fund provision*).

Weitere Schuldverschreibungen

Ein Emittent kann mit einem Nachtrag zum Begebungsvertrag über weitere Schuldverschreibungen in der entsprechenden Währung nach diesem Angebot weitere Schuldverschreibungen (je nachdem „Weitere auf Dollar lautende Schuldverschreibungen" oder „Weitere auf Euro lautende Schuldverschreibungen" und zusammen „Weitere Schuldverschreibungen") auf Grundlage der Bestimmungen des entsprechenden Begebungsvertrages wie nachstehend unter „— Bestimmte Auflagen" beschrieben, einschließlich aber nicht abschließend der unter „— Bestimmte Auflagen — Beschränkungen in Bezug auf das Eingehen von Verschuldung" dargelegten Auflagen begeben. Die hierbei angebotenen Schuldverschreibungen und, soweit begeben, die Weiteren auf Dollar lautenden Schuldverschreibungen oder die Weiteren auf Euro lautenden Schuldverschreibungen, die nachträglich unter einem Begebungsvertrag begeben werden, werden für jegliche Zwecke dieses Begebungsvertrages als gesonderte Gattung unter diesem Begebungsvertrag behandelt, einschließlich, aber nicht abschließend, in Bezug auf Verzichtserklärungen, Anpassungen, Rücknahmen und Kaufangeboten (vorausgesetzt, dass — soweit eine der Weiteren Schuldverschreibungen nicht mit den bestehenden Schuldverschreibungen der selben Gattung für Zwecke der U.S. Bundes-Einkommenssteuer austauschbar sind — diese Weiteren Schuldverschreibungen über eine gesonderte CUSIP verfügen).

Zinsen

Zinsen auf die auf Dollar lautenden Schuldverschreibungen und die auf Euro lautenden Schuldverschreibungen werden:

- zu einem Zinssatz von 6,50 % pro Jahr bzw. zu einem Zinssatz von 6,50 % pro Jahr anfallen;
- vom Ausgabetag oder dem zuletzt vorausgegangenen Zinszahlungstag an anfallen;
- jeweils halbjährlich nachträglich am 15. März und am 15. September, beginnend mit dem 15. März 2012 zahlbar sein, wobei die erste Zinszahlung den Zeitraum vom Ausgabetag bis zum 15. März 2012 abdeckt;
- jeweils halbjährlich am 15. März und am 15. September jeden Jahres an die am 1. März bzw. am 1. September vor dem jeweiligen Zinszahlungstag registrierten Inhaber zahlbar sein; und
- auf der Grundlage eines Jahres bestehend aus 360 Tagen mit 12 Monaten zu je 30 Tagen berechnet.

Die Rendite der auf Dollar lautenden Schuldverschreibungen und der auf Euro lautenden Schuldverschreibungen liegt zum Zeitpunkt der Ausgabe bei 6,75 % bzw. 6,75 %. Eine derartige Rendite wird in Übereinstimmung mit der ICMA (International Capital Market Association) Methode berechnet, nach der die Effektivverzinsung von Schuldverschreibungen unter Berücksichtigung der täglichen Stückzinsen ermittelt wird. Ihre Rendite wird von dem Preis abhängen, zu dem sie die auf Dollar lautenden Schuldverschreibungen oder die auf Euro lautenden Schuldverschreibungen erwerben.

Beschreibung der Garantien

Die Verpflichtungen der Emittenten unter den jeweiligen Schuldverschreibungen, einschließlich ihrer Rückkaufverpflichtungen im Falle eines Kontrollwechsels, werden unbedingt und unwiderruflich jeweils gesamtschuldnerisch durch die Gesellschaft, die Fresenius Medical Care Deutschland GmbH und die Fresenius Medical Care Holdings, Inc. (die „Garantiegeber") garantiert. Sobald ein Garantiegeber (außer der Gesellschaft) nicht mehr Verpflichteter unter der Kreditvereinbarung (*Credit Facility*) ist, ist dieser Garantiegeber nicht mehr Garantiegeber der Schuldverschreibungen. Die Garantien der Schuldverschreibungen durch eine Tochtergesellschaft übersteigen nicht den Betrag, für den die betreffende Tochtergesellschaft garantieren kann, ohne dass die Garantie im Verhältnis zur garantierenden Tochtergesellschaft nach allgemeinen für Gläubigerrechte

geltenden Bestimmungen unwirksam oder unvollstreckbar wird. Im Falle der Fresenius Medical Care Deutschland GmbH wird der Höchstbetrag der Garantie und dessen Vollstreckbarkeit möglicherweise eingeschränkt, wenn anderenfalls die persönliche Haftung der Geschäftsführer nach in Deutschland geltendem Recht oder aufgrund von Urteilen des Bundesgerichtshofs die Folge wäre. In dieser Beschreibung bezieht sich „Schuldverschreibungsgarantie" auf die Garantie eines jeden Garantiegebers.

Unter jedem Begebungsvertrag steht dem Garantiegeber das Recht zu, alle oder wesentliche Teile seiner Vermögenswerte wie unter „Bestimmte Auflagen — Beschränkungen in Bezug auf Zusammenschlüsse und die Veräußerung von Vermögenswerten" beschrieben, mit anderen Personen zu konsolidieren oder zu fusionieren oder an diese zu übertragen. Sofern eine solche Person nicht Emittent oder Garantiegeber ist, ist sie verpflichtet, die Verpflichtungen der Garantiegeber unter den Schuldverschreibungsgarantien ausdrücklich zu übernehmen. Nach dem Verkauf oder einer sonstigen Verfügung (einschließlich im Wege der Konsolidierung und Fusion) eines Garantiegebers oder dem Verkauf oder der Verfügung über alle oder wesentliche Teile der Vermögenswerte eines Garantiegebers (jeweils an andere Personen als die Emittenten) wird dieser Garantiegeber mit den unter „— Bestimmte Auflagen — Beschränkungen in Bezug auf Zusammenschlüsse und die Veräußerung von Vermögenswerten" beschriebenen Einschränkungen von allen Verpflichtungen unter den Schuldverschreibungsgarantien freigestellt und von diesen entbunden.

Für verschiedene konsolidierte Finanzinformationen der Gesellschaft, jeweils gesondert dargestellt für die Emittenten der ausstehenden Schuldverschreibungen, die Fresenius Medical Care AG & Co. KGaA, die D-GmbH und die FMCH als Garantiegeber und die Tochtergesellschaften der Gesellschaft, die nicht Garantiegeber sind, siehe Note 18, „Supplemental Condensed Combining Information" im Anhang zu unseren ungeprüften konsolidierten Abschlüssen und Note 23, „Supplemental Condensed Combining Information" im Anhang zu unseren geprüften konsolidierten Abschlüssen, die in diesem Prospekt/Offering Memorandum enthalten sind.

Status

Bei den auf Dollar lautenden Schuldverschreibungen und den auf Euro lautenden Schuldverschreibungen wird es sich um unbesicherte vorrangige Verbindlichkeiten des jeweiligen Emittenten handeln. Bei den Schuldverschreibungsgarantien wird es sich um unbesicherte vorrangige Verbindlichkeiten der Garantiegeber handeln. Die Zahlung des Nennbetrags, gegebenenfalls eines Aufschlags (*premium*) und der Zinsen auf die Schuldverschreibungen und die Verpflichtungen der Garantiegeber unter den Schuldverschreibungsgarantien werden:

- in Bezug auf Zahlungsansprüche gleichrangig mit jeglicher sonstiger Verschuldung des jeweiligen Emittenten und Garantiegebers sein, soweit nicht jeweils durch Bestimmungen ausdrücklich bestimmt ist, dass sie nachrangig gegenüber der sonstigen Verschuldung des jeweiligen Emittenten oder Garantiegebers sind;
- in Bezug auf Zahlungsansprüche vorrangig zu jeglicher Verschuldung des jeweiligen Emittenten und Garantiegebers sein, in deren Bestimmungen ausdrücklich geregelt wird, dass sie nachrangig zu der vorrangigen Verschuldung des jeweiligen Emittenten oder Garantiegebers sind;
- gegenüber den Besicherten Verbindlichkeiten des jeweiligen Emittenten und Garantiegebers in Höhe des Wertes der Sicherheiten, die die Verschuldung besichern, und gegenüber der Verschuldung der Tochtergesellschaften, die nicht Garantiegeber unter den Schuldverschreibungen sind, faktisch nachrangig sein; und
- im Falle der Schuldverschreibungsgarantie der Fresenius Medical Care Deutschland GmbH gegenüber den Forderungen ihrer Drittgläubiger aufgrund der für die Garantie geltenden Beschränkungen faktisch nachrangig sein.

Form der Schuldverschreibungen

Die Schuldverschreibungen werden anfänglich durch eine auf den Namen lautende Globalurkunde verbrieft. Die auf Dollar lautenden Schuldverschreibungen und die auf Euro lautenden Schuldverschreibungen, die anfänglich in Übereinstimmung mit Rule 144A des U.S. *Securities Act* („Rule 144A) angeboten und verkauft werden, werden durch Globalurkunden repräsentiert (die „Rule 144A Globalurkunden"); auf Dollar lautende Schuldverschreibungen und auf Euro lautende Schuldverschreibungen, die anfänglich in Übereinstimmung mit der Regulation S des U.S. *Securities Act* („Regulation S") angeboten und verkauft werden, werden durch zusätzliche Globalurkunden (the „Regulation S Globalurkunde") repräsentiert. Die gemeinsamen Nennbeträge der Rule 144A Globalurkunde für auf Dollar lautende Schuldverschreibungen und der Regulation S Globalurkunde für auf Dollar lautende Schuldverschreibungen (gemeinsam die „Dollar Globalurkunden") werden jederzeit dem ausstehenden, durch sie repräsentierten Nennbetrag der auf Dollar lautenden Schuldverschreibungen entsprechen. Die

gemeinsamen Nennbeträge der Rule 144A Globalurkunde für die auf Euro lautenden Schuldverschreibungen und der Regulation S Globalurkunde für die auf Euro lautenden Schuldverschreibungen (gemeinsam die „Euro Globalurkunden") werden jederzeit dem ausstehenden, durch sie repräsentierten Nennbetrag der auf Euro lautenden Schuldverschreibungen entsprechen.

Inhabern von Miteigentumsanteilen an den Schuldverschreibungen steht im Austausch gegen ihren Miteigentumsanteil an den Schuldverschreibungen lediglich in den eingeschränkten, unter „Book Entry, Delivery, and Form — Certificated Notes" beschriebenen Fällen, ein Anspruch auf Einzelurkunden zu, die auf den Namen lauten („Einzelurkunden"). Das Eigentum an den Einzelurkunden geht mit Registrierung der jeweiligen Übertragung in Übereinstimmung mit den Bestimmungen des Begebungsvertrags über. Ein Anspruch auf die Ausgabe von auf den Inhaber lautenden Einzelurkunden besteht in keinem Fall. Das Eigentum der auf den Namen lautenden Schuldverschreibungen entsteht durch einen Eintrag in das Schuldverschreibungs-Register, das nach jedem Begebungsvertrag zu führen ist.

Zahlungen auf die Schuldverschreibungen

Zahlungen des Nennbetrags, gegebenenfalls eines Aufschlags (*premium*), von Zinsen und gegebenenfalls Zusätzlicher Beträge unter den Dollar Globalurkunden und den Euro Globalurkunden erfolgen durch die Geschäftstelle der Zahlstelle für die auf Dollar lautenden Schuldverschreibungen und die auf Euro lautenden Schuldverschreibungen. Die Dollar Globalurkunden und die Euro Globalurkunden können bei der *Corporate Trust* Geschäftsstelle oder Filiale des Treuhänders ausgetauscht und übertragen werden. Zahlungen des Nennbetrags, gegebenenfalls eines Aufschlags (*premium*), von Zinsen und gegebenenfalls Zusätzlicher Beträge unter den auf Dollar lautenden Schuldverschreibungen, die in einer auf The Depository Trust Company („DTC") lautenden Globalurkunde registriert sind oder durch DTC oder eine durch sie benannte Person gehalten werden, erfolgen jeweils durch die unverzügliche Zahlung der Beträge an DTC oder die benannte Person als registrierten Inhaber der Dollar Globalurkunden, und Zahlungen solcher Beträge unter den auf Euro lautenden Schuldverschreibungen, die in einer auf den Namen der gemeinsamen Verwahrstelle (*common depository*) oder auf den der durch sie benannten Person lautenden Globalurkunde verbrieft sind, erfolgen jeweils durch die unverzügliche Zahlung der Beträge an die gemeinsame Verwahrstelle oder an die durch sie benannte Person, sofern nicht, nach Wahl eines Emittenten, Zinszahlungen unter den Schuldverschreibungen des jeweiligen Emittenten durch den Versand von Schecks an die Inhaber der Schuldverschreibungen erfolgen, sofern deren Adressen aus dem Schuldverschreibungs-Register ersichtlich werden. Nach der Ausgabe von endgültigen Globalurkunden werden die Inhaber der Schuldverschreibungen den Nennbetrag und die Zinsen unter den Schuldverschreibungen in der Geschäftsstelle der jeweiligen Zahl- und Übertragungsstelle erhalten, vorbehaltlich des Rechts der Emittenten, die Zahlungen in Übereinstimmung mit dem jeweiligen Begebungsvertrag zuzustellen. Die Emittenten werden Zinsen unter den Schuldverschreibungen an Personen zahlen, die zum Geschäftsschluss (*close of business*) an dem Stichtag, der dem Zinszahlungstag für derartige Zinsen unmittelbar vorausgeht, als Inhaber registriert sind. Diese Inhaber müssen die Schuldverschreibungen der Zahlstelle aushändigen, um die Zahlung des Nennbetrags zu erhalten.

Zahlstelle und Registrar

Die U.S. Bank National Association und die Deutsche Bank Aktiengesellschaft werden anfänglich als Zahlstelle (jeweils eine „Zahlstelle") für die auf Dollar lautenden Schuldverschreibungen bzw. für die auf Euro lautenden Schuldverschreibungen tätig werden. Die U.S. Bank National Association wird anfänglich als Registrar (der „Registrar") für die Schuldverschreibungen tätig werden. Ein Emittent kann die Zahlstelle oder den Registrar für die Schuldverschreibungen wechseln, und ein Emittent kann selbst als Registrar für seine Schuldverschreibungen tätig werden.

Übertragung und Umtausch

Der Inhaber von Schuldverschreibungen kann die Schuldverschreibungen in Übereinstimmung mit dem jeweils anwendbaren Begebungsvertrag übertragen oder umtauschen. Der Registrar und der Treuhänder können von dem Inhaber der Schuldverschreibungen unter anderem verlangen, geeignete Indossamente und Übertragungsdokumente beizubringen. Der Emittent der Schuldverschreibungen kann von dem Inhaber außerdem verlangen, dass er die gesetzlich geforderten oder nach dem jeweiligen Begebungsvertrag vorgesehenen Steuern und Gebühren zahlt. Die Emittenten sind nicht verpflichtet, zur Rückzahlung bestimmte Schuldverschreibungen zu übertragen und umzutauschen. Darüber hinaus sind die Emittenten für einen Zeitraum von 15 Tagen vor einer Auswahl der Schuldverschreibung nicht verpflichtet, Schuldverschreibungen zur Rückzahlung zu übertragen oder umzutauschen. Der registrierte Inhaber einer Schuldverschreibung wird für alle Zwecke als Eigentümer der Schuldverschreibung behandelt. Für die Registrierung einer Übertragung oder eines Umtauschs wird keine Gebühr

berechnet, der Emittent kann jedoch die Zahlung einer Summe verlangen, die sämtliche Steuern und vergleichbare staatliche Abgaben in diesem Zusammenhang abdeckt.

Optionale Rückzahlung

Ein Emittent kann alle oder von Zeit zu Zeit einen Teil der Schuldverschreibungen nach seiner Wahl zu einem Rückzahlungspreis zurückkaufen, der 100% des Nennbetrags zuzüglich der gegebenenfalls bis zum Rückzahlungstag aufgelaufenen und nicht gezahlten Zinsen entspricht, zuzüglich dem überschießenden Betrag aus

- der durch die Berechnungsstelle (die anfänglich der Treuhänder sein soll) ermittelten Summe der Barwerte der ausstehenden und planmäßigen Zahlungen des Nennbetrags und der Zinsen der zurückzukaufenden Schuldverschreibungen — nicht eingerechnet der am Rückzahlungstag angefallene Anteil an Zahlungen der Zinsen — vom Rückzahlungstag bis zum Fälligkeitstag, halbjährlich abgezinst auf den Rückzahlungstag (unter der Annahme eines Jahres mit 360 Tagen und zwölf Monaten mit jeweils 30 Tagen) auf Basis von Treasury Rate (im Falle der auf Dollar lautenden Schuldverschreibungen) oder auf Basis von Bund Rate (im Falle der auf Euro lautenden Schuldverschreibungen) jeweils zuzüglich 50 Basispunkten; im Verhältnis zu
- 100% des Nennbetrags der zurückgekauften Schuldverschreibungen.

Sofern der Tag der optionalen Rückzahlung an dem oder nach einem Registrierungstag (*record date*) und an dem oder bevor dem entsprechenden Zinszahlungstag ist, werden die bis dahin gegebenenfalls nicht gezahlten angefallenen Zinsen an diejenige Person gezahlt werden, unter deren Name die Schuldverschreibungen an diesem Tag zu Geschäftsschluss (*close of business*) registriert sind. Es werden keine weiteren Zinsen an wirtschaftliche Eigentümer gezahlt, deren Schuldverschreibungen der Rückzahlung durch den Emittenten unterliegen werden.

Im Falle einer teilweisen Rückzahlung, wählt der Treuhänder entsprechend die auf Dollar lautenden Schuldverschreibungen oder die auf Euro lautenden Schuldverschreibungen für die Rückzahlung in Übereinstimmung mit den Anforderungen der gegebenenfalls maßgeblichen Wertpapierbörse aus, an der die Schuldverschreibungen zugelassen sind. Falls die Schuldverschreibungen nicht zugelassen sind, erfolgt die Auswahl auf einer *pro rata* Basis, durch Los oder durch eine andere Methode, die der Treuhänder nach alleinigem Ermessen als geeignet und angemessen erachtet; unabhängig davon werden auf Dollar lautende Schuldverschreibungen mit einem anfänglichen Nennbetrag von $2.000 oder weniger und auf Euro lautende Schuldverschreibungen mit einem anfänglichen Nennbetrag von €1.000 oder weniger nicht in Teilen zurückgezahlt. Falls eine Schuldverschreibung ausschließlich in Teilen zurückgezahlt wird, wird die Bekanntmachung über die Rückzahlung dieser Schuldverschreibungen den zurückzuzahlenden Betrag des Nennbetrags enthalten. Eine neue Schuldverschreibung mit einem Nennbetrag, der dem nicht zurückgezahlten Betrag entspricht, wird ausgestellt und an den Treuhänder geliefert, oder im Falle von auf den Namen lauten Einzelurkunden, an den Inhaber nach Löschung der Originalschuldverschreibung begeben.

Rückzahlbarkeit aufgrund von Änderungen in der Quellensteuer

Der Emittent ist berechtigt, die durch ihn begebenen auf Dollar lautenden Schuldverschreibungen oder auf Euro lautenden Schuldverschreibungen nach seiner Wahl insgesamt und nicht nur teilweise mit einer Kündigungsfrist von nicht weniger als 30 Tagen und nicht mehr als 60 Tagen zu 100% des Nennbetrags, zuzüglich bis zum Rückzahlungstag angefallener und gegebenenfalls nicht gezahlter Zinsen (vorbehaltlich des Rechts der am relevanten Registrierungstag registrierten Inhaber, die zum jeweiligen Zinszahlungstag fälligen Zinsen zu erhalten) zurückzuzahlen, falls er zum nächsten Zeitpunkt, zu dem Zahlungen in Bezug auf die Schuldverschreibungen erfolgen würden, zusätzliche Zahlungen leisten müsste als Folge:

(a) einer Änderung oder Anpassung der Gesetze, Verträge, Verordnungen oder Regulierungen jeder Maßgeblichen Steuerrechtsordnung (wie unten definiert); oder

(b) jeder Änderung oder Anpassung amtlicher Auslegungen bezüglich der Anwendung, Ausführung oder Auslegung solcher Gesetze, Verträge, Verordnungen oder Regulierungen (einschließlich der Entscheidung, des Urteils oder Verfügung eines Gerichts einer zuständigen Jurisdiktion);

wobei die Änderung oder Anpassung dieser Gesetze oder der amtlichen Auslegungen nach der Begebung der Schuldverschreibungen bekannt gemacht und wirksam wird (oder, sofern die Maßgebliche Steuerrechtsordnung zu einem späteren Zeitpunkt eine Maßgebliche Steuerrechtsordnung wird, dieser spätere Zeitpunkt); *vorausgesetzt,* dass der Emittent nach eigenem vernünftigem Ermessen feststellt, dass die Verpflichtung zur Zahlung solcher zusätzlicher Beträge nicht durch anwendbare angemessene Maßnahmen vermieden werden kann; *weiterhin*

vorausgesetzt, dass zu dem Zeitpunkt, zu dem eine solche Mitteilung erfolgt, eine derartige Verpflichtung zur Zahlung Zusätzlicher Beträge (wie unten definiert) nach wie vor besteht.

Die Mitteilung über einen solchen Rückkauf hat innerhalb von 270 Tagen nach der Bekanntgabe oder der Wirksamkeit einer solchen Änderung — je nachdem, welches Ereignis früher liegt — zu erfolgen.

Zusätzliche Beträge

Sämtliche Zahlungen aus bzw. in Zusammenhang mit den Schuldverschreibungen, die im Rahmen eines Begebungsvertrags oder einer Schuldverschreibungsgarantie zu leisten sind, erfolgen frei von und ohne Abzüge oder Einbehalten bzw. Berücksichtigung gegenwärtiger oder künftiger Steuern, Zölle, Abgaben, Aufwendungen oder sonstiger staatlicher Gebühren (einschließlich Strafzahlungen, Zinsen oder damit in Zusammenhang stehender sonstiger Verbindlichkeiten), die durch die oder im Namen von 1) den Vereinigten Staaten, Deutschland, Luxemburg, dem Vereinigten Königreich oder einer Gebietskörperschaft oder staatlichen Behörde eines dieser Länder mit der Befugnis zu Erhebung von Steuern, 2) einer Rechtsordnung, von der aus bzw. über die Zahlungen aus den Schuldverschreibungen oder einer Schuldverschreibungsgarantie erfolgen, oder einer Gebietskörperschaft oder staatlichen Behörde dieser Rechtsordnung mit der Befugnis zur Erhebung von Steuern, 3) einer anderen Rechtsordnung, in der die zahlende Partei errichtet ist oder anderweitig als gebietsansässig gilt oder für Steuerzwecke geschäftliche Aktivitäten unterhält, oder von einer Gebietskörperschaft oder staatlichen Behörde dieser Rechtsordnung mit der Befugnis zur Erhebung von Steuern („Maßgebliche Steuerrechtsordnung") bzw. in deren Namen auferlegt oder erhoben werden (zusammen „Steuern"), es sei denn, der jeweilige Emittent oder Garantiegeber oder die zuständige sonstige Quellensteuerstelle ist gesetzlich oder aufgrund der Auslegung von Rechtsnormen durch die entsprechende staatliche Behörde oder Stelle oder deren diesbezügliche Verwaltungspraxis zum Einbehalt oder Abzug von Quellensteuer verpflichtet, *wobei jedoch* der jeweilige Emittent oder Garantiegeber oder die zuständige sonstige Quellensteuerstelle bei der Bestimmung der gesetzlich vorgeschriebenen Höhe der für Zwecke der U.S.-Ertrags- und Quellenbesteuerung einzubehaltenden Beträge berechtigt ist, sämtliche Zahlungen aus den bzw. in Bezug auf die Schuldverschreibungen dieses Emittenten oder aus einer Schuldverschreibungsgarantie so zu behandeln, als seien die Schuldverschreibungen und die Schuldverschreibungsgarantie von einer U.S.-Person im Sinne von Section 7701(a)(30) des *Internal Revenue Code* ausgegeben worden. Ist ein Emittent, ein Garantiegeber oder eine zuständige sonstige Quellensteuerstelle auf diese Weise zum Einbehalt oder Abzug von Beträgen zur Berücksichtigung von Steuern gemäß oder in Zusammenhang mit Zahlungen aus den Schuldverschreibungen oder einer Schuldverschreibungsgarantie verpflichtet, so muss dieser Emittent bzw. Garantiegeber Beträge — „Zusätzliche Beträge" — in der erforderlichen Höhe leisten, um sicherzustellen, dass der Nettobetrag (einschließlich der Zusätzlichen Beträge), den jeder Inhaber nach dem Einbehalt oder Abzug (einschließlich etwaiger einbehaltener oder abgezogener Beträge in Bezug auf diese Zusätzlichen Beträge) erhält, nicht unter dem Betrag liegt, den der jeweilige Inhaber ohne den Einbehalt oder Abzug dieser Steuern erhalten hätte. *Dabei gilt jedoch*: In Verbindung mit an einen Inhaber oder wirtschaftlichen Eigentümer geleisteten Zahlungen müssen keine Zusätzlichen Beträge gezahlt werden, falls die Erhebung der Steuern darauf beruht, dass (i) der betreffende Inhaber oder wirtschaftliche Eigentümer als eine mit einer Maßgeblichen Steuerrechtsordnung verbundene Person gilt bzw. galt und diese Verbindung nicht auf dem Erwerb, dem Eigentum, dem Besitz oder dem Verkauf der Schuldverschreibungen, der Durchsetzung von Ansprüchen aus den Schuldverschreibungen oder einer Schuldverschreibungsgarantie oder dem Erhalt von Zahlungen in Zusammenhang mit den Schuldverschreibungen oder einer Schuldverschreibungsgarantie gründet, oder (ii) der betreffende Inhaber oder wirtschaftliche Eigentümer verfahrenstechnische Formalitäten nicht erfüllt hat, zu denen er per Gesetz berechtigt ist und die für den Emittenten, die Garantiegeber oder eine zuständige sonstige Quellensteuerstelle notwendig sind, um Zahlungen ohne Steuerabzug vorzunehmen oder die Berechtigung dafür zu erhalten (u.a. die Vorlage eines vollständig und richtig ausgefüllten und unterzeichneten Formulars W-8 oder W-9 bzw. eines Nachfolgeformulars mit allen erforderlichen Anlagen vor dem Erhalt einer Zahlung aus den bzw. in Verbindung mit den Schuldverschreibungen oder einer Schuldverschreibungsgarantie), wobei der Emittent, der Garantiegeber oder die zuständige sonstige Quellensteuerstelle für die Zwecke dieser Verpflichtung zur Zahlung Zusätzlicher Beträge berechtigt ist, Zahlungen aus den bzw. in Bezug auf die Schuldverschreibungen für Zwecke der U.S.-Ertrags- und Quellenbesteuerung so zu behandeln, als seien die Schuldverschreibungen von einer U.S.-Person im Sinne von Section 7701(a)(30) des *Internal Revenue Code* ausgegeben worden. Des Weiteren sind keine Zusätzlichen Beträge zahlbar in Bezug auf (i) Steuern auf Zinserträge, die von den Vereinigten Staaten oder einer Gebietskörperschaft oder staatlichen Behörde der Vereinigten Staaten aufgrund der Tatsache erhoben werden, dass ein Inhaber oder wirtschaftlicher Eigentümer tatsächlich oder durch Zurechnung einer mittelbaren Beteiligung als eigene Beteiligung mindestens 10% der gesamten Stimmrechte aller Aktiengattungen eines Emittenten oder eines stimmberechtigten Garantiegebers hält oder (ii) Steuern auf Zinserträge, die von den Vereinigten Staaten oder einer Gebietskörperschaft oder staatlichen Behörde der Vereinigten Staaten erhoben werden, da es sich bei einem Inhaber oder wirtschaftlichen Eigentümer um eine kontrollierte ausländische

Gesellschaft handelt, die im Sinne von Section 864(d)(4) des *Internal Revenue Code* als eine mit dem Emittenten oder dem Garantiegeber verbundene Person gilt. Jeder gegebenenfalls zum Einbehalt von Steuern verpflichtete Emittent bzw. Garantiegeber nimmt diesen Einbehalt oder Abzug vor und überweist den abgezogenen oder einbehaltenen Betrag gemäß anwendbarem Recht rechtzeitig in voller Höhe an die zuständige Behörde. Jeder Emittent bzw. jeder Garantiegeber unternimmt alle zumutbaren Anstrengungen, um von den jeweiligen Maßgeblichen Steuerrechtsordnungen, die diese Steuern erhoben haben, beglaubigte Kopien der Steuerbescheinigungen zu erhalten, die belegen, dass dieser Emittent bzw. dieser Garantiegeber die so in Abzug gebrachten oder einbehaltenen Steuern gezahlt hat und reicht diese beglaubigten Kopien bei dem Treuhänder ein.

Verweise im Begebungsvertrag, in den Schuldverschreibungen oder der Schuldverschreibungsgarantie — ganz gleich in welchem Zusammenhang — auf (1) die Zahlung von Kapitalbeträgen, (2) Kaufpreise in Verbindung mit dem Erwerb von Schuldverschreibungen im Rahmen des Begebungsvertrags oder der Schuldverschreibungen, (3) Zinsen oder (4) sonstige in Zusammenhang mit den Schuldverschreibungen oder einer Schuldverschreibungsgarantie zu leistenden Zahlungen beziehen sich auch auf die in diesem Abschnitt beschriebene Zahlung Zusätzlicher Beträge, soweit in dem betreffenden Kontext Zusätzliche Beträge in Bezug auf die Schuldverschreibungen oder eine Schuldverschreibungsgarantie zu entrichten sind, waren oder wären.

Mindestens 30 Tage vor jedem Fälligkeitstag für die Zahlung des Nennbetrags, (etwaigen) Aufschlägen, Zinsen oder sonstigen Beträgen im Zusammenhang mit den Schuldverschreibungen legt der jeweilige Emittent — falls ein Emittent, ein Garantiegeber oder eine sonstige zuständige Quellensteuerstelle in Verbindung mit einer solchen Zahlung zur Zahlung Zusätzlicher Beträge verpflichtet ist — dem Treuhänder und der Zahlstelle (sofern es sich dabei nicht um den Treuhänder handelt) unverzüglich ein Officers' Certificate vor, aus dem die Verpflichtung zur Zahlung dieser Zusätzlichen Beträge und deren Höhe hervorgeht und das alle anderen Angaben enthält, die der Treuhänder oder die Zahlstelle benötigt, um die Zusätzlichen Beträge am Zahlungstermin an die Inhaber zu zahlen (Dabei gilt jedoch: Entsteht die Verpflichtung zur Zahlung Zusätzlicher Beträge unmittelbar vor oder nach dem 30. Tag vor diesem Zahlungstermin, erfolgt die Bereitstellung des Officers' Certificate unmittelbar nach Entstehung der Verpflichtung). Der Emittent bzw. der Garantiegeber zahlt diese Zusätzlichen Beträge an den Treuhänder oder die Zahlstelle und wird — sofern die Zahlstelle nicht mit dem Treuhänder identisch ist — dem Treuhänder unverzüglich entsprechende Nachweise für die erfolgte Zahlung der Zusätzlichen Beträge zukommen lassen. Kopien dieser Nachweise werden den Inhabern auf Anfrage zur Verfügung gestellt.

Der jeweilige Emittent trägt alle derzeit geltenden Stempel-, Gerichts- oder Urkundensteuern sowie etwaige sonstige Verbrauchs- oder Vermögenssteuern oder ähnliche Steuern, Gebühren oder Abgaben (einschließlich etwaiger Strafzahlungen, Zinsen und damit im Zusammenhang stehender sonstiger Verbindlichkeiten), die in Luxemburg (im Falle des Euro-Emittenten) oder in den Vereinigten Staaten (im Falle des Dollar-Emittenten) oder einer Gebietskörperschaft dieser Länder in Verbindung mit der Ausfertigung, Lieferung und Registrierung der von ihm ausgegebenen Schuldverschreibungen zum Zeitpunkt der Erstausgabe und des ersten Weiterverkaufs der Schuldverschreibungen oder eines anderen hierin genannten Dokuments oder einer anderen darin genannten Urkunde oder in Zusammenhang mit der Durchsetzung von Ansprüchen aus den Schuldverschreibungen oder einer Schuldverschreibungsgarantie oder aus einem anderen darin genannten Dokument oder einer anderen darin genannten Urkunde entstehen. Verlegt ein Emittent seinen Sitz an einen Ort außerhalb von Luxemburg oder der Vereinigten Staaten oder liegt der Sitz eines neuen Emittenten außerhalb von Luxemburg oder der Vereinigten Staaten, so hat der betreffende Emittent bzw. neue Emittent sämtliche Stempel-, Gerichts- oder Urkundensteuern sowie etwaige sonstige Verbrauchs- oder Vermögensteuern oder ähnliche Steuern, Gebühren oder Abgaben (einschließlich etwaiger Strafzahlungen, Zinsen oder damit in Zusammenhang stehender sonstiger Verbindlichkeiten) zu tragen, die in der Rechtsordnung, in der der Emittent bzw. der neue Emittent seinen Sitz hat (oder in einer Gebietskörperschaft dieser Rechtsordnung), anfallen und gemäß den zum Zeitpunkt dieser Änderung geltenden Rechtsnormen von den Inhabern der Schuldverschreibungen in Verbindung mit den Schuldverschreibungen oder einem anderen darin genannten Dokument oder einer anderen hierin genannten Urkunde zu zahlen sind.

Die vorstehenden Verpflichtungen behalten auch bei einer Beendigung des Begebungsvertrags, einer Nichtigkeitserklärung oder der Erfüllung aller Verpflichtungen aus dem Vertrag ihre Gültigkeit. Bezugnahmen in diesem Abschnitt („— Zusätzliche Beträge") auf den Emittenten oder einen Garantiegeber beziehen sich auch auf deren etwaige Rechtsnachfolger.

Kontrollwechsel

Jeder Inhaber von Schuldverschreibungen hat im Falle des Eintritts eines Kontrollwechselereignisses das Recht, vom jeweiligen Emittenten den Rückkauf der von ihm gehaltenen Schuldverschreibungen zu einem Kaufpreis in Höhe von 101 % des Nennbetrags zuzüglich etwaiger bis zum Tag des Rückkaufs angefallener

und noch nicht gezahlter Zinsen zu verlangen (gemäß dem Recht der am jeweiligen Registrierungstag registrierten Inhaber auf Zinszahlungen am jeweiligen Zinszahlungstag).

Innerhalb von 30 Tagen nach dem Eintritt des Kontrollwechselereignisses wird der jeweilige Emittent die betreffenden Inhaber der Schuldverschreibungen sowie in Kopie den Treuhänder schriftlich über folgende Tatbestände in Kenntnis setzen:

(1) dass ein Kontrollwechselereignis eingetreten ist, und dass damit der jeweilige Inhaber der Schuldverschreibungen das Recht hat, vom jeweiligen Emittenten den Rückkauf der von ihm gehaltenen Schuldverschreibungen zu einem Kaufpreis von 101 % des Nennbetrags zuzüglich etwaiger bis zum Tag des Rückkaufs angefallener und noch nicht beglichener Zinsen zu verlangen (gemäß dem Recht der am jeweiligen Registrierungstag registrierten Inhaber auf Zinszahlungen am jeweiligen Zinszahlungstag).

(2) über die Umstände und relevanten Informationen betreffend das Kontrollwechselereignis (inklusive Pro-forma Informationen bezüglich historischer Ergebnisse, Cash Flow und Kapitalausstattung unter der Annahme der Wirksamkeit des Kontrollwechselereignisses);

(3) über das Rückkaufdatum (welches nicht früher als 30 Tage und nicht später als 60 Tage nach dem Absenden der schriftlichen Mitteilung liegen darf);

(4) dass jede Schuldverschreibung nur im Nennbetrag von ganzzahligen Vielfachen von $2.000 (im Falle der auf Dollar lautenden Schuldverschreibungen), oder €1.000 (im Falle der auf Euro lautenden Schuldverschreibungen) zurückgekauft werden wird; und

(5) über die durch den Emittenten im Einklang mit den nachfolgend beschriebenen Auflagen festgelegten Anweisungen, die ein Inhaber der Schuldverschreibungen befolgen muss, damit seine Schuldverschreibungen zurückgekauft werden.

Jeder Emittent wird, soweit für ihn anwendbar, in Übereinstimmung mit den Anforderungen des Paragraphen 14(e) des *Exchange Act* sowie mit allen sonstigen einschlägigen Wertpapiergesetzen oder Regelungen des Wertpapierrechts im Zusammenhang mit dem Rückkauf von Schuldverschreibungen in Bezug auf diese Auflage handeln. Soweit die Bestimmungen einschlägiger Wertpapiergesetze oder Regelungen des Wertpapierrechts oder einschlägige Zulassungvoraussetzungen im Widerspruch zu den Regelungen dieser Auflage stehen, wird der Emittent die einschlägigen Wertpapiergesetze oder Regelungen des Wertpapierrechts beachten, wobei insoweit nicht geltend gemacht werden kann, dass er dadurch seine Verpflichtungen aus dieser Auflage verletzt.

Die Rückkaufsmöglichkeit für den Fall des Eintritts eines Kontrollwechselereignisses ist das Ergebnis von Verhandlungen zwischen der Gesellschaft und den Konsortialbanken, die die Schuldverschreibungen zunächst übernehmen (*initial purchasers*). Wir haben derzeit nicht die Absicht, Transaktionen vorzunehmen, die zu einem Kontrollwechsel führen würden, obgleich es möglich ist, dass wir dies in Zukunft tun werden. Siehe „Management — Significant Shareholders — Security Ownership Certain Beneficial Owners of the Company“ für Informationen zu den Auswirkungen der Rückzahlung von Pflichtumtauschanleihen (*Mandatory Exchangeable Bonds*) durch die Fresenius SE auf ihren Anteil an unseren Stammaktien. Unter Beachtung der unten dargestellten Einschränkungen besteht die Möglichkeit, dass wir in Zukunft Transaktionen einschließlich Akquisitionen, Refinanzierungen und sonstige Neufinanzierungen vornehmen, die nach Maßgabe der Begebungsverträge keinen Kontrollwechsel darstellen, jedoch die Höhe der dann ausstehenden Verschuldung oder in sonstiger Weise unsere Kapitalstruktur oder unsere Kreditwürdigkeit beeinflussen könnten. Eine Beschreibung in welcher Weise unsere Möglichkeit, Zusätzliche Verschuldung einzugehen, beschränkt ist, ist in der Auflage unter der Überschrift „— Bestimmte Auflagen — Beschränkungen in Bezug auf das Eingehen von Verschuldung“ enthalten. Diese Beschränkungen können nur mit Zustimmung der Kapitalmehrheit der dann ausstehenden Schuldverschreibungen nach dem jeweiligen Begebungsvertrag abbedungen werden. Außer für die Dauer der Gültigkeit der in diesen Auflagen enthaltenen Beschränkungen, werden die Begebungsverträge keine Auflagen oder Bestimmungen enthalten, die den Inhabern der Schuldverschreibungen Schutz vor einer durch hohen Fremdkapitaleinsatz finanzierten Transaktion gewähren.

Die Fähigkeit eines Emittenten, Schuldverschreibungen im Falle des Eintritts eines Kontrollwechselereignisses zurückzukaufen, kann durch eine Reihe von Faktoren eingeschränkt sein. Der Eintritt einiger Kontrollwechselereignisse würde zugleich einen Kündigungstatbestand nach Maßgabe der Kreditvereinbarung (*Credit Facility*) sowie nach Maßgabe verschiedener sonstiger Verschuldung der Gesellschaft oder ihrer Tochtergesellschaften darstellen. Dies könnte es dem Emittenten erschweren, die Schuldverschreibungen zurückzukaufen. Unsere zukünftige Verschuldung kann Bestimmungen über den Eintritt bestimmter Ereignisse enthalten, die Kontrollwechselereignisse darstellen oder die es erforderlich machen, dass eine derartige Verschuldung bei Auftreten eines Kontrollwechselereignisses zurückzuführen ist. Ferner könnte die Ausübung

des Rechts der Inhaber, den Rückkauf der Schuldverschreibungen vom Emittenten zu verlangen, selbst dann wegen der finanziellen Auswirkungen eines solchen Rückkaufs auf uns zum Vorliegen eines Kündigungstatbestandes nach Maßgabe dieser Verbindlichkeiten führen, wenn das Kontrollwechselereignis an sich nicht dazu führt. Schließlich kann die Fähigkeit des jeweiligen Emittenten, nach dem Eintritt eines Kontrollwechselereignisses den Inhabern der Schuldverschreibungen Zahlung zu leisten, aufgrund unserer dann tatsächlich bestehenden finanziellen Ressourcen eingeschränkt sein. Wir können Ihnen nicht garantieren, dass ausreichende finanzielle Mittel zur Verfügung stehen, wenn diese für die jeweiligen Rückkäufe benötigt werden. Die Bestimmungen der Begebungsverträge, die sich auf die Pflicht des Emittenten beziehen, ein Angebot zum Rückkauf der Schuldverschreibungen aufgrund des Eintritts eines Kontrollwechselereignisses abgeben zu müssen, können mit schriftlichem Einverständnis der Kapitalmehrheit der jeweils unter den Begebungsverträgen begebenen Schuldverschreibungen abbedungen oder geändert werden.

Bestimmte Auflagen

Beschränkungen in Bezug auf das Eingehen von Verschuldung

(a) Weder ein Emittent noch die Gesellschaft dürfen unmittelbar oder mittelbar Verschuldung eingehen bzw. dürfen ihren Tochtergesellschaften nicht zugestehen, unmittelbar oder mittelbar Verschuldung einzugehen. Dies gilt nicht (auch im Bezug auf Erworbene Verbindlichkeiten der Gesellschaft oder einer Tochtergesellschaft), sofern und soweit zu diesem Zeitpunkt

(1) der Konsolidierte Zinsdeckungsgrad der Gesellschaft wenigstens 2,0 zu 1,0 beträgt; und

(2) kein Kündigungstatbestand eingetreten ist oder kein Kündigungsgrund vorliegt und fortbesteht oder in Folge der Übernahme der Verschuldung nicht eintreten oder vorliegen würde.

(b) Die in Absatz (a) enthaltenen Beschränkungen sind nicht für das Eingehen von Verschuldung unter den nachfolgenden Tatbeständen anwendbar:

(1) Verschuldung, die im Rahmen der Revolvierenden Kreditvereinbarung (*Revolving Credit Facility*) eingegangen wird, wobei der gesamte ausstehende Betrag eine Summe von $1,2 Milliarden zu keiner Zeit überschreiten darf;

(2) Verschuldung resultierend aus Forderungsverkaufsfinanzierung bis zu einem Gesamtbetrag inklusive aller zum Zeitpunkt des Eingehens dieser Verschuldung bereits bestehender Verbindlichkeiten aus einer Forderungsverkaufsfinanzierung (abzüglich etwaiger nach Absatz (a) oder Satz 3 dieses Absatzes (b) zulässiger Verschuldung), welcher Gesamtbetrag nicht höher sein darf als 85% der Summe (1) aller Forderungen, wie sie sich aus der letzten verfügbaren konsolidierten Quartalsbilanz der Gesellschaft ergeben und (2) aller bereits der Forderungsverkaufsfinanzierung zugeführten Forderungen unter Vermeidung von Doppelberücksichtigungen;

(3) Verschuldung der Gesellschaft gegenüber einem anderen Garantiegeber, Verschuldung einer Hundertprozentigen Tochtergesellschaft gegenüber einer anderen Hundertprozentigen Tochtergesellschaft oder Verschuldung einer Hundertprozentigen Tochtergesellschaft gegenüber der Gesellschaft, unter Beachtung dessen, dass jede spätere Ausgabe oder Übertragung von *Capital Stock,* die dazu führt, dass diese Verschuldung nicht mehr gegenüber der Gesellschaft oder einer Hundertprozentigen Tochtergesellschaft besteht, bzw. jede spätere Übertragung der Verschuldung (an eine andere Person als die Gesellschaft oder eine Hundertprozentige Tochtergesellschaft) so behandelt wird, als wäre die Verschuldung zu diesem Zeitpunkt durch die Gesellschaft bzw. die Tochtergesellschaft eingegangen worden;

(4) Verschuldung bedingt durch die Ausgabe dieser Schuldverschreibungen am Ausgabetag sowie bedingt durch die entsprechenden Schuldverschreibungsgarantien der Gesellschaft und der weiteren Garantiegeber;

(5) Finanzierungsleasing-Verpflichtungen bzw. Verschuldung, sofern diese ganz oder teilweise zur Finanzierung des Kaufpreises oder zur Abdeckung von Herstellungskosten eines Vermögensgegenstandes oder, im Fall einer Sale- and Lease-back-Transaktion, zur Finanzierung des Werts des der Gesellschaft oder einer Tochtergesellschaft gehörenden Vermögensgegenstandes eingegangen werden;

(6) Verschuldung (ausgenommen der bereits von Satz (1) oder (2) erfassten Verschuldung), die zum Ausgabetag nach Verwendung des Erlöses aus diesen Schuldverschreibungen ausstehend ist;

(7) Refinanzierungsverschuldung für eingegangene Verschuldung nach Absatz (a) oder nach Satz (4) oder (6) dieses Absatzes (b);

(8) Hedging-Verpflichtungen, die im Rahmen des gewöhnlichen Geschäftsbetriebs eingegangen werden und nicht spekulativer Natur sind, wobei dies nach Treu und Glauben durch die Gesellschaft zu beurteilen ist;

(9) Kundenguthaben und Vorauszahlungen von Kunden für im Rahmen des gewöhnlichen Geschäftsbetriebs erworbene Produkte;

(10) Verschuldung resultierend aus den Cash Management-Vereinbarungen; und

(11) von der Gesellschaft oder einer Tochtergesellschaft eingegangene Verschuldung, wobei der Gesamtbetrag dieser Verschuldung zusammen mit aller sonstiger Verschuldung der Gesellschaft und der Tochtergesellschaften (abzüglich der von Absatz (a) oder Satz (1) bis (10) dieses Absatzes (b) erfassten Verschuldung) zum Zeitpunkt des Eingehens der Verschuldung eine Summe von $900 Millionen nicht überschreiten darf.

(c) Für die Überprüfung der Einhaltung der zuvor genannten Auflage gilt das Folgende:

(1) Für den Fall, dass ein Teil der Verschuldung unter mehr als einen der zuvor genannten Verschuldungstatbestände fällt, steht es der Gesellschaft frei, diesen Verschuldungsteil nach eigenem Ermessen zu klassifizieren und gegebenenfalls von Zeit zu Zeit neu zu klassifizieren. Dabei muss eine Verschuldung immer nur jeweils einem Betrag und einem Tatbestand aus einem der oben genannten Sätze zugeordnet werden. Dies gilt unter der Maßgabe, dass die zum Ausgabetag ausstehende Verschuldung bzw. die übernommene Verschuldung nach Absatz (b) Satz (5) nicht als Verschuldung nach Absatz (a) neu klassifiziert werden kann; und

(2) ein Verschuldungsteil kann in mehr als einen der zuvor genannten Verschuldungstatbestände geteilt und die entsprechende Teilverschuldung jeweils unterschiedlich klassifiziert bzw. neu klassifiziert werden. Dies gilt unter der Maßgabe, dass die zum Ausgabetag ausstehende Verschuldung bzw. die übernommene Verschuldung nach Absatz (b) Satz (5) nicht als Verbindlichkeit nach Absatz (a) neu klassifiziert werden kann.

(d) Sofern die Schuldverschreibungen während irgendeines Zeitraums den *Investment Grade Status* erreicht haben und diesen Status behalten sowie kein Kündigungsgrund vorliegt und weiter besteht (dieser Zeitraum wird nachfolgend als „Investment Grade Status-Zeitraum" bezeichnet), wird, nachdem die Gesellschaft den Treuhänder mittels eines Officers' Certificate in Kenntnis gesetzt hat, dass der *Investment Grade Status* erreicht wurde, diese Auflage für die Gesellschaft und ihre Tochtergesellschaften außer Kraft gesetzt und bleibt für die Dauer des Investment Grade Status-Zeitraums außer Kraft und tritt erst wieder in Kraft, wenn der Investment Grade Status-Zeitraum endet.

In der Folge verlieren die Schuldverschreibungen während dieses Zeitraums den Schutz, der ihnen ursprünglich durch diese Auflage zuteil wurde. Keine Handlung, die während eines Investment Grade Status-Zeitraums vorgenommen wurde oder vor dem Investment Grade Status-Zeitraum unter Einhaltung dieser Auflage erfolgte, muss rückgängig gemacht werden oder stellt einen Verstoß gegen die Schuldverschreibungen dar, sofern diese Auflage später wieder auflebt bzw. außer Kraft gesetzt wird. Der Investment Grade Status-Zeitraum beginnt erst, wenn die Gesellschaft das zuvor genannte Officers' Certificate zugestellt hat, und endet sofort mit dem Zeitpunkt, zu dem die Schuldverschreibungen den Investment Grade Status verlieren oder ein Kündigungsgrund eintritt.

Beschränkungen in Bezug auf die Gewährung von Sicherheiten

Jeder Begebungsvertrag bestimmt, dass der jeweilige Emittent und die Gesellschaft weder mittelbar noch unmittelbar Sicherheiten (mit Ausnahme der Zulässigen Sicherheiten) an Eigentum oder Vermögensgegenständen (inklusive Capital Stock) zur Sicherung einer Verschuldung bestellen oder eingehen dürfen bzw. deren Bestehen zulassen dürfen und dass sie dafür Sorge zu tragen haben, dass weder ein Garantiegeber noch eine seiner Tochtergesellschaften eine solche Sicherheit bestellen, eingehen oder deren Bestehen zulassen. Dies gilt unabhängig davon, ob die zur Besicherung herangezogenen Vermögensgegenstände bereits zum Zeitpunkt der Begebung der Schuldverschreibungen in deren Eigentum standen oder erst danach erworben wurden. Dies gilt nicht, sofern gleichzeitig oder vor der Gewährung von Sicherheiten anteilsmäßige, gleichrangige und für den gleichen Zeitraum geltende Sicherheiten für die Verschuldung aus dem Begebungsvertrag und den Schuldverschreibungen gewährt werden. Bei Sicherheiten, die für Nachrangige Verpflichtungen gewährt werden sollen, muss die anteilsmäßige, gleichrangige und für den gleichen Zeitraum geltende Besicherung der Verschuldung aus dem Begebungsvertrag und den Schuldverschreibungen vor Gewährung der Sicherheiten erfolgen.

Beschränkungen in Bezug auf Zusammenschlüsse und die Veräußerung von Vermögensgegenständen

Jeder Begebungsvertrag sieht vor, dass der jeweilige Emittent und die Gesellschaft nicht mit einer anderen oder in eine andere Person fusionieren oder verschmelzen dürfen bzw. einem Garantiegeber nicht zugestehen dürfen, mit einer anderen oder in eine andere Person zu fusionieren oder zu verschmelzen (unabhängig davon, ob der betroffene Emittent oder Garantiegeber der Übernehmende Rechtsträger ist). Gleiches gilt für die Veräußerung, Abtretung, Übertragung, Vermietung sowie jede sonstige Form der Verfügung über das gesamte Vermögen oder wesentliche Teile des Vermögens in Rahmen einer oder mehrerer zusammenhängender Transaktionen an eine andere Person. Es sei denn:

(1) der Übernehmende Rechtsträger ist eine Gesellschaft, welche dem Recht Deutschlands, des Vereinigten Königreichs, eines anderen EU-Mitgliedstaates (nach dem Stand vom 31. Dezember 2003), Luxemburgs, der Schweiz, der USA oder eines Bundesstaates der USA oder des District of Columbia bzw. dem Recht des Staates, nach dem die Gründung des jeweiligen Emittenten oder eines Garantiegebers erfolgte, unterliegt; oder sofern der Übernehmende Rechtsträger eine Gesellschaft ist, welche dem Recht eines anderen Staates unterliegt, und der jeweilige Emittent dem Treuhänder ein Anwaltsschreiben vorlegt, aus dem sich ergibt, dass die Rechte der Inhaber der Schuldverschreibungen hierdurch nicht nachteilig beeinträchtigt werden, soweit als das Recht dieses Staates die Fähigkeit des Übernehmenden Rechtsträgers betrifft, die mit den Schuldverschreibungen verbundenen Zahlungen und Pflichten zu erfüllen (sofern ein Emittent an der Transaktion beteiligt ist) bzw. die mit der Schuldverschreibungsgarantie verbundenen Pflichten zu erfüllen, bzw. die Fähigkeit des Übernehmenden Rechtsträgers betrifft, sich dazu zu verpflichten, diese Zahlungen zu leisten und Pflichten zu erfüllen, bzw. das Recht der Schuldverschreibungsinhaber betrifft, diese Verpflichtungen durchsetzen zu können;

(2) der Übernehmende Rechtsträger (sofern es sich nicht um den Emittenten oder Garantiegeber handelt) muss ausdrücklich (A) im Rahmen einer oder mehrerer Transaktionen mit dem Emittenten durch Abschluss eines den Anforderungen des Treuhänders entsprechenden Nachtrags zum Begebungsvertrag alle Pflichten des Emittenten, die diesem nach dem jeweiligen Begebungsvertrag obliegen, übernehmen, oder (B) im Rahmen einer oder mehrerer Transaktionen mit einer anderen Partei als dem Emittenten durch eine den Anforderungen des Treuhänders entsprechenden Garantievereinbarung sämtliche Verpflichtungen des Garantiegebers, die diesem nach der Schuldverschreibungsgarantie obliegen, übernehmen;

(3) zum Zeitpunkt einer und unmittelbar nach einer solchen Transaktion ist kein Kündigungstatbestand oder kein Kündigungsgrund eingetreten und besteht fort; und

(4) der jeweilige Emittent oder Garantiegeber übermittelt dem Treuhänder ein Officers' Certificate und ein Anwaltsschreiben, aus denen sich jeweils ergibt, dass diese Verschmelzung, Übertragung, Abtretung, Veräußerung, Vermietung oder sonstige Form der Verfügung und der jeweilige Nachtrag zum Begebungsvertrag sowie gegebenenfalls die Garantievereinbarung dem Begebungsvertrag entspricht.

Beschränkungen in Bezug auf Sale- and Lease-back-Transaktionen

Jeder Begebungsvertrag sieht vor, dass der jeweilige Emittent und die Gesellschaft keine Sale- and Lease-back-Transaktionen vornehmen dürfen und es auch keinem Garantiegeber und keiner Tochtergesellschaft gestatten dürfen, Sale- and Lease-back-Transaktionen vorzunehmen. Es sei denn:

(1) der jeweilige Emittent, der jeweilige Garantiegeber oder die jeweilige Tochtergesellschaft erhält zum Zeitpunkt der Vornahme einer Sale- and Lease-back-Transaktion eine Gegenleistung, die mindestens dem Marktwert der von der Transaktion erfassten Vermögensgegenstände entspricht (nachgewiesen durch ein Officers' Certificate durch einen Zuständigen Officer oder bei einem Wert von über $25 Millionen durch einen Beschluss des Board of Directors des jeweiligen Emittenten, des jeweiligen Garantiegebers oder der jeweiligen Tochtergesellschaft);

(2) der jeweilige Emittent, der jeweilige Garantiegeber oder die jeweilige Tochtergesellschaft hätte eine Sicherheit an den von der Sale- and Lease-back-Transaktion erfassten Vermögensgegenständen bestellen können, wäre die Transaktion durch Verschuldung finanziert worden, ohne dass dabei die Schuldverschreibungen nach Maßgabe der Auflage „Beschränkungen in Bezug auf die Gewährung von Sicherheiten" hätten besichert werden müssen; und

(3) der jeweilige Emittent, der jeweilige Garantiegeber oder die jeweilige Tochtergesellschaft kann eine Verschuldung in Höhe der Zurechenbaren Verschuldung bezüglich der jeweiligen Sale- and Lease-back-Transaktion eingehen.

Berichte

Solange Schuldverschreibungen ausstehend sind, wird die Gesellschaft dem Treuhänder die folgenden Dokumente vorlegen:

(1) ihren Jahresabschluss und den dazugehörigen Anhang für die letzten zwei Geschäftsjahre, erstellt in Übereinstimmung mit U.S. GAAP (oder IFRS oder sonstiger international anerkannter Bilanzierungsgrundsätze, sofern die Gesellschaft nach geltendem Recht verpflichtet ist, ihren Jahresabschluss nach IFRS oder anderen Standards zu erstellen oder ihr dies gestattet ist und sie von dieser Möglichkeit Gebrauch macht, mit entsprechender Überleitung auf U.S. GAAP, es sein denn, eine solche Überleitung ist zum entsprechenden Zeitpunkt nach den Regeln der SEC nicht vorgeschrieben); ferner Segmentangaben inklusive eines darüber erstellten Bestätigungsvermerks; ferner eine Erläuterung der „Operating Results" und der „Liquidity" für diese Geschäftsjahre in der Form, die im Wesentlichen den Vorgaben für den Abschnitt „Operating and Financial Review and Prospects" im Rahmen der Form 20-F nach dem *Exchange Act* (bzw. eines darin aufgeführten, diese Form ersetzenden Formulars oder zukünftigen Formulars) entspricht; ferner eine „Zusammenfassung der Geschäftstätigkeit für das Geschäftsjahr" und eine Erläuterung der „Unternehmenssegmente" in einer Form, wie sie auch im Geschäftsbericht der Gesellschaft dargestellt sind; ferner eine Beschreibung von Geschäftsbeziehungen mit nahe stehenden Personen sowie Darstellung der Verschuldung, wobei diese Dokumente innerhalb von 90 Tagen nach Ende eines jeden Geschäftsjahres vorzulegen sind; und

(2) Quartalsberichte für den Zeitraum vom Beginn eines jeden Jahres bis zum Abschluss eines Geschäftsquartals (ausgenommen das vierte Geschäftsquartal) zusammen mit vergleichbaren Informationen zum selben Quartal des Vorjahres sowie eine Zusammenfassung in Form "Management's Discussion and Analysis of Financial Condition and Results of Operations", in Umfang und Form den Anforderungen des Exchange Act entsprechend, welcher eine kurze Erläuterung der Ertragslage enthält, wobei diese Berichte innerhalb von 45 Tagen nach Ende des Geschäftsquartals vorzulegen sind.

Zusätzlich hat die Gesellschaft, solange Schuldverschreibungen ausstehend sind und während aller sonstigen Zeiträume, in denen der Emittent oder die Gesellschaft nicht unter Section 13 oder 15(d) des Exchange Act fällt und dies nicht auf die Ausnahmeregelung unter 12g3-2(b) zurückzuführen ist, an die Inhaber bzw. wirtschaftlichen Eigentümer der ursprünglich in den USA angebotenen und an „qualifizierte institutionelle Anleger" (*qualified institutional buyer*) im Sinne von Rule 144A des U.S.-amerikanischen *Securities Act* von 1933 gemäß dieser Vorschrift veräußerten Schuldverschreibungen sowie an die zukünftigen Käufer der Schuldverschreibungen in den USA, die durch diese Inhaber oder wirtschaftlich Berechtigten bestimmt werden, auf Anfrage die gemäß Rule 144A(d)(4) des *Securities Act* von 1933 bereitzustellenden Informationen zu übersenden.

Beteiligung am Emittenten

Jeder Begebungsvertrag sieht vor, dass die Gesellschaft weiterhin unmittelbar oder mittelbar 100% des Capital Stock an den Emittenten bzw. an einem zulässigen Rechtsnachfolger eines Emittenten halten wird, vorausgesetzt, dass ein nach einem Begebungsvertrag zulässiger Rechtsnachfolger der Gesellschaft in die Eigentümerstellung der Gesellschaft an einem solchen Capital Stock eintritt.

Die Gesellschaft wird die Emittenten bzw. deren Rechtsnachfolger veranlassen, jeweils nur die Handlungen vorzunehmen, die erforderlich oder zweckdienlich sind für oder in Zusammenhang mit der Ausgabe und dem Verkauf der Schuldverschreibungen des Emittenten und nach dem Begebungsvertrag zulässige zusätzliche Verschuldung (inklusive der Garantie des Emittenten für die Kreditvereinbarung (*Credit Facility*) sowie Weiteren Schuldverschreibungen), und die die Weiterleitung oder Ausschüttung der entsprechenden Erlöse an die Gesellschaft und ihre Tochtergesellschaften und die Erfüllung der Verpflichtungen im Rahmen der Schuldverschreibungen und zusätzlicher Verschuldung nach Maßgabe der entsprechenden Vereinbarungen bzw. des Begebungsvertrages oder jedes sonstigen Begebungsvertrages betreffen.

Ersetzung eines Emittenten

Die Gesellschaft, jeder sonstige Garantiegeber oder eine Finanzierungstochtergesellschaft (ein „Rechtsnachfolger") kann die Rechte und Pflichten des jeweiligen Emittenten aus den Schuldverschreibungen übernehmen, durch Abschluss und Übersendung an den Treuhänder: (a) eines Nachtrags zum Begebungsvertrag, durch welchen sich der Rechtsträger den Bestimmungen des jeweiligen Begebungsvertrags unterwirft sowie (b) eines Anwaltsschreibens, welches bestätigt, dass der Nachtrag zum Begebungsvertrag ordnungsgemäß abgeschlossen wurde und für den Rechtsträger eine gültige, rechtlich verpflichtende und durchsetzbare Verpflichtung begründet, vorbehaltlich der üblichen Ausnahmen. Einschränkend gilt, dass (i) der Rechtsnachfolger

nach dem Recht der Vereinigten Staaten von Amerika oder eines Bundesstaates der Vereinigten Staaten oder des Districts of Columbia, Deutschlands, des Vereinigten Königreichs bzw. eines anderen EU-Mitgliedstaates (nach dem Stand vom 31. Dezember 2003) gegründet worden sein muss und (ii) keine Zusätzlichen Beträge hinsichtlich der Schuldverschreibungen zum Zeitpunkt der Übernahme bzw. bedingt durch eine zu diesem Zeitpunkt nach vernünftigem Ermessen absehbare Änderung der Gesetze der Gründungsrechtsordnung des Nachfolgers zu zahlen sind bzw. in der Zukunft zu zahlen wären. Der Rechtsnachfolger ersetzt den Emittenten und tritt in alle Rechte und Pflichten des Emittenten nach dem jeweiligen Begebungsvertrag ein, als wäre er der Emittent. Gleichzeitig wird der bisherige Emittent von all seinen Verpflichtungen und Auflagen gemäß dem jeweiligen Begebungsvertrag und den Schuldverschreibungen befreit.

Kündigungsgründe

Jeder Begebungsvertrag bestimmt, dass jedes einzelne oder mehrere der nachfolgenden Ereignisse, das eingetreten ist und noch anhält, einen „Kündigungsgrund" für die auf Grundlage des jeweiligen Begebungsvertrags begebenen Schuldverschreibungen darstellt:

(1) Nichtzahlung von Zinsen auf die Schuldverschreibungen innerhalb von 30 Tagen nach Fälligkeit, inklusive etwaiger Zusätzlicher Beträge; oder

(2) Nichtzahlung des Nennbetrags oder eines eventuellen Aufschlags (*premium*) der Schuldverschreibungen trotz Fälligkeit, unabhängig davon, ob die Fälligkeit durch Laufzeitablauf, Rücknahme, Erklärung oder auf sonstige Art und Weise eingetreten ist; oder

(3) Nichtbeachtung oder Nichterfüllung jeglicher anderer in dem Begebungsvertrag enthaltener Auflagen über einen Zeitraum von 60 Tagen ab Kenntnis in Übereinstimmung mit den Vorschriften des Begebungsvertrags; oder

(4) Zahlungsverzug unter jedem Sicherungsrecht in Form einer Hypothek (*mortgage*), Begebungsvertrag oder sonstigem Instrument, mit dem eine Verschuldung in Bezug auf von der Gesellschaft oder einer ihrer Tochtergesellschaften geliehenes Geld begründet, gesichert oder nachgewiesen wird (oder für solche Fälle, in denen die Zahlung durch die Gesellschaft garantiert worden ist), unabhängig davon, ob die Verschuldung oder Garantie gegenwärtig besteht oder erst nach dem Ausgabetag begründet wird, wenn (A) durch den Zahlungsverzug die Verschuldung vorzeitig — vor Ablauf des festgelegten Fälligkeitsdatums — fällig gestellt wird oder ein Zahlungsausfall in Bezug auf diese Verschuldung begründet wird und (B) der Nennbetrag dieser Verschuldung, die vorzeitig fällig gestellt wurde oder welche bei Fälligkeit nicht geleistet wurde, wenn er zu dem Gesamtnennbetrag der gesamten sonstigen Verschuldung hinzuaddiert wird, die vorzeitig fällig gestellt wurde oder welche trotz Fälligkeit nicht geleistet wurde, $100 Million übersteigt, oder

(5) jedes rechtskräftige Urteil (nicht durch eine Versicherung abgedeckt) auf Verurteilung zu einer Geldleistung in Höhe von mehr als $100 Million gegen den Emittenten oder die Gesellschaft oder eine ihrer Tochtergesellschaften, deren Zahlung nicht innerhalb von 60 aufeinanderfolgenden Tagen, während derer kein Vollstreckungshindernis besteht, geleistet wird; oder

(6) eine Schuldverschreibungsgarantie ist in Übereinstimmung mit den auf diese anwendbaren Regelungen aus beliebigem Grund nicht mehr wirksam, es sei denn, dies beruht auf den Regelungen des Begebungsvertrags für die Entbindung von der Schuldverschreibungsgarantie oder der vollständigen Erfüllung aller diesbezüglicher Verpflichtungen, oder die Schuldverschreibungsgarantie wird, aus anderen Gründen als in entsprechenden Regelungen festgelegt, für unwirksam oder undurchsetzbar erklärt oder einer der Garantiegeber weist die Verpflichtungen aus der Schuldverschreibungsgarantie zurück, leugnet diese oder lehnt sie ab; oder

(7) bestimmte Ereignisse im Rahmen einer Insolvenz oder Restrukturierung der Gesellschaft, der Garantiegeber, des jeweiligen Emittenten oder einer Wesentlichen Tochtergesellschaft der Gesellschaft.

Ein Kündigungstatbestand im Sinne von (3) dieses Abschnitts stellt keinen Kündigungsgrund für Begebungsverträge dar, solange nicht der Treuhänder oder die Inhaber von 25% des Nennbetrags der aufgrund des entsprechenden Begebungsvertrags begebenen Schuldverschreibungen dies dem Emittenten, der Partei des entsprechenden Begebungsvertrags ist, und der Gesellschaft anzeigen und dieser Kündigungstatbestand nicht innerhalb der in (3) festgelegten Frist geheilt wird.

Der Treuhänder und die Inhaber von mindestens 25% des Gesamtbetrages der ausstehenden Schuldverschreibungen unter dem entsprechenden Begebungsvertrag sind befugt, unmittelbar mit dem Eintritt eines Kündigungsgrundes (mit Ausnahme von Abschnitt (7)) die Zahlung des Nennbetrags und gegebenenfalls eines

Aufschlags (*premium*) sowie aufgelaufener und noch nicht gezahlter Zinsen (inklusive Zusätzlicher Beträge) auf entsprechende Schuldverschreibungen mit sofortiger Wirkung fällig zu stellen; vorausgesetzt, dass nach einer solchen vorzeitigen Fälligstellung die Inhaber einer Mehrheit des Nennbetrags der ausstehenden Schuldverschreibungen das Recht haben, unter bestimmten Voraussetzungen die vorgenannte vorzeitige Fälligstellung rückgängig zu machen und aufzuheben, sofern und soweit die Rückgängigmachung nicht im Widerspruch zu einem Urteil oder einem Beschluss eines zuständigen Gerichts steht und alle Kündigungsgründe, außer der Nichtzahlung des vorzeitig fällig gestellten Nennbetrags, des Aufschlags (*premium*), soweit einschlägig, sowie von Zinsen, geheilt wurden oder diesbezüglich Verzicht erklärt wurde, wie im entsprechenden Begebungsvertrag vorgesehen. Bei Vorliegen und Anhalten eines Kündigungsgrunds wie in Abschnitt (7) dargestellt, werden Nennbetrag, gegebenenfalls Prämie (*premium*) sowie aufgelaufene und noch nicht ausgezahlte Zinsen auf alle Schuldverschreibungen sofort zur Zahlung fällig, ohne dass es einer Aufforderung oder einer ähnlichen Handlung von Seiten des Treuhänders oder von Inhabern bedarf. Für Informationen zum Verzicht auf die Geltendmachung von Kündigungstatbeständen, siehe „— Änderungen und Verzicht".

Vorbehaltlich der Regelungen der Begebungsverträge, die sich auf die Pflichten des Treuhänders beziehen, ist der Treuhänder für den Fall, dass ein Kündigungsgrund besteht und andauert, nicht verpflichtet, die ihm unter dem entsprechenden Begebungsvertrag zustehenden Rechte und Befugnisse auf Aufforderung oder Anweisung von Inhabern von unter dem entsprechenden Begebungsvertrag begebenen Schuldverschreibungen hin auszuüben, sofern nicht diese Inhaber dem Treuhänder angemessene Freistellung angeboten haben. In Abhängigkeit von den Regelungen über die Freistellung des Treuhänders haben die Inhaber einer Mehrheit des Gesamtnennbetrags der auf der Grundlage des Begebungsvertrags begebenen und ausstehenden Schuldverschreibungen das Recht, die Zeit, den Ort und die Art und Weise der Durchführung eines Verfahrens über einen Rechtsbehelf des Treuhänders oder der Ausübung der dem Treuhänder übertragenen Rechte und Befugnisse zu wählen.

Kein Inhaber von Schuldverschreibungen hat das Recht, Verfahren in Bezug auf die Begebungsverträge für diese Schuldverschreibungen oder in Bezug auf hierauf begründete Rechtmittel anzustrengen, es sei denn, dem Treuhänder wurde der andauernde Kündigungsgrund nach den Regeln des entsprechenden Begebungsvertrags schriftlich mitgeteilt und angemessene Freistellung für die Anstrengung eines Verfahrens als Treuhänder angeboten, und der Treuhänder hat von den Inhabern der Mehrheit des Gesamtnennbetrags der ausstehenden Schuldverschreibungen keine dem widersprechende Anweisung erhalten und innerhalb von 60 Tagen kein Verfahren angestrengt. Die vorgenannten Einschränkungen gelten nicht für eine Klage auf Zahlung des Nennbetrags und soweit einschlägig, eines Aufschlags (*premium*) oder Zinsen auf eine Schuldverschreibung an oder nach dem Tag ihrer Fälligkeit, die durch einen Inhaber dieser Schuldverschreibung eingereicht wurde.

Die Inhaber der Mehrheit des ausstehenden Gesamtnennbetrags der hierdurch betroffenen auf Dollar lautenden Schuldverschreibungen oder auf Euro lautenden Schuldverschreibungen haben das Recht, im Namen aller Inhaber der gesamten Emission von Schuldverschreibungen auf die Geltendmachung von Kündigungstatbeständen zu verzichten, mit Ausnahme von Kündigungstatbeständen in Bezug auf die Zahlung des Nennbetrags, eventueller Aufschläge (*premium)* oder von Zinsen oder Kündigungstatbeständen in Bezug auf eine Auflage oder Bestimmung, die nicht ohne die Zustimmung aller Inhaber der betreffenden Schuldverschreibung geändert oder angepasst werden darf. Jeder Emittent und die Gesellschaft sind verpflichtet, einmal jährlich bei dem Treuhänder eine Bescheinigung einzureichen, in der ausgeführt wird, ob der jeweilige Emittent und die Gesellschaft sich in Übereinstimmung mit allen Bestimmungen und Auflagen des jeweiligen Begebungsvertrags befinden.

Änderungen und Verzicht

Mit bestimmten Ausnahmen kann jeder Begebungsvertrag mit Zustimmung der Inhaber der Mehrheit des Nennbetrags der auf Grundlage des entsprechenden Begebungsvertrags zu diesem Zeitpunkt ausstehenden Schuldverschreibungen geändert oder ergänzt werden (einschließlich Zustimmungen, die im Zusammenhang mit dem Erwerb oder dem Rückkauf solcher Schuldverschreibungen im Rahmen eines Andienungsangebots oder eines Umtauschangebots abgegeben werden). Ebenso kann mit bestimmten Ausnahmen mit Zustimmung der Inhaber der Mehrheit des Nennbetrags der auf Grundlage des entsprechenden Begebungsvertrags zu diesem Zeitpunkt ausstehenden Schuldverschreibungen auf die Rechte, die sich aus einem bestehenden Kündigungstatbestand ergeben, oder auf die Einhaltung von bestimmten Vorschriften verzichtet werden (einschließlich Zustimmungen, die im Zusammenhang mit dem Erwerb oder dem Rückkauf solcher Schuldverschreibungen im Rahmen eines Andienungsangebots oder eines Umtauschangebots abgegeben werden). Ohne die Zustimmung sämtlicher Inhaber einer begebenen Schuldverschreibung dürfen keine deren Interessen zuwider laufenden Änderungen oder Verzichte beschlossen werden, die unter anderem

(1) den prozentualen Anteil des Nennbetrags einer Schuldverschreibung, deren Inhaber einer Änderung zustimmen müssen, reduzieren;

(2) den Nominalzinssatz einer Schuldverschreibung verringern oder die Fälligkeit der Zinszahlung hinausschieben;

(3) den Nennbetrag der Schuldverschreibung reduzieren oder die Vereinbarte Laufzeit der Schuldverschreibung verlängern;

(4) den Aufschlag (*premium*) einer Schuldverschreibung verringern, der für den Rückkauf zahlbar ist oder den Zeitpunkt verändern, zu dem die Schuldverschreibung zurückgekauft werden kann (siehe hierzu oben unter „Optionale Rückzahlung“);

(5) den Aufschlag (*premium*) einer Schuldverschreibung verringern, der für den Rückkauf zahlbar ist, den Zeitpunkt ändern, zu dem die Schuldverschreibung zurückgekauft werden kann, oder die zu den Vorschriften „Kontrollwechsel“ gehörigen Definitionen ändern, nachdem die Verpflichtung zum Rückkauf der Schuldverschreibungen entstanden ist;

(6) die Tilgung einer Schuldverschreibung in einer anderen als der unter der Schuldverschreibung angegebenen Währung vorsehen;

(7) das Recht eines Inhabers einer Schuldverschreibung beeinträchtigen, etwaige Aufschläge (*premium*), Nennbeträge oder Zinszahlungen am oder nach den jeweiligen Fälligkeitszeitpunkten zu erhalten, oder das Recht zur Durchsetzung von Zahlungen auf oder im Zusammenhang mit den Schuldverschreibungen rechtliche Schritte einzuleiten, zu beeinträchtigen;

(8) Änderungen an den Änderungsvorschriften, zu deren Wirksamkeit die Zustimmung jedes Inhabers der Schuldverschreibungen erforderlich ist, oder an den Vorschriften über Verzichte vorsehen; oder

(9) die Gesellschaft aus der von ihr für alle Schuldverschreibungen abgegebenen Schuldverschreibungsgarantien entlassen.

Ohne Zustimmung der Inhaber von Schuldverschreibungen dürfen ein Emittent und der Treuhänder den jeweiligen Begebungsvertrag dahingehend ändern, dass

(1) nicht eindeutige Teile des Begebungsvertrags sowie Lücken, Fehler oder Widersprüche geheilt werden;

(2) die Übernahme von Pflichten des Emittenten aus dem Begebungsvertrag oder eines Garantiegebers (der nicht die Gesellschaft ist) aus Schuldverschreibungsgarantien durch eine juristische Person geregelt wird;

(3) nicht verbriefte Schuldverschreibungen neben oder anstatt verbriefter Schuldverschreibungen ausgegeben werden;

(4) zusätzliche Schuldverschreibungsgarantien gestellt werden;

(5) die Schuldverschreibungen besichert werden;

(6) für den Emittenten und die Garantiegeber zusätzliche Auflagen zugunsten der Inhaber von Schuldverschreibungen gelten oder dem Emittenten zugewiesene Rechts aufgegeben gewährt werden;

(7) die Annahme und Bestellung eines Nachfolgetreuhänders nachgewiesen und gewährleistet wird;

(8) die Bestimmungen einer maßgeblichen Wertpapierverwahrstelle eingehalten werden;

(9) zusätzliche Schuldverschreibungen im Einklang mit entsprechenden Begebungsverträgen ausgegeben werden; oder

(10) Änderungen vorgenommen werden, die die Rechte der Inhaber von Schuldverschreibungen nicht beeinträchtigen.

Die Zustimmung der Inhaber ist unter den Begebungsverträgen nicht erforderlich für die Zustimmung zu einer besonderen Form, die für Vorschläge zur Änderung oder für den Verzicht auf Rechte unter einem Begebungsvertrag erforderlich ist. Es ist ausreichend, wenn die Zustimmung zum Inhalt der Änderung oder des Verzichts erteilt wird. Nachdem eine Änderung, eine Ergänzung des Begebungsvertrags oder ein Verzicht auf damit verbundene Rechte wirksam wird, muss der Emittent gemäß dem Begebungsvertrags die Inhaber der Schuldverschreibungen über die Änderung, Ergänzung oder den Verzicht auf dem Postweg schriftlich benachrichtigen und die Änderung, Ergänzung oder den Verzicht darin kurz inhaltlich beschreiben. Auf die Wirksamkeit einer Änderung, Ergänzung

oder eines Verzichts haben Das Unterlassen der Benachrichtigung oder eine fehlerhafte oder unvollständige Benachrichtigung haben auf die Wirksamkeit einer Änderung, Ergänzung oder eines Verzichts keinen Einfluss.

Aufhebung *(Defeasance)*

Ein Emittent kann jederzeit alle seine Verpflichtungen unter den durch ihn begebenen auf Dollar lautenden Schuldverschreibungen und auf Euro lautenden Schuldverschreibungen und die betreffenden Begebungsverträge kündigen („rechtliche Aufhebung"), mit Ausnahme bestimmter Verpflichtungen, insbesondere solcher betreffend die Aufhebungs-Treuhand (*defeasance trust*) und Verpflichtungen, die Übertragung oder den Umtausch von Schuldverschreibungen zu registrieren, sowie beschädigte, zerstörte, verlorene oder gestohlene Schuldverschreibungen zu ersetzen und in Bezug auf sämtliche Schuldverschreibungen ein Register und eine Zahlstelle zu führen.

Ein Emittent kann jederzeit seine Verpflichtungen unter denjenigen Auflagen kündigen, die unter „Bestimmte Auflagen" (mit Ausnahme der „Beschränkungen in Bezug auf Zusammenschlüsse und die Veräußerung von Vermögensgegenständen") beschrieben sind, den Eintritt eines *cross-default* bei Zahlungsverzug, den *cross-acceleration* Regelungen, den Insolvenzvorschriften in Bezug auf Tochtergesellschaften, den Regelungen zum oben dargestellten *judgement-default* im Punkt „Kündigungsgründe" sowie anderen Einschränkungen, die sich aus vorgenanntem Abschnitt (4) unter „Bestimmte Auflagen — „Beschränkungen in Bezug auf Zusammenschlüsse und die Veräußerung von Vermögensgegenständen" ergeben („Auflagen-Aufhebung").

Ein Emittent darf die Möglichkeit der rechtlichen Aufhebung (legal defeasance) auch dann nutzen, wenn er im Vorfeld bereits Gebrauch von der Option der Auflagen-Aufhebung gemacht hat. Macht ein Emittent von der Möglichkeit der rechtlichen Aufhebung Gebrauch, darf die Zahlung für die von diesem Emittenten gelöschten Schuldverschreibungen nicht wegen eines Kündigungsgrundes in Bezug auf diese Schuldverschreibungen vorverlegt werden. Macht ein Emittent von der Möglichkeit der Auflagen-Aufhebung Gebrauch, darf die Zahlung für die von diesem Emittenten aufgehobenen Schuldverschreibungen nicht wegen eines in Abschnitt (3), (4), (5) oder (7) des obigen Punkts „Kündigungsgründe" dargestellten Kündigungsgrundes oder wegen der Nichtberücksichtigung des Abschnitts (4) des Punkts „bestimmte Auflagen — „Beschränkungen in Bezug auf Zusammenschlüsse und die Veräußerung von Vermögensgegenständen" des Emittenten in Bezug auf diese Schuldverschreibungen vorverlegt werden.

Um die Option der Aufhebung ausüben zu können, muss der Emittent zugunsten der Inhaber unwiderruflich *Designated Government Obligations* für die Zahlung des Nennbetrags, einer etwaigen Prämie (*premium*) und Zinsen auf die zu löschenden Schuldverschreibungen dieses Emittenten bis zum Rückkauf oder der Fälligkeit auf ein Treuhandkonto (Löschungs-Treuhand) des Treuhänders einzahlen und darüber hinaus bestimmte zusätzliche Anforderungen erfüllen, insbesondere muss er an den Treuhänder beibringen:

(a) ein Anwaltsschreiben (unter Berücksichtigung üblicher Ausnahmen und Ausschlüsse) dahingehend, dass die Einzahlung und die Aufhebung für Inhaber der Schuldverschreibungen nach Maßgabe des U.S. Bundes-Einkommenssteuerrechts weder als Einkommen, Gewinn noch als Verlust zu qualifizieren ist und dass die Inhaber in identischem Umfang, identischer Art und Weise und im identischen Zeitpunkt einkommensteuerpflichtig sind, wie es der Fall wäre, wenn die Einzahlung und Aufhebung nicht eingetreten wären. Für den Fall einer rechtlichen Aufhebung muss das Anwaltsschreiben auf einer Entscheidung der U.S. Bundessteuerbehörde (*Internal Revenue Service*) oder einer anderweitigen Anpassung des U.S. Einkommensteuerrechts basieren;

(b) ein Anwaltsschreiben aus der Bundesrepublik Deutschland (unter Berücksichtigung üblicher Ausnahmen und Ausschlüsse) dahingehend, dass die Einzahlung und die Aufhebung für Inhaber der Schuldverschreibungen nach Maßgabe des Einkommensteuerrechts der Bundesrepublik Deutschland weder als Einkommen, Gewinn noch als Verlust zu qualifizieren ist und dass die Inhaber in Deutschland in identischem Umfang, identischer Art und Weise und im identischen Zeitpunkt einkommensteuerpflichtig sind, wie es der Fall wäre, wenn die Einzahlung und Aufhebung nicht eingetreten wären; und

(c) ein Anwaltsschreiben aus Luxemburg (oder der Jurisdiktion des Rechtsnachfolgers eines Emittenten, unter Berücksichtigung üblicher Ausnahmen und Ausschlüsse) dahingehend, dass die Einzahlung und die Aufhebung für Inhaber der Schuldverschreibungen nach Maßgabe des Einkommensteuerrechts in Luxemburg weder als Einkommen, Gewinn noch als Verlust zu qualifizieren ist und dass die Inhaber in identischem Umfang, identischer Art und Weise und im identischen Zeitpunkt einkommensteuerpflichtig sind, wie es der Fall wäre, wenn die Einzahlung und Löschung nicht eingetreten wären.

Keine persönliche Haftung der Geschäftsführer, leitenden Angestellten, Mitarbeiter und Anteilseigner

Die Mitglieder des Board of Directors, die Geschäftsführer, die leitenden Angestellten, die Mitarbeiter, die Gründer oder die Anteilseigner der Emittenten, der Fresenius SE, der Komplementärin der Fresenius SE, der Gesellschaft, ihrer Komplementärin sowie der Garantiegeber haften jeweils nicht persönlich für die Verpflichtungen der Emittenten oder der Garantiegeber aus den Schuldverschreibungen, den Begebungsverträgen oder den Schuldverschreibungsgarantien sowie ferner nicht für jeden sonstigen Anspruch, der sich basierend auf, in Bezug auf oder aufgrund dieser Verpflichtungen oder deren Entstehen ergibt. Jeder Inhaber erteilt durch die Annahme der Schuldverschreibung einen Verzicht auf und eine Freistellung von derartigen Ansprüchen. Jeder Inhaber erklärt sich ferner damit einverstanden, keine Ansprüche im Zusammenhang mit den Schuldverschreibungen, den Begebungsverträgen oder den Schuldverschreibungsgarantien einzuleiten, sofern hieraus eine solche persönliche Haftung resultieren könnte. Dieser Verzicht und die Freistellung sind Teil der Gegenleistung für die Ausgabe der Schuldverschreibungen und der Schuldverschreibungsgarantien. Der Verzicht und die Freistellung sind unter Umständen nicht geeignet, Ansprüche nach Maßgabe der U.S.-amerikanischen bundesstaatlichen Wertpapiergesetze auszuschließen und verstoßen nach Auffassung der SEC gegen die Verwaltungsauffassung. Des Weiteren sind der Verzicht und die Freistellung unter Umständen nach deutschem Recht nicht wirksam.

Einverständnis mit Gerichtstand und Zustellungsregeln

Nach Maßgabe der Begebungsverträge stimmen der Emittent und die Gesellschaft unwiderruflich jedweder Zustellung im Rahmen von Rechtsstreitigkeiten bezüglich der Begebungsverträge und der Schuldverschreibungen durch einen *Federal Court* oder *State Court* im Bezirk Manhattan, New York, USA, zu. Der entsprechende *Federal Court* oder *State Court* im Bezirk Manhattan, New York, ist für alle Streitigkeiten aus oder im Zusammenhang mit den Begebungsverträgen und den Schuldverschreibungen ausschließlich zuständig.

Betreffend den Treuhänder

Die U.S. Bank National Association ist der Treuhänder nach Maßgabe der Begebungsverträge und wurde durch jeden Emittenten als Registrar (im Fall von auf den Namen lautenden, in Einzelurkunden verbrieften Schuldverschreibungen) für die Schuldverschreibungen bestimmt. Der Treuhänder ist eine nationale Bankengesellschaft (*national banking association*), die dem Recht der Vereinigten Staaten von Amerika unterliegt. Der Sitz der Gesellschaft befindet sich in 800 Nicollet Mall, Minneapolis, Minnesota, U.S.A. 55402 und der Geschäftssitz als Treuhänder befindet sich in 225 Asylum Street, 23rd Floor, Hartford, Connecticut, U.S.A. 06103. Der Treuhänder authentifiziert jede Globalurkunde sowie jede Einzelurkunde und ist als Registrar für die Übertragung und Registrierung der nach Maßgabe der Begebungsverträge umgetauschten Schuldverschreibungen zuständig. Im Falle des Eintritts eines Kündigungsgrundes, wie in dem jeweiligen Begebungsvertrag definiert, muss der Treuhänder die Inhaber der unter diesem Begebungsvertrag ausgegebenen Schuldverschreibungen hierüber informieren. Im Anschluss daran steht es dem Treuhänder frei, verschiedene sich aus dem Begebungsvertrag ergebende Rechte und Rechtsbehelfe im Namen und mit Zustimmung der Inhaber der Schuldverschreibungen geltend zu machen. In seiner Funktion als Treuhänder steht es dem Treuhänder frei, im eigenen Namen gegen die Inhaber der Schuldverschreibungen rechtliche Schritte einzuleiten. Der Treuhänder haftet nicht für nach Treu und Glauben vorgenommene Handlungen bzw. unterlassene Handlungen, welche nach seiner Einschätzung nach Maßgabe der Begebungsverträge geboten waren. Der Treuhänder ist ferner berechtigt, vor der Vornahme von Handlungen ein Officers' Certificate, gegebenenfalls eine *Issuer Order* und ein Anwaltsschreiben anzufordern und nach Treu und Glauben auf deren Inhalt zu vertrauen. Der Treuhänder ist durch den jeweiligen Emittenten hinsichtlich aller Verluste, Schäden, Ansprüche, Forderungen, Kosten, Auslagen, jeder Haftung inklusive etwaiger Steuern, welche der Treuhänder weder schuldhaft noch vorsätzlich herbeigeführt hat und welche durch die Übernahme der Verwaltung der Treuhand nach Maßgabe des jeweiligen Begebungsvertrages entstanden sind, freigestellt. Der Treuhänder kann zu jedem Zeitpunkt sein Amt aufgeben, indem er den betreffenden Emittenten hierüber schriftlich informiert. Der Treuhänder kann durch die Kapitalmehrheit der Inhaber der auf Dollar lautenden Schuldverschreibungen oder der auf Euro lautenden Schuldverschreibungen von seiner Aufgabe entbunden werden, indem der jeweilige Emittent und der Treuhänder hierüber schriftlich informiert werden. Gleichzeitig kann diese Mehrheit der Inhaber mit Einverständnis des jeweiligen Emittenten einen neuen Treuhänder bestimmen. Darüber hinaus kann der jeweilige Emittent den Treuhänder von seinen Aufgaben entbinden, sofern der Treuhänder insolvent ist oder vergleichbare Umstände in Bezug auf den Treuhänder eingetreten sind oder wenn der Treuhänder nicht mehr in der Lage ist, seine Pflichten aus dem Begebungsvertrag auszuüben.

Gültigkeit von Ansprüchen

Der Zeitraum, in dem die Zahlung von Zinsen, des Nennbetrags, des Rückkaufsbetrags oder einer anderen nach dem jeweiligen Begebungsvertrag anfallenden Zahlung verlangt werden kann, beträgt sechs Jahre ab Fälligkeit des Anspruchs.

Anwendbares Recht

Die Begebungsverträge und die Schuldverschreibungen unterliegen dem Recht des Staates New York, USA und sind unter diesem Recht entstanden. Die Schuldverschreibungsgarantien unterliegen dem Recht des Staates New York, USA, und sind unter diesem entstanden, mit Ausnahme der Reglungen betreffend etwaige Beschränkungen, die dem Recht der Bundesrepublik Deutschland unterliegen.

Verschiedene Definitionen

Nachstehende Begriffe haben in den einzelnen Begebungsverträgen jeweils die folgende Bedeutung:

„Anwaltsschreiben" („Opinion of Counsel") bezeichnet ein Schreiben eines nach billigem Ermessen für den Treuhänder akzeptablen Anwalts. Der Anwalt kann Mitarbeiter eines Emittenten, Garantiegebers oder einer Treuhänderin oder anwaltlich für einen solchen tätig sein.

„Ausgabetag" („Issue Date") ist der 14. September 2011.

„Besicherte Verschuldung" („Secured Indebtedness") bezeichnet eine Verschuldung der Gesellschaft, die durch eine Sicherheit besichert ist.

"Bilanzierungsgrundsätze" („Accounting Principles") bezeichnet die U.S. GAAP oder, nach Einführung durch die Gesellschaft und entsprechende Benachrichtigung des Treuhänders, die IFRS oder andere Rechnungslegungsgrundsätze, die in der für die Gesellschaft gültigen Rechtsordnung allgemein anerkannt, von den in der betreffenden Rechtsordnung zuständigen Aufsichtsbehörden oder sonstigen Rechnungslegungsgremien zugelassen und auf internationaler Ebene allgemein anerkannt sind, im Falle von IFRS oder anderen Rechnungslegungsgrundsätzen in der zum jeweiligen Zeitpunkt gültigen Fassung.

„Board of Directors" bezeichnet in Bezug auf einen Emittenten bzw. auf einen Garantiegeber das Board of Directors (oder ein anderes Gremium, das Ausgaben ausübt, die mit denen eines Board of Directors vergleichbar sind, einschließlich der Aufgaben, die im Falle einer deutschen Aktiengesellschaft vom Vorstand oder im Falle einer KGaA vom Komplementär ausgeübt werden) dieser Person oder einen Ausschuss, der von diesem ordnungsgemäß ermächtigt wurde, im Namen des Board of Directors (oder Gremiums) zu handeln.

„Bund Rate" bezeichnet ausschließlich für die Zwecke der auf Euro lautenden Schuldverschreibungen die Rückzahlungsrendite zum Zeitpunkt der Berechnung von direkten Bundesanleihen der Bundesrepublik Deutschland mit einer Festlaufzeit (laut der offiziellen Aufstellung und Veröffentlichung in den aktuellsten Finanzstatistiken, die mindestens zwei Geschäftstage (jedoch seit nicht länger als fünf Geschäftstagen) vor dem Rückzahlungstag öffentlich verfügbar sind (oder, falls diese Finanzstatistiken nicht auf die genannte Weise veröffentlicht werden bzw. zur Verfügung stehen, eine vom Emittenten in gutem Glauben gewählte öffentlich zugängliche Quelle vergleichbarer Marktdaten), die möglichst genau der Zeitspanne zwischen dem Rückzahlungstag und dem 15. September 2018 entspricht. Sollte jedoch diese Zeitspanne zwischen dem Rückzahlungstag und dem 15. September 2018 nicht der Festlaufzeit der direkten Bundesanleihen der Bundesrepublik Deutschland, deren wöchentlicher Durchschnittssatz herangezogen wird, entsprechen, so ist die Bund Rate im Wege der linearen Interpolation (berechnet auf das nächste Zwölftel eines Jahres) aus den wöchentlichen Durchschnittsrenditen dieser direkten Bundesanleihen, für die diese Renditen angegeben werden, zu ermitteln, es sei denn, die Zeitspanne zwischen dem Rückzahlungstag und dem 15. September 2018 ist kürzer als ein Jahr. In diesem Fall sind die auf eine Festlaufzeit von einem Jahr angepassten wöchentlichen Durchschnittsrenditen von tatsächlich gehandelten direkten Bundesanleihen der Bundesrepublik Deutschland anzuwenden.

„Capital Stock" von Personen bezeichnet alle Aktien, Anteile, Bezugsrechte, Optionsscheine, Optionen, Beteiligungen oder andere Eigenkapitaläquivalente oder Beteiligungen am Eigenkapital (unabhängig von der jeweiligen Bezeichnung) dieser Person, einschließlich des Preferred Stock, jedoch mit Ausnahme aller in Eigenkapital umwandelbaren Schuldtitel.

„Cash Management-Vereinbarungen" („Cash Management Arrangements") bezeichnet Cash Management Vereinbarungen der Gesellschaft und der mit ihr Verbundenen Unternehmen (einschließlich

der sich in diesem Rahmen ergebenden Verschuldung), die in den Rahmen des normalen und den mit der bisherigen Praktiken übereinstimmenden Geschäftsbetriebs fallen.

„Designated Government Obligations" bezeichnet direkte nicht-kündbare und nicht-rücknahmefähige Schuldtitel (jeweils in Bezug auf den entsprechenden Emittenten) eines Mitgliedstaats der Europäischen Union, der zum Ausgabetag ein Mitglied der Europäischen Union ist, bzw. der Vereinigten Staaten von Amerika (jeweils einschließlich der entsprechenden Behörden oder Organe), deren Tilgung durch die gegenseitige Anerkennung von Gesetzen und Gerichtsentscheidungen durch die jeweiligen Mitgliedstaaten bzw. die jeweiligen Einzelstaaten der Vereinigten Staaten von Amerika abgesichert (*full faith and credit*) ist.

„Disqualified Stock" bezeichnet in Bezug auf eine Person ein Capital Stock, das gemäß seinen Bedingungen (oder gemäß den Bedingungen eines Wertpapiers, in das es umgewandelt oder gegen das es ausgetauscht werden kann) oder bei Eintritt eines Ereignisses:

(1) aufgrund einer Verpflichtung zur Tilgung in Teilbeträgen (*sinking fund obligation*) oder aus sonstigen Gründen fällig oder Gegenstand einer Zwangsrücknahme wird,

(2) in Verschuldung oder Disqualified Stock umgewandelt oder gegen Verschuldung oder Disqualified Stock ausgetauscht werden kann, oder

(3) nach Wahl des jeweiligen Inhabers in seiner Gesamtheit oder in Teilen zurückgegeben werden kann,

dies jeweils am oder vor dem ersten Jahrestag der Vereinbarten Laufzeit der Schuldverschreibungen, allerdings unter der Voraussetzung, dass Capital Stock, das nur aufgrund von Bestimmungen Disqualified Stock darstellt, die den jeweiligen Inhabern das Recht gewähren, von einer solchen Person den Rückkauf oder die Rücknahme dieses Capital Stock bei einem Verkauf aller Einzelwirtschaftsgüter („Asset Sale") oder einem „Kontrollwechsel" vor dem ersten Jahrestag der Vereinbarten Laufzeit der Schuldverschreibungen zu verlangen, nicht als Disqualified Stock zu erachten ist, wenn die für dieses Capital Stock geltenden Bestimmungen zu „Asset Sale" oder „Kontrollwechsel" für die Inhaber dieses Capital Stock nicht günstiger sind als die im Abschnitt „Kontrollwechsel" beschriebenen Bestimmungen.

„Durchschnittslaufzeit" („Average Life") bezeichnet zum Zeitpunkt der Festlegung in Bezug auf Verschuldung oder Preferred Stock den Quotienten aus:

(1) der Summe der Produkte, die aus der Anzahl der Jahre, die zwischen dem Zeitpunkt der Festlegung und den einzelnen nachfolgenden planmäßigen Terminen für die Zahlungen zur Tilgung dieser Verschuldung oder Rückzahlung oder Leistung einer ähnlichen Zahlung in Bezug auf diesen Preferred Stock liegen, und dem Betrag der betreffenden Zahlung gebildet werden, und

(2) der Summe aus allen diesen Zahlungen.

„EBITDA" einer Person für einen bestimmten Zeitraum bezeichnet das gesamte Konsolidierte Ergebnis nach Ertragsteuern dieser Person zuzüglich Konsolidiertem Zinsaufwand dieser Person und zuzüglich folgender Posten, soweit diese bei der Berechnung des Konsolidierten Ergebnisses nach Ertragsteuern subtrahiert werden:

(1) sämtlicher Aufwand für Ertragsteuern dieser Person oder ihrer Tochtergesellschaften,

(2) Abschreibungen auf Sachanlagen, und

(3) Abschreibungen auf immaterielle Vermögensgegenstände, jeweils für den entsprechenden Zeitraum.

Ungeachtet des Vorstehenden werden die Rückstellungen für Steuern auf Einkünfte oder Erträge einer Tochtergesellschaft, bei der es sich nicht um eine Hundertprozentige Tochtergesellschaft handelt, sowie deren Abschreibungen zur Berechnung des EBITDA zum Konsolidierten Ergebnis nach Ertragsteuern addiert, soweit (und im entsprechenden Umfang) die Nettoerträge dieser Tochtergesellschaft bei der Berechnung des Konsolidierten Ergebnisses nach Ertragsteuern berücksichtigt wurden und sofern ein entsprechender Betrag zum Datum der Bestimmung von der betreffenden Tochtergesellschaft ohne vorherige Zustimmung gemäß den Bedingungen ihrer Gründungsdokumente und sämtlicher für diese Tochtergesellschaft und ihre Anteilsinhaber geltenden Vereinbarungen, Instrumente, Urteile, Gerichtsbeschlüsse, Anordnungen, Statuten, Regelungen und gesetzlichen Bestimmungen (die nicht eingeholt wurde), an diese Person als Dividende ausgeschüttet werden kann.

„Eingehen" („Incur") bezeichnet eine Ausgabe, Übernahme, Garantie oder sonstige Verpflichtung, wobei jedoch eine Verschuldung oder das Capital Stock einer Person zum jeweiligen Zeitpunkt zu dem

Zeitpunkt als durch die Tochtergesellschaft eingegangen gilt, zu dem diese Person (durch Verschmelzung, Verfügung, Übernahme oder anderweitig) eine Tochtergesellschaft wird. Das Verb „eingehen" hat die entsprechende Bedeutung. Zuwächse der Nennbeträge aus nicht verzinslichen oder sonstigen mit einem Abschlag erworbenen Wertpapieren gelten als Eingehen von Verschuldung.

„Exchange Act" bezeichnet den U.S. Securities Exchange Act von 1934 in seiner jeweils geltenden Fassung.

„Finanzierungsleasing-Verpflichtungen" („Capital Lease Obligations") bezeichnet eine Verpflichtung, die für die Zwecke der Finanzberichterstattung gemäß den Bilanzierungsgrundsätzen als Finanzierungsleasing zu klassifizieren und zu bilanzieren ist und der Betrag der Verschuldung, für den diese Verpflichtung steht, ist der nach den Bilanzierungsgrundsätzen ermittelte aktivierte Betrag; als deren Vereinbarte Fälligkeit gilt das Datum der letzten Zahlung der Miete oder eines anderen gemäß diesem Leasingvertrag fälligen Betrags vor dem ersten Datum, an dem dieses Leasingverhältnis vom Leasingnehmer ohne Zahlung einer Vertragsstrafe beendet werden kann.

„Finanzierungstochtergesellschaft" („Finance Subsidiary") bezeichnet eine Hundertprozentige Tochtergesellschaft der Gesellschaft, die ausschließlich zum Zweck der Ausgabe von Verschuldung gegründet wurde, und deren Geschäftstätigkeit ähnlichen Beschränkungen unterliegt, wie die der Emittenten.

„Forderungsverkaufsfinanzierungen" („Receivables Financings") bezeichnet:

(1) das Forderungsverkaufsprogramm und

(2) eine Finanzierungstransaktion oder Serie von Finanzierungstransaktionen, die von der Gesellschaft oder einer Tochtergesellschaft eingegangen wurde oder möglicherweise eingegangen werden wird und gemäß der die Gesellschaft oder eine Tochtergesellschaft (bereits bestehende oder in der Zukunft entstehende) Forderungen oder Ansprüche, die durch die damit finanzierten Waren oder Dienstleistungen der Gesellschaft bzw. Tochtergesellschaft besichert sind, an eine Tochtergesellschaft, ein Verbundenes Unternehmen oder eine andere Person veräußert oder anderweitig überträgt bzw. zugunsten dieser ein Sicherungsrecht an entsprechenden Forderungen oder Ansprüchen bestellt, sowie damit in Zusammenhang stehende Vermögenswerte, so u.a. alle Sicherungsrechte an dadurch finanzierten Waren oder Dienstleistungen, die Erlöse aus entsprechenden Forderungen sowie sonstige Vermögenswerte, die üblicherweise veräußert werden oder an denen im Zusammenhang mit solchen Vermögenswerten stehenden Besicherungstransaktionen üblicherweise Sicherungsrechte bestellt werden.

„Forderungsverkaufsprogramm" („A/R Facility") ist das gemäß des Fünften geänderten und neu gefassten Übertragungs- und Verwaltungsvertrags (*Fifth Amended and Restated Transfer and Administration Agreement*) vom 17. November 2009 eingeführte Forderungsverkaufsprogramm (jeweils nach Änderung, Neufassung, Refinanzierung oder Ersetzung) zwischen der NMC Funding Corporation als der Übertragenden, der National Medical Care Inc. als der anfänglichen Einzugsstelle, Compass US Acquisition LLC und den anderen als Parteien beteiligten Anlegern in die Zweckgesellschaft (*Conduit*), den als Parteien beteiligten Finanzinstituten, The Bank of Nova Scotia, Barclays Bank PLC, Credit Agricole Corporate and Investment Bank, Niederlassung New York, und der Royal Bank of Canada als Verwaltungsstellen und der WestLB AG, Niederlassung New York, als Verwaltungsstelle und als beauftragte Stelle.

„Fresenius SE" bezeichnet die Fresenius SE & Co. KGaA, eine Kommanditgesellschaft auf Aktien, die im Zuge des Rechtsformwechsels aus der Fresenius SE, einer Europäischen Gesellschaft (Societas Europaea) (vormalig die deutsche Aktiengesellschaft Fresenius AG), hervorgegangen ist.

„Garantie" („Guarantee") bezeichnet jede Eventual- oder sonstige Verpflichtung einer Partei, die eine direkte oder indirekte Garantie für eine Verschuldung oder sonstige Verpflichtung einer Person darstellt (mit Ausnahme von Verpflichtungen von Tochtergesellschaften, die nicht als Verschuldung gelten) sowie sämtliche direkten oder indirekten Eventual- oder sonstigen Verpflichtungen dieser Person:

(1) zum Erwerb oder zur Zahlung (oder Vorleistung bzw. Bereitstellung von Mitteln für den Kauf oder die Zahlung) im Rahmen der Verschuldung oder sonstiger Verpflichtungen dieser Person (aus Partnerschaftsvereinbarungen, Patronatserklärungen, Kaufvereinbarungen für Vermögensgegenstände, Güter, Wertpapiere oder Dienstleistungen, Take-or-Pay-Verträgen oder im Rahmen der Einhaltung der Bilanzierungsvorschriften oder anderweitig), oder

(2) eingegangen zum Zwecke von Zusicherungen jedweder Art gegenüber dem Begünstigten in Bezug auf eine entsprechende Verschuldung oder sonstige Verpflichtung zur jeweiligen Zahlung bzw. zum Zwecke des Schutzes des Begünstigen vor diesbezüglichen (Teil- oder Total-)Verlusten;

wobei jedoch der Begriff „Garantie" keine Verpflichtungen in Bezug auf Indossamente und Einlagen im Rahmen des normalen Geschäftsbetriebs umfasst. Das Verb „garantieren" hat die entsprechende Bedeutung. Der Begriff „Garantiegeber" bezeichnet eine garantierende Person.

„Garantievereinbarung" („Guarantee Agreement") bezeichnet in Zusammenhang mit einer Konsolidierung, Verschmelzung oder einer Veräußerung aller oder einen wesentlichen Teil aller Vermögenswerte des Garantiegebers eine Vereinbarung, im Rahmen derer der Übernehmende Rechtsträger aus einer Transaktion ausdrücklich alle Verbindlichkeiten des betreffenden Garantiegebers aus der Schuldverschreibungsgarantie übernimmt.

„Geschäftstag" („Business Day") ist jeder Tag mit Ausnahme der folgenden Tage:

(1) ein Samstag und Sonntag,

(2) ausschließlich für die Zwecke der auf Dollar lautenden Schuldverschreibungen jeder Tag, an dem die Banken in New York City, Frankfurt am Main oder in der Rechtsordnung der Gründung des Emittenten oder des Sitzes der Zahlstelle (es sei denn, es handelt sich um den Treuhänder) von Gesetzes wegen oder aufgrund einer hoheitlichen Verfügung zur Schließung befugt oder verpflichtet sind,

(3) ausschließlich für die Zwecke der auf Euro lautenden Schuldverschreibungen jeder Tag, an dem die Banken in Frankfurt am Main oder in der Rechtsordnung der Gründung des Emittenten oder des Sitzes der Zahlstelle (es sei denn es handelt sich um den Treuhänder) von Gesetzes wegen oder aufgrund einer hoheitlichen Verfügung zur Schließung befugt oder verpflichtet sind, oder

(4) jeder Tag, an dem der Sitz des Treuhandunternehmens der Treuhänderin geschlossen ist, außer für die Zwecke von Zahlungen, die von einer Zahlstelle, es sei denn, es handelt sich um den Treuhänder, für oder in Bezug auf die auf Euro lautenden Schuldverschreibungen vorgenommen werden.

„Hedging-Verpflichtungen" („Hedging Obligations") einer Person bezeichnen die Verpflichtungen dieser Person im Rahmen einer Zinssatzvereinbarung oder einer Währungsvereinbarung.

„Herabstufung" („Ratings Decline") bezeichnet (1), wenn die Schuldverschreibungen am Ratingdatum entweder durch Moody's oder durch S&P mit Investment Grade bewertet sind, eine Herabstufung des Ratings der Schuldverschreibungen durch beide Ratingagenturen auf unter Investment Grade, oder (2), wenn die Schuldverschreibungen am Ratingdatum von beiden Ratingagenturen unter Investment Grade bewertet sind, eine Herabstufung des Ratings der Schuldverschreibungen durch beide Ratingagenturen um eine oder mehrere Stufen (einschließlich Untergliederungen innerhalb von sowie zwischen Ratingkategorien, jeweils innerhalb von 90 Tagen nach dem Datum, an dem entweder ein eingetretener Kontrollwechsel oder eine eingetretene Transaktion, die einen Kontrollwechsel zur Folge hat, erstmals öffentlich bekannt gegeben wird — je nachdem, welches dieser Ereignisse früher eintritt (wobei sich dieser Zeitraum entsprechend verlängert, wenn eine Ratingagentur öffentlich bekannt gegeben hat, dass sie eine mögliche Herabstufung der Schuldverschreibungen prüft).

„Hundertprozentige Tochtergesellschaft" („Wholly Owned Subsidiary") bezeichnet eine Tochtergesellschaft, deren gesamtes Capital Stock (ausgenommen Pflichtanteile der Mitglieder des Board of Directors sowie von anderen Personen gehaltene Anteile, soweit solche Anteile gemäß geltenden Rechtsvorschriften von einer anderen Person gehalten werden müssen, die nicht ihre Muttergesellschaft oder eine Tochtergesellschaft ihrer Muttergesellschaft ist) von der Gesellschaft oder einer oder mehreren Hundertprozentigen Tochtergesellschaften gehalten wird.

„IFRS" bezeichnet die vom International Accounting Standards Board ausgegebenen und von der Europäischen Kommission übernommenen International Financial Reporting Standards und Interpretationen in ihrer jeweils geltenden Fassung.

„Investment" in eine Person bezeichnet direkte oder indirekte Darlehen (bei denen es sich nicht um Forderungen gegenüber Kunden im Rahmen des normalen Geschäftsbetriebs handelt, die in der Bilanz dieser Person unter den Forderungen ausgewiesen werden), andere Formen der Kreditgewährung (u.a. in Form einer Garantie oder ähnlicher Vereinbarungen), Kapitaleinlagen (durch Übertragung von Liquidität oder sonstigem Vermögen auf Dritte oder durch Bezahlung für Vermögensgegenstände oder Dienstleistungen für Rechnung oder Nutzung Dritter) oder den Erwerb bzw. die Übernahme von Capital Stock, Verschuldung oder anderen

ähnlichen von dieser Person begebenen Instrumenten, wobei Darlehen und andere Formen der Kreditgewährung im Rahmen der Cash Management-Vereinbarungen nicht als Investments gelten.

„Investment Grade" bezeichnet ein Rating von BBB- oder höher bei S&P bzw. ein Rating von Baa3 oder höher bei Moody's oder ein entsprechendes Rating von S&P oder Moody's sowie entsprechende Ratingkategorien von S&P oder Moody's ersetzenden Ratingagenturen

„Investment Grade Status" haben die Schuldverschreibungen dann, wenn sie sowohl (i) bei Moody's mindestens in der Ratingkategorie Baa3 (oder entsprechende Ratingstufe) als auch (ii) bei S&P mindestens in der Ratingkategorie BBB- (oder enstprechende Ratingstufe) bzw. bei S&P oder Moody's ersetzenden Ratingagenturen in einer entsprechenden Ratingkategorie geführt werden.

„KGaA" bezeichnet eine Kommanditgesellschaft auf Aktien nach deutschem Recht.

„Komplementär" („General Partner") bezeichnet Fresenius Medical Care Management AG, eine deutsche Aktiengesellschaft, sowie ihre Nachfolger, Abtretungsempfänger und sonstige Personen, die zum jeweiligen Zeitpunkt als persönlich haftender Gesellschafter der Gesellschaft auftreten.

„Konsolidierter Zinsdeckungsgrad" („Consolidated Coverage Ratio") einer Person an einem Bestimmungszeitpunkt ist das Verhältnis zwischen (x) dem EBITDA für die letzten vier vollständigen Geschäftsquartale dieser Person, für die unmittelbar vor diesem Bestimmungszeitpunkt interne Abschlüsse zur Verfügung stehen, und (y) dem Konsolidierten Zinsaufwand für diese vier Geschäftsquartale. Dabei gilt jedoch Folgendes:

(1) Wenn diese Person oder eine ihrer Tochtergesellschaften seit Beginn eines solchen Zeitraums eine Verschuldung eingegangen ist, zurückgezahlt, zurückgekauft, aufgehoben oder anderweitig erfüllt hat (jeweils mit Ausnahme einer Verschuldung im Rahmen einer revolvierenden Kreditvereinbarung, sofern diese Verschuldung nicht vollständig zurückgezahlt und die entsprechende Vereinbarung damit beendet wurde), die danach noch weiterbesteht oder damit erfüllt ist, oder wenn die die Berechnung des Konsolidierten Zinsdeckungsgrads erforderlich machende Transaktion das Eingehen oder die Erfüllung einer Verschuldung oder beides darstellt, dann müssen das EBITDA und der Konsolidierte Zinsaufwand für diesen Zeitraum unter Pro Forma Berücksichtigung dieser Verschuldung berechnet werden, in dem unterstellt wird, dass die Verschuldung am ersten Tag dieses Zeitraums eingegangen oder erfüllt worden ist, bzw. in Bezug auf eine sonstige Verschuldung, dass diese Verschuldung am ersten Tag dieses Zeitraums eingegangen oder erfüllt worden ist;

(2) Wenn eine solche Person oder ihre Tochtergesellschaften seit Beginn dieses Zeitraums eine Vermögensübertragung vorgenommen haben, ist das EBITDA (falls positiv) für diesen Zeitraum um einen Betrag zu reduzieren, der dem den von der Vermögensübertragung betroffenen Vermögenswerten für diesen Zeitraum direkt zuzuordnenden EBITDA entspricht, bzw. ist das EBITDA (falls negativ) um einen Betrag zu erhöhen, der dem entsprechend für diesen Zeitraum direkt zuzuordnenden EBITDA entspricht; der Konsolidierte Zinsaufwand für diesen Zeitraum ist um einen Betrag zu reduzieren, der dem Konsolidierten Zinsaufwand entspricht, der einer Verschuldung dieser Person oder ihrer Tochtergesellschaften direkt zuzuordnen ist, die in Bezug auf diese Person und ihre fortgeführten Tochtergesellschaften in Verbindung mit der Vermögensübertragung in diesem Zeitraum zurückgezahlt, zurückgekauft, annulliert oder anderweitig erfüllt wurde (oder, wenn das Capital Stock einer Tochtergesellschaft verkauft wurde, der Konsolidierte Zinsaufwand für diesen Kreditzeitraum, der direkt der Verschuldung dieser Tochtergesellschaft zuzuordnen ist, soweit diese Person und ihre fortgeführten Tochtergesellschaften nach der Vermögensübertragung nicht länger für diese Verschuldung haften);

(3) Wenn eine solche Person oder ihre Tochtergesellschaften seit Beginn dieses Zeitraums (durch Verschmelzung oder auf andere Weise) ein Investment in eine Tochtergesellschaft (oder eine Person, die eine Tochtergesellschaft wird) oder einen Erwerb von Vermögenswerten, die den gesamten oder im Wesentlichen den gesamten operativen Bereich eines Unternehmens bilden, vorgenommen haben, müssen das EBITDA und der Konsolidierte Zinsaufwand für diesen Zeitraum unter der Annahme berechnet werden, dass das Investment oder der Erwerb (einschließlich des Eingehens von Verschuldung) am ersten Tag dieses Zeitraums erfolgt ist; und

(4) Wenn eine Person (die anschließend eine Tochtergesellschaft wurde oder die seit Beginn dieses Zeitraums mit einer solchen Person oder ihren Tochtergesellschaften verschmolzen wurde) seit Beginn dieses Zeitraums eine Vermögensübertragung, ein Investment oder den Erwerb von Vermögenswerten vorgenommen hat, wodurch eine Anpassung gemäß Absatz (2) oder (3) oben erforderlich wird, weil diese Aktivitäten durch eine solche Person oder die Tochtergesellschaft einer solchen Person in diesem

Zeitraum durchgeführt wurden, muss die Berechnung des EBITDA und des Konsolidierten Zinsaufwands für diesen Zeitraum unter der Annahme erfolgen, dass die Vermögensübertragung, das Investment oder der Erwerb jeweils am ersten Tag dieses Zeitraums erfolgt ist.

Für Zwecke dieser Definition gilt: Sofern und soweit Pro Forma Effekte in Bezug auf den Erwerb von Vermögenswerten, den diesbezüglichen Ertrag oder Gewinn und den mit einer diesbezüglich eingegangenen Verschuldung verbundenen Konsolidierten Zinsaufwand mit bestimmten Annahmen zu berücksichtigen sind, so sind die auf Basis dieser Annahmen erfolgten Berechnungen nach Treu und Glauben durch einen zuständigen Finanz- bzw. Rechnungslegungsexperten der Gesellschaft vorzunehmen. Wenn eine Verschuldung einem variablen Zinssatz unterliegt, und Pro Forma berücksichtigt werden soll, wird der Zinssatz für diese Verschuldung so berechnet, als sei der zum Bestimmungszeitpunkt geltende Zinssatz für den gesamten Zeitraum anwendbar gewesen (unter Berücksichtigung von für diese Verschuldung geltenden Zinssatzvereinbarungen, wenn diese eine Restlaufzeit von mehr als 12 Monaten aufweisen).

„Konsolidiertes Ergebnis nach Ertragsteuern" („Consolidated Net Income") bezeichnet in Bezug auf eine Person für einen beliebigen Zeitraum das Ergebnis nach Ertragssteuern für diese Person und ihre konsolidierten Tochtergesellschaften (einschließlich des Ergebnisanteils der Minderheitsgesellschafter dieser Person und ihrer konsolidierten Tochtergesellschaften), wie jeweils auf konsolidierter Basis gemäß den Bilanzierungsgrundsätzen festgestellt, wobei außerordentliche Gewinne und Verluste nicht im Konsolidierten Ergebnis nach Ertragsteuern zu erfassen sind.

„Konsolidiertes Netto-Sachanlagevermögen" („Consolidated Net Tangible Assets") ist an einem Bestimmungszeitpunkt die auf konsolidierter Basis gemäß den Bilanzierungsgrundsätzen festgestellte Gesamtheit aller Vermögenswerte der Gesellschaft und ihrer Tochtergesellschaften zum Ende des letzten Geschäftsquartals, für das ein Abschluss der Gesellschaft zur Verfügung steht, abzüglich der Summe aus:

(1) den konsolidierten kurzfristigen Verbindlichkeiten der Gesellschaft zum Ende des entsprechenden Quartals, wie auf konsolidierter Basis gemäß den Bilanzierungsgrundsätzen festgestellt, und

(2) den ordnungsgemäß als immaterielle Vermögenswerte eingestuften konsolidierten Vermögenswerten der Gesellschaft zum Ende des entsprechenden Quartals, wie auf konsolidierter Basis gemäß den Bilanzierungsgrundsätzen festgestellt.

„Konsolidierter Zinsaufwand" („Consolidated Interest Expense") bezeichnet in Bezug auf eine Person für einen beliebigen Zeitraum den gesamten Zinsaufwand dieser Person und ihrer konsolidierten Tochtergesellschaften, einschließlich Abschreibungen auf Disagio und Agio, der Zinskomponente im Rahmen von Finanzierungsleasing sowie (ggf.) der implizierten Zinskomponente im Rahmen von Forderungsverkaufsfinanzierungen, wie jeweils auf konsolidierter Basis gemäß den Bilanzierungsgrundsätzen festgestellt.

„Kontrollwechsel" („Change of Control") bezeichnet den Eintritt eines oder mehrerer der folgenden Ereignisse:

(1) Solange die Gesellschaft die Rechtsform einer KGaA hat: Wenn es sich bei dem mit der Führung der Gesellschaft beauftragten Komplementär der Gesellschaft nicht um eine Tochtergesellschaft von Fresenius SE handelt oder wenn Fresenius SE nicht mehr als 25% des Grundkapitals in stimmberechtigten Aktien an der Gesellschaft besitzt und kontrolliert.

(2) Wenn die Gesellschaft nicht mehr die Rechtsform einer KGaA hat: Ein Ereignis, in dessen Folge (A) eine „Person" (*person*) oder „Gruppe" (*group*) (gemäß der Verwendung dieser Begriffe in den Sections 13(d) und 14(d) des Exchange Act), mit Ausnahme von Fresenius SE, direkt oder indirekt der wirtschaftliche Eigentümer (*beneficial owner,* gemäß der Bedeutung in den Vorschriften 13d-3 und 13d-5 des Exchange Act, außer diese Person oder Gruppe ist als wirtschaftlicher Eigentümer aller Gesellschaftsanteile zu erachten, die von einer solchen Person oder Gruppe erworben werden dürfen, unabhängig davon, ob dieses Erwerbsrecht unmittelbar oder erst nach einer gewissen Zeit ausgeübt werden darf) von mehr als 35% aller Stimmrechte des Voting Stock der Gesellschaft ist oder wird und (B) die Zulässigen Inhaber nicht direkt oder indirekt wirtschaftliche Eigentümer (gemäß der Bedeutung in den Vorschriften 13d-3 und 13d-5 des Exchange Act) mit einem insgesamt höheren prozentualen Anteil an der Gesamtheit der Stimmrechte des Voting Stock der Gesellschaft sind.

(3) Den Verkauf, das Leasing, den Tausch oder eine sonstige Übertragung (im Rahmen einer einzigen Transaktion oder einer Reihe miteinander zusammenhängender Transaktionen) aller oder im Wesentlichen aller Vermögenswerte der Gesellschaft an bzw. mit eine(r) Person oder Gruppe verbundener Personen im Sinne von Section 13(d) des Exchange Act (eine „Gruppe") zusammen mit

deren Verbundenen Unternehmen (unabhängig davon, ob dies anderweitig unter Einhaltung der Bestimmungen des Begebungsvertrags erfolgt).

„Kontrollwechselereignis" („Change of Control Triggering Event") ist der Eintritt eines Kontrollwechsels und einer Herabstufung.

„Kreditvereinbarung" („Credit Facility") bezeichnet (i) die zum 31. März 2006 geschlossene Bankkreditvereinbarung zwischen der Gesellschaft, Fresenius Medical Care Holdings, Inc., den anderen in diesem Dokument aufgeführten Kreditnehmern, den in diesem Dokument aufgeführten Garantiegebern, den Kreditgebern sowie der Bank of America, N.A., als Verwaltungsstelle, in der erweiterten Fassung vom 29. September 2010 und in der jeweils durch Änderung, Neufassung, Refinanzierung oder Ersetzung geltenden Fassung (die „Revolvierende Kreditvereinbarung") sowie (ii) die am 31. März 2006 geschlossene Vereinbarung über Darlehen mit fester Laufzeit zwischen der Gesellschaft, Fresenius Medical Care Holdings, Inc., den anderen in diesem Dokument aufgeführten Kreditnehmern, den in diesem Dokument aufgeführten Garantiegebern, den Kreditgebern sowie der Bank of America, N.A., als Verwaltungsstelle, in der erweiterten Fassung vom 29. September 2010 und in der jeweils durch Änderung, Neufassung, Refinanzierung oder Ersetzung geltenden Fassung.

„Kündigungstatbestand" („Default") bezeichnet ein Ereignis, das ein Kündigungsgrund (wie hierin definiert) ist oder nach Mitteilung oder Zeitablauf oder beidem ein Kündigungsgrund wäre.

„Moody's" bezeichnet Moody's Investors Service, Inc. und deren Nachfolger.

„Nachrangige Verpflichtung" („Subordinated Obligation") bezeichnet eine (am Ausgabetag ausstehende oder danach eingegangene) Verschuldung eines Emittenten oder eines Garantiegebers, die gemäß den Bedingungen einer schriftlichen Vereinbarung gegenüber den Schuldverschreibungen oder der Schuldverschreibungsgarantie des entsprechenden Garantiegebers (*subordinated/junior*) nachrangig ist.

„Officers' Certificate" bezeichnet eine von zwei Zuständigen Officern eines Emittenten oder eines Garantiegebers unterzeichnete Bescheinigung.

„Person" bezeichnet eine natürliche Person, Kapitalgesellschaft, Personengesellschaft, ein Joint Venture, einen Trust, Organisationen ohne eigene Rechtspersönlichkeit, staatliche Stellen oder Behörden, Gebietskörperschaften oder sonstige Rechtsträger.

„Preferred Stock" bezeichnet in Bezug auf das Capital Stock einer Kapitalgesellschaft Capital Stock beliebiger Gattungen (unabhängig von deren Bezeichnung), das bei der Dividendenausschüttung oder der Auskehrung eines Liquidationserlöses bei Abwicklung oder Auflösung dieser Gesellschaft durch Gesellschafterbeschluss oder aber durch Gläubiger- oder Gerichtsbeschluss gegenüber einer anderen Aktiengattung dieser Gesellschaft bevorrechtigt ist.

„Qualified Capital Stock" bezeichnet Capital Stock, bei dem es sich nicht um Disqualified Stock handelt.

„Ratingagenturen" („Rating Agencies") bezeichnet:

(1) S&P und

(2) Moody's, oder,

(3) sofern S&P oder Moody's bzw. beide kein Rating der Schuldverschreibungen veröffentlichen, obwohl die Gesellschaft nach wirtschaftlichen Gesichtspunkten zumutbare Anstrengungen zum Erhalt eines solchen Ratings unternommen hat, eine bzw. mehrere von der Gesellschaft ausgewählte landesweit anerkannte Ratingagentur(en), die S&P oder Moody's bzw. beide ersetzen.

„Ratingdatum" („Rating Date") bezeichnet das Datum 90 Tage vor (1) einem Kontrollwechsel oder (2) der öffentlichen Bekanntgabe eines bereits eingetretenen Kontrollwechsels bzw. durch die Gesellschaft oder eine Person beabsichtigten Kontrollwechsels, je nachdem, welches dieser Ereignisse früher eintritt.

„Ratingkategorie" („Rating Category") bezeichnet:

(1) in Bezug auf S&P eine der folgenden Kategorien: BB, B, CCC, CC, C und D (bzw. entsprechende Nachfolgekategorien);

(2) in Bezug auf Moody's eine der folgenden Kategorien: Ba, B, Caa, Ca, C und D (bzw. entsprechende Nachfolgekategorien); sowie

(3) diesen Kategorien von S&P oder Moody's entsprechende Ratingkategorien einer anderen Ratingagentur. Bei der Bestimmung, ob das Rating der Schuldverschreibungen um eine oder mehrere

Stufen herabgestuft wurde, werden die jeweiligen Ratingkategorien weiter untergliedernde Zusätze („+“ und „−“ bei S&P, „1“, „2“ und „3“ bei Moody's bzw. entsprechende Zusätze anderer Ratingagenturen) berücksichtigt (z.B. entspricht bei S&P eine Ratingänderung von BB+ auf BB oder von BB- auf B+ jeweils einer Herabstufung um eine Stufe).

„Refinanzierung“ („Refinance“) bezeichnet in Bezug auf eine Verschuldung eine Refinanzierung, Verlängerung, Erneuerung, Rückzahlung, Vorauszahlung, Rücknahme oder Annullierung, oder die Ausgabe einer anderweitigen Verschuldung im Tausch gegen oder anstelle einer solchen Verschuldung. „Refinanziert“ und „Refinanzierung“ werden gleichbedeutend verwendet.

„Refinanzierungsverschuldung“ („Refinancing Indebtedness“) bezeichnet eine Verschuldung zwecks Refinanzierung einer Verschuldung der Gesellschaft oder einer Tochtergesellschaft, die am Ausgabetag besteht oder unter Einhaltung des Begebungsvertrags eingegangen wurde, einschließlich einer Verschuldung zur Refinanzierung einer Refinanzierungsverschuldung, jedoch unter der Maßgabe, dass:

(1) eine solche Refinanzierungsverschuldung eine Vereinbarte Fälligkeit aufweist, die nicht vor der vereinbarten Fälligkeit der Verschuldung liegt, die dadurch refinanziert wird;

(2) diese Refinanzierungsverschuldung zum Zeitpunkt ihrer Übernahme eine Durchschnittslaufzeit aufweist, die mindestens der Durchschnittslaufzeit der Verschuldung entspricht, die dadurch refinanziert wird; und

(3) diese Refinanzierungsverschuldung einen Gesamtnennbetrag (bzw., im Falle einer Übernahme mit einem Emissionsdisagio, einen Gesamtausgabepreis) aufweist, der höchstens dem im Rahmen der Verschuldung, die dadurch Refinanziert wird, zum entsprechenden Zeitpunkt ausstehenden oder zugesagten Gesamtnennbetrag (bzw., im Falle des Eingehens von Verschuldung mit einem Emissionsdisagio, dem gesamten erhöhten Wert) (zuzüglich Gebühren und Aufwendungen sowie einschließlich etwaiger Aufschläge und Annullierungskosten) entspricht, wobei jedoch gilt, dass Refinanzierungsverschuldung weder (x) die Verschuldung einer Tochtergesellschaft zur Refinanzierung der Verschuldung der Gesellschaft noch (y) die Verschuldung der Gesellschaft oder einer Tochtergesellschaft zur Refinanzierung der Verschuldung einer anderen Tochtergesellschaft einschließt.

„Sale- and Lease-back-Transaktion“ („Sale and Leaseback Transaction“) bezeichnet eine direkte oder indirekte Vereinbarung, die mit einer Person geschlossen wird bzw. bei der die Person Vertragspartei ist und die das Leasing an den Emittenten, einen Garantiegeber oder eine Tochtergesellschaft von Vermögensgegenständen vorsieht, die am Ausgabetag Eigentum des Emittenten, eines Garantiegebers oder einer Tochtergesellschaft sind oder später erworben wurden und die vom Emittenten, einem Garantiegeber oder der Tochtergesellschaft an diese Person oder an eine andere Person, von der mit diesen Vermögensgegenständen als Sicherheit Mittel bereitgestellt wurden oder bereitgestellt werden sollen, verkauft oder übertragen wurden oder werden sollen.

„Schuldverschreibungsgarantie“ („Note Guarantee“) bezeichnet die Garantie eines Garantiegebers für die Verpflichtungen eines Emittenten im Rahmen der Schuldverschreibungen dieses Emittenten.

„SEC“ bezeichnet die U.S. Securities and Exchange Commission.

„Sicherheit“ („Lien“) bezeichnet jede Hypothek, Verpfändung, Sicherungsrecht, Belastung oder dingliche Sicherungsrechte aller Art (einschließlich Strukturen mit Eigentumsvorbehalt oder ähnlich gearteter Leasingverhältnisse).

„S&P“ bezeichnet die Standard & Poor's Corporation und etwaige Nachfolgeunternehmen.

„Tochtergesellschaft“ („Subsidiary“) bezeichnet in Bezug auf eine Person eine Kapitalgesellschaft, eine Gesellschaft mit Haftungsbeschränkung, einen Verband, eine Personengesellschaft oder ein sonstiges Geschäftsunternehmen, an der bzw. an dem zum jeweiligen Zeitpunkt mehr als 50% aller Stimmrechte des Voting Stock direkt oder indirekt gehalten oder kontrolliert werden von:

(1) dieser Person;

(2) dieser Person und einer oder mehreren Tochtergesellschaften dieser Person; oder

(3) einer oder mehreren Tochtergesellschaften dieser Person.

Vorbehaltlich anderslautender Bestimmungen gelten alle Verweise auf eine Tochtergesellschaft als Verweise auf eine Tochtergesellschaft der Gesellschaft.

„Treasury Rate“ bezeichnet ausschließlich für Zwecke der auf Dollar lautenden Schuldverschreibungen in Bezug auf einen Rückzahlungstag die (im aktuellsten Federal Reserve Statistical Release H. 15(519), das spätestens zwei Geschäftstage vor diesem Rückzahlungstag öffentlich zugänglich ist (oder, sofern dieses Statistical Release nicht länger veröffentlicht wird, in einer öffentlich zugänglichen Quelle für vergleichbare Marktdaten) zusammengestellte und veröffentlichte) Rückzahlungsrendite zum Zeitpunkt der Berechnung von United States Treasury-Wertpapieren mit einer soweit als möglich dem Zeitraum ab diesem Rückzahlungstag bis zum 15. September 2018 entsprechenden konstanten Laufzeit; dabei gilt jedoch: Entspricht der Zeitraum ab dem Rückzahlungstag bis zu diesem Tag nicht der konstanten Laufzeit eines United States Treasury-Wertpapiers, für das eine wöchentliche Durchschnittsrendite angegeben wird, erfolgt die Ermittlung der Treasury Rate durch lineare Interpolation (berechnet auf das nächste Zwölftel eines Jahres) auf Basis der wöchentlichen Durchschnittsrenditen von United States Treasury-Wertpapieren, für die die entsprechenden Renditen angegeben werden, wobei, sofern der Zeitraum ab dem Rückzahlungstag bis zu diesem Tag weniger als ein Jahr beträgt, die wöchentliche Durchschnittsrendite auf tatsächlich gehandelte United States Treasury-Wertpapiere nach Anpassung an eine konstante Laufzeit von einem Jahr herangezogen wird.

„Übernehmender Rechtsträger“ („Surviving Person“) bezeichnet in Bezug auf eine Person, die in eine Fusion, Verschmelzung oder sonstigen Zusammenschluss oder in den Verkauf, die Abtretung, Übertragung, das Leasing oder die anderweitige Veräußerung aller oder im Wesentlichen aller ihrer Vermögenswerte involviert ist, die Person, die aus einer solchen Transaktion hervorgeht oder danach verbleibt, oder die Person, an die eine entsprechende Veräußerung erfolgt.

„Übernommene Verschuldung“ („Acquired Indebtedness“) bezeichnet die Verschuldung einer Person, die zu dem Zeitpunkt besteht, in dem diese Person eine Tochtergesellschaft wird oder mit einer anderen Person verschmolzen oder konsolidiert wird, oder die in Verbindung mit dem Erwerb von Vermögenswerten dieser Person übernommen wird, und die von dieser Person in jedem Fall nicht im Zusammenhang mit bzw. in der Erwartung bzw. Erwägung ihrer Übernahme als Tochtergesellschaft bzw. dieser Verschmelzung, Konsolidierung bzw. dieses Erwerbs eingegangen worden ist.

„U.S. GAAP“ bezeichnet die jeweils geltenden, in den Vereinigten Staaten von Amerika allgemein anerkannten Rechnungslegungsgrundsätze, u.a. aus folgenden Quellen:

(1) Einschätzungen und Verlautbarungen (Opinions und Pronouncements) des Accounting Principles Board of the American Institute of Certified Public Accountants,

(2) Stellungnahmen (Statements) und Verlautbarungen des Financial Accounting Standards Board,

(3) Stellungnahmen anderer Rechtsträger, die von einem wesentlichen Teil der Rechnungslegungsbranche anerkannt sind, und

(4) den Bestimmungen und Vorschriften der SEC bezüglich der Einbeziehung von Abschlüssen (einschließlich Pro-forma-Abschlüssen) in regelmäßigen Berichten, die gemäß Section 13 des Exchange Act einzureichen sind, einschließlich Einschätzungen und Verlautbarungen in Staff Accounting Bulletins und vergleichbaren schriftlichen Stellungnahmen von Rechnungslegungsexperten der SEC.

„Verbundenes Unternehmen“ („Affiliate“) einer bestimmten Person ist

(1) jede andere Person, die diese Person direkt oder indirekt kontrolliert bzw. direkt oder indirekt von ihr kontrolliert wird, oder

(2) mit dieser Person unter direkter oder indirekter einheitlicher Kontrolle steht.

Für den Zweck dieser Definition bezeichnet „Kontrolle“ bei Verwendung in Bezug auf eine Person die Befugnis, deren Geschäftsführung und Unternehmenspolitik direkt oder indirekt zu steuern, sei es durch den Besitz von Stimmrechten, gemäß Vertrag oder anderweitig, und die Bedeutung der Begriffe „kontrolliert“ und „kontrollieren“ ist entsprechend zu verstehen.

„Vereinbarte Fälligkeit“ („Stated Maturity“) bezeichnet in Bezug auf ein Wertpapier den für dieses Wertpapier angegebenen festgelegten Termin, an dem die endgültige Tilgungszahlung für dieses Wertpapier fällig wird, unter Berücksichtigung etwaiger Bestimmungen für eine Rücknahmepflicht (jedoch ohne Berücksichtigung etwaiger Bestimmungen, die im Falle bestimmter Ereignisse eine Rücknahme dieses Wertpapiers nach Wahl des Inhabers vorsehen, es sei denn, ein entsprechendes Ereignis ist eingetreten).

„Vermögensübertragung“ („Asset Disposition“) bezeichnet die direkte oder indirekte Veräußerung, Ausgabe, Übertragung, Leasing (ausgenommen im Rahmen des normalen Geschäftsbetriebs eingegangener

Operating Lease-Verhältnisse), Übereignung oder anderweitige entgeltliche Übertragung durch die Gesellschaft oder eine ihrer Tochtergesellschaften (einschließlich aller Sale- and Lease-back-Transaktionen) an bzw. auf eine Person, die nicht die Gesellschaft oder eine Hundertprozentige Tochtergesellschaft der Gesellschaft ist, einschließlich aller Übertragungen im Wege einer Verschmelzung, Vereinigung oder ähnlichen Transaktionen (für die Zwecke dieser Definition jeweils als „Übertragung" bezeichnet) von

(1) Anteilen des Capital Stock einer Tochtergesellschaft (sofern es sich nicht um Pflichtanteile der Mitglieder des Board of Directors oder um Anteile handelt, die von Gesetztes wegen von einer Person zu halten sind, die nicht die Gesellschaft oder eine Tochtergesellschaft ist),

(2) allen oder nahezu allen Vermögenswerten einer Geschäftssparte oder eines Geschäftsbereichs der Gesellschaft oder einer Tochtergesellschaft, oder

(3) anderen Vermögenswerten der Gesellschaft oder einer Tochtergesellschaft, die nicht im Rahmen des normalen Geschäftsbetriebs der Gesellschaft oder der betreffenden Tochtergesellschaft erfolgt,

sofern es sich in den vorstehend unter Abschnitten (1), (2) und (3) dargelegten Fällen nicht um

(A) eine Übertragung von Vermögenswerten oder die Ausgabe von Capital Stock durch eine Tochtergesellschaft auf bzw. an die Gesellschaft oder durch die Gesellschaft oder eine Tochtergesellschaft auf bzw. an eine Hundertprozentige Tochtergesellschaft handelt,

(B) gemäß dem Abschnitt „Bestimmte Auflagen — Beschränkungen in Bezug auf Zusammenschlüsse und die Veräußerung von Vermögensgegenständen" zulässige Transaktionen, und

(C) Übertragungen in Verbindung mit Zulässigen Sicherheiten, Zwangsvollstreckungsverfahren in Bezug auf Vermögenswerte und dem Verzicht auf abgeschriebene Forderungen handelt.

„Verschuldung" („Indebtedness") bezeichnet in Bezug auf eine Person an einem Tag, and dem dies bestimmt wird (ohne Doppelzählung):

(1) den Kapitalbetrag und den (gegebenenfalls anfallenden) Aufschlag (*premium*) in Bezug auf (A) die Verschuldung einer entsprechenden Person im Rahmen von Fremdmitteln und (B) die Verschuldung im Rahmen von Schuldverschreibungen, Schuldtiteln, Anleihen oder sonstigen ähnlichen Instrumenten, für deren Zahlung die jeweilige Person verantwortlich oder haftbar ist,

(2) sämtliche Finanzierungsleasing-Verpflichtungen dieser Person,

(3) sämtliche ausgegebenen oder übernommenen Verbindlichkeiten dieser Person, die den Teil eines Kaufpreises von Vermögensgegenständen oder Dienstleistungen darstellen, der zu einem späteren Zeitpunkt entrichtet wird (*deferred purchase price*), sämtliche Verpflichtungen mit Eigentumsvorbehalt dieser Person sowie alle Verpflichtungen dieser Person im Rahmen von Leasingverhältnissen (sofern es sich nicht um (x) übliche Beschränkungen oder Eigentumsvorbehalte aus mit Zulieferern im Rahmen des normalen Geschäftsbetriebs geschlossenen Verträgen, (y) im Rahmen des normalen Geschäftsbetriebs entstandene Außenstände, die nicht länger als 90 Tage offen sind oder (z) Verpflichtungen aus Pensions- oder Altersvorsorgeplänen oder -vereinbarungen oder im Rahmen der arbeitgeberfinanzierten Altersversorgung (*deferred compensation*) gemäß dem *Employee Retirement Income Security Act* von 1974 in der jeweils geltenden Fassung bzw. den Bestimmungen eines ausländischen Gesetzgebers handelt),

(4) sämtliche Verpflichtungen einer entsprechenden Person zur Erstattung gegenüber einem Schuldner in Bezug auf Akkreditive, Bankgarantien, oder ähnliche Kredittransaktionen (sofern sich eine entsprechende Erstattungsverpflichtung nicht auf während des normalen Geschäftsbetriebs entstandene Außenstände bezieht und die Erstattungsverpflichtung innerhalb von 30 Tagen nach Begleichung der entsprechenden Außenstände erfüllt wird),

(5) die Summe aller Verpflichtungen der entsprechenden Person in Bezug auf die Rücknahme, Rückzahlung oder den anderweitigen Rückkauf von Disqualified Stock bzw. in Bezug auf eine Tochtergesellschaft einer Person, Preferred Stock (jeweils ohne aufgelaufene Dividenden),

(6) alle unter (1) bis (5) aufgeführten Verpflichtungen anderer Personen und sämtliche Dividenden sonstiger Personen, für deren jeweilige Zahlung diese Person direkt oder indirekt als Schuldner, Garantiegeber oder anderweitig verantwortlich oder haftbar ist, einschließlich im Rahmen einer Garantie,

(7) alle unter (1) bis (6) aufgeführten Verpflichtungen anderer Personen, die durch eine Sicherheit an Vermögen dieser Person (unabhängig davon, ob eine entsprechende Verpflichtung von dieser Person

übernommen wird) besichert sind, wobei der Betrag der jeweiligen Verpflichtung dem niedrigeren der folgenden Werte entsprechen muss: dem Wert des Vermögens oder dem Betrag der Verpflichtung, die mit diesem Vermögen besichert ist, und

(8) Hedging-Verpflichtungen dieser Person, soweit diese nicht anderweitig in dieser Definition enthalten sind.

Der Betrag der Verschuldung einer Person zu einem bestimmten Zeitpunkt entspricht der zu diesem Datum ausstehenden Summe aller unbedingten Verpflichtungen wie vorstehend beschrieben, und bei Eintritt eines bestimmten Ereignisses, das in einer entsprechenden Verpflichtung resultiert, der Haftungsobergrenze von zu diesem Zeitpunkt bestehenden Eventualverbindlichkeiten. Zur Klarstellung: Folgendes gilt nicht als Verschuldung:

(1) Verschuldung in Bezug auf Forderungen aus Unfallversicherungen, Forderungen im Rahmen der Eigenversicherung (*self insurance*), Erfüllungs-, Bürgschafts-, Fertigstellungs- oder ähnliche Garantien im Rahmen des normalen Geschäftsbetriebs;

(2) Verschuldung aus Vereinbarungen zur Schadloshaltung, Anpassungen des Kaufpreises oder ähnlichen Verpflichtungen, die jeweils in Zusammenhang mit der Veräußerung oder dem Erwerb von Unternehmensteilen, Vermögenswerten oder Capital Stock einer Tochtergesellschaft entsteht oder übernommen wird, sofern der Höchstbetrag der Verbindlichkeit in Bezug auf die gesamte Verschuldung (ausgenommen Steuern und Schadloshaltung in Bezug auf Umweltangelegenheiten) zu keinem Zeitpunkt die von der Gesellschaft und ihren Tochtergesellschaften bei einer Veräußerung tatsächlich erhaltenen Bruttoerlöse (bei einer Veräußerung) und den Marktwert der erworbenen Unternehmensteile, Vermögenswerte oder des erworbenen Capital Stock (bei einem Erwerb) übersteigt.

(3) Verschuldung aus der Einlösung eines Schecks, Wechsels oder ähnlichen Instruments (ausgenommen Überziehungskredite, die nur während eines Geschäftstages bestehen) bei einer Bank oder einem sonstigen Finanzinstitut aus ungedeckten Mitteln im normalen Geschäftsverlauf, sofern die Verschuldung innerhalb von fünf Geschäftstagen nach Eingehen behoben wurde.

„Voting Stock" einer Person bezeichnet sämtliche Klassen von Capital Stock oder sonstige Anteile (einschließlich Gesellschaftsanteilen) dieser Person, die jeweils ausstehen und normalerweise (ohne Berücksichtigung des Eintritts bestimmter Eventualitäten) ein Stimmrecht bei der Wahl von Geschäftsführungsverantwortlichen, Führungskräften oder Treuhändern dieser Person verbriefen.

„Währungsvereinbarung" („Currency Agreement") bezeichnet einen Devisenkontrakt, eine Vereinbarung über einen Währungsswap oder eine sonstige ähnliche Vereinbarung.

„Wesentliche Tochtergesellschaft" („Significant Subsidiary") bezeichnet in Bezug auf eine Person eine Tochtergesellschaft dieser Person, die die Kriterien für eine „significant subsidiary" im Sinne von Rule 1.02 der Regulation S-X des Exchange Act erfüllt.

„Zinssatzvereinbarung" („Interest Rate Agreement") bezeichnet eine Vereinbarung über einen Zinsswap, einen Zinscap oder eine ähnliche Vereinbarung finanzieller Art.

„Zulässige Inhaber" („Permitted Holders") bezeichnet Fresenius SE.

„Zulässige Sicherheiten" („Permitted Liens") bezeichnet in Bezug auf eine Person:

(1) Zahlungsverpflichtungen (*pledges*) oder Einzahlungen (*deposits*) dieser Person aufgrund gesetzlicher Regelungen zur Unfallversicherung, Arbeitslosenversicherung oder ähnlicher gesetzlicher Regelungen, in gutem Glauben geleistete Garantiezahlungen im Zusammenhang mit Ausschreibungen, Verträgen (ausgenommen auf die Tilgung der Verschuldung gerichtete Verträge) oder Mietverträge, an denen diese Person sich beteiligt hat bzw. die sie eingegangen ist, als Sicherheit für öffentlich-rechtliche oder gesetzliche Verpflichtungen dieser Person geleistete Zahlungen sowie Zahlungen, Geldmittel oder Designated Government Obligations als Sicherheit für eine Bürgschaft (*surety bond*) oder eine Garantie für die Berufungskosten (*appeal bond*) mit dieser Person als Partei, Zahlungen als Sicherheit für streitige Steuern, Import- oder sonstige Zölle oder Mietkautionen, die jeweils im Rahmen des normalen Geschäftstätigkeit eingegangen wurden;

(2) Gesetzliche Sicherheiten, so u.a. *Carriers' Liens, Warehousemen's Liens* und *Mechanics' Liens* jeweils in Bezug auf noch nicht fällige oder nach Treu und Glauben streitige Beträge, wenn dafür Rücklagen oder entsprechende Rückstellungen, sofern diese nach den anwendbaren Bilanzierungsgrundsätzen vorgeschrieben sind, gebildet wurden;

(3) Sicherheiten im Zusammenhang mit Steuern oder sonstigen staatlichen Abgaben, für die noch keine Säumniszuschläge angefallen oder die nach Treu und Glauben streitig sind, wenn dafür nach den anwendbaren Bilanzierungsgrundsätzen gegebenenfalls vorgeschriebene Rückstellungen gebildet wurden;

(4) Auf Verlangen und für Rechnung dieser Person im Rahmen des normalen Geschäftsbetriebs zugunsten der Garantiegeber einer Bürgschafts- oder Erfüllungsgarantie, eines Akkreditivs oder einer Bankgarantie bestellte Sicherheiten;

(5) Belastungen, Grunddienstbarkeiten (Wegerecht, Wasserrecht, Rechte in Bezug auf Stromversorgung, Anbindung ans Telefonnetz und ähnliche Rechte), Bebauungs- oder sonstige Beschränkungen in der Nutzung von Grundvermögen (*real property*), im Rahmen des Geschäftsbetriebs dieser Person begründete oder mit dem Eigentum an ihrem Vermögen verbundene Sicherungsrechte, die in ihrer Gesamtheit den Wert dieses Vermögens nicht wesentlich mindern oder die Nutzung dieses Vermögens im Geschäftsbetrieb dieser Person nicht wesentlich beeinträchtigen;

(6) Sicherheiten für Hedging-Verpflichtungen, sofern Sicherungsrechte für die entsprechende Verschuldung an demselben Vermögen bestellt werden und nach dem Begebungsvertrag bestellt werden dürfen, das auch als Sicherheit für die Hedging-Verpflichtungen oder die Zinssatzvereinbarung dient;

(7) Nutzungsrechte (*leases, subleases, licenses*) in Bezug auf Grundvermögen, die den normalen Geschäftsbetrieb der Gesellschaft oder einer ihrer Tochtergesellschaften nicht wesentlich beeinträchtigen, sowie Nutzungsrechte in Bezug auf anderes Vermögen im Rahmen des normalen Geschäftsbetriebs;

(8) Kein Kündigungsereignis begründende *Judgement Liens,* sofern für diese adäquate Garantien bestehen und in dem ordnungsgemäß eingeleiteten entsprechenden Rechtsverfahren zur Überprüfung des Urteils noch keine endgültige Entscheidung ergangen oder die Frist für die Einleitung eines solchen Verfahrens noch nicht abgelaufen ist;

(9) Sicherheiten für die Zahlung (oder Refinanzierung der Zahlung) des gesamten oder eines Teils des Kaufpreises von im Rahmen des normalen Geschäftsbetriebs erworbenem oder geschaffenem Vermögen oder Finanzierungsleasingverbindlichkeiten in Bezug auf solches Vermögen, sofern:

(a) der gesamte Nennbetrag, über den diese Sicherheiten bestellt wurden, nicht die Kosten für den Erwerb oder die Schaffung dieses Vermögens übersteigt; und

(b) diese Sicherheiten innerhalb von 180 Tagen ab Schaffung oder Erwerb des entsprechenden Vermögens bestellt werden (oder, im Refinanzierungsfall, innerhalb dieser Frist bestellte Sicherheiten ersetzen) und damit kein anderes Vermögen als dieses Vermögen und damit verbundene(s) Vermögen oder Rechte der Gesellschaft oder einer Tochtergesellschaft belastet werden;

(10) Sicherheiten, die ausschließlich durch gesetzliche Vorschriften oder Common Law zu *Banker's Liens,* Aufrechnungsrechten oder ähnlichen Rechten und Ansprüchen in Bezug auf Depotkonten oder andere bei einem Einlagenkreditinstitut geführte Guthaben begründet werden, sofern die Gesellschaft oder eine Tochtergesellschaft mit dem Depotkonto keine Besicherungsabsicht gegenüber dem Kreditinstitut verfolgt;

(11) Aus *Financial Statement Filings* auf der Grundlage des Uniform Commercial Code der Vereinigten Staaten (oder ähnlichen Einreichungen in anderen einschlägigen Rechtsordnungen) resultierende Sicherheiten in Bezug auf Operating Leasing-Verpflichtungen, die die Gesellschaft im Rahmen des normalen Geschäftsbetriebs eingegangen ist;

(12) Am Ausgabetag bestehende Sicherheiten (mit Ausnahme der unter (19) genannten Sicherheiten);

(13) An Vermögen oder Aktien einer Person zu dem Zeitpunkt bestehende Sicherheiten, zu dem diese Person eine Tochtergesellschaft wird, unter der Voraussetzung, dass diese Sicherheiten nicht in Verbindung damit oder im Hinblick darauf eingegangen oder übernommen werden, dass diese andere Person eine Tochtergesellschaft wird, und sich diese Sicherheit nicht auf anderes Vermögen der Gesellschaft oder einer Tochtergesellschaft erstreckt;

(14) An Vermögen zu dem Zeitpunkt bestehende Sicherheiten, zu dem die Gesellschaft oder eine Tochtergesellschaft das Vermögen erworben hat, auch im Rahmen einer Verschmelzung mit der oder auf

die Gesellschaft oder eine(r) Tochtergesellschaft, unter der Voraussetzung, dass diese Sicherheiten nicht in Verbindung mit oder im Hinblick auf diesen Erwerb bestellt oder übernommen werden und sich diese Sicherheiten nicht auf anderes Vermögen der Gesellschaft oder einer Tochtergesellschaft erstrecken;

(15) In Zusammenhang mit der Verschuldung oder anderen Verpflichtungen der Gesellschaft gegenüber einer Tochtergesellschaft oder einer Tochtergesellschaft mit Verbindlichkeiten gegenüber der Gesellschaft oder einer Tochtergesellschaft bestehende Sicherheiten;

(16) Sicherheiten in Zusammenhang mit den Schuldverschreibungen und der gesamten sonstigen Verschuldung, die gemäß ihren Bedingungen besichert werden muss, wenn die Schuldverschreibungen besichert sind;

(17) Sicherheiten in Zusammenhang mit Verschuldung zur Refinanzierung von bislang besicherter Verschuldung (mit Ausnahme der unter (19) genannten Sicherheiten), vorausgesetzt, diese Sicherheit ist auf das Gesamtvermögen oder den Teil des Vermögens beschränkt, der als Sicherheit für die refinanzierte Verschuldung dient;

(18) Sicherheiten, die auf gesetzlicher Grundlage oder mit derselben Wirkung auf vertraglicher Grundlage im Rahmen des normalen Geschäftsbetriebs begründet werden;

(19) Sicherheiten für die Verschuldung und andere Verpflichtungen im Rahmen der Kreditvereinbarung, wenn der gesamte Betrag der besicherten Verschuldung den höheren der beiden folgenden Beträge nicht übersteigt: (x) den Höchstbetrag an Verschuldung, der im Rahmen der Kreditvereinbarung vom 31. März 2006 in Anspruch genommen werden kann (d.h. $4,6 Mrd.), und (y) das 2,5-fache des EBITDA der Gesellschaft für die vier letzten vorangegangenen Quartale des Geschäftsjahres, für die interne Abschlüsse vorliegen;

(20) Sicherheiten für das Forderungsverkaufsprogramm; und

(21) andere Sicherheiten für Verschuldung, deren gesamter Nennbetrag zum Datum der Bestellung dieser Sicherheiten und zum Datum des Eingehens der Verschuldung 5% des Konsolidierten Netto-Sachanlagevermögens der Gesellschaft nicht übersteigen darf.

„Zurechenbare Verschuldung“ („Attributable Debt“) bezeichnet in Bezug auf Sale- and Lease-back-Transaktionen zum Zeitpunkt der Festlegung die Gesamtverbindlichkeit (nach Abzinsung auf den Barwert anhand eines Jahressatzes in Höhe des Abzinsungsfaktors, der gemäß den Bilanzierungsgrundsätzen für eine Verpflichtung aus einem Finanzierungsleasing-Verhältnis mit ähnlicher Laufzeit angewendet würde), die auf Seiten des Leasingnehmers für Mietzahlungen bestehen, die im Laufe der Restdauer der ersten Laufzeit des in der Sale- and Lease-back-Transaktion enthaltenen Leasingverhältnisses zu leisten sind (nicht berücksichtigt werden Beträge, die für Vermögenssteuer, Instandhaltung, Reparaturen, Versicherungen, Wasserabgaben und sonstige Zwecke zu zahlen sind, die keine Zahlungen für Eigentumsrechte darstellen).

„Zuständiger Officer“ („Responsible Officer“) bezeichnet den Vorstandsvorsitzenden, Präsidenten, Finanzvorstand, Senior Vice President Finanzen, Treasurer, stellvertretenden Treasurer, Geschäftsführer oder ein Vorstands- oder Board-Mitglied eines Unternehmens (bzw. im Falle der Gesellschaft einen Zuständigen Officer ihres Komplementärs bzw. eines anderen geschäftsführenden Rechtsträgers oder einer anderen Person, die befugt ist, in ihrem Namen zu handeln, sowie, sofern es sich bei dieser Person um eine Personengesellschaft, Gesellschaft mit Haftungsbeschränkung oder einen vergleichbar organisierten Rechtsträger handelt, einen Zuständigen Officer des Rechtsträgers, der gegebenenfalls befugt ist, im Namen dieser Person zu handeln).

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02451-1457 USA

Office of the Euro Issuer

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Fresenius Medical Care Deutschland GmbH
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Wirtschaftsprüfungsgesellschaft
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10785 Berlin
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Trustee and Registrar for the Dollar-denominated Notes and the Euro-denominated Notes and Paying Agent for the Dollar-denominated Notes

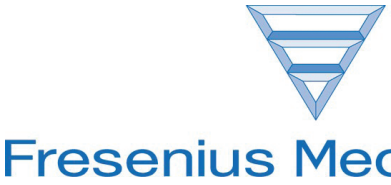
U.S. Bank National Association
225 Asylum Street
Hartford, Connecticut 06103
United States

Principal Paying Agent for the Euro-denominated Notes

Deutsche Bank AG — Frankfurt
Groβe Gallusstraβe 10-14
60272 Frankfurt
Germany

Luxembourg Listing Agent

BNP Paribas Securities Services
Luxembourg Branch
33, rue de Galperich Howald-Hesperange
L-2085, Luxembourg



€400,000,000 6.50% Senior Notes due 2018
Guaranteed on a senior basis by
Fresenius Medical Care AG & Co. KGaA,
Fresenius Medical Care Holdings, Inc. and
Fresenius Medical Care Deutschland GmbH

$400,000,000 6.50% Senior Notes due 2018
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PROSPECTUS/OFFERING MEMORANDUM
SEPTEMBER 8, 2011

Joint Lead Managers and Bookrunners for the Euro-denominated Notes

Credit Suisse

J.P. Morgan Morgan Stanley Société Générale Corporate & Investment Banking

Joint Lead Managers and Bookrunners for the Dollar-denominated Notes

J.P. Morgan

Credit Suisse Barclays Capital Morgan Stanley

Co-Lead Managers for the Euro-denominated Notes

Commerzbank BayernLB BBVA BNP PARIBAS
Crédit Agricole CIB DZ BANK AG HELABA Landesbank Baden-Württemberg
Raiffeisen Bank International AG The Royal Bank of Scotland
UniCredit Bank WestLB

Co-Lead Managers for the Dollar-denominated Notes

DnB NOR Markets HSBC Scotia Capital
TD Securities Wells Fargo Securities