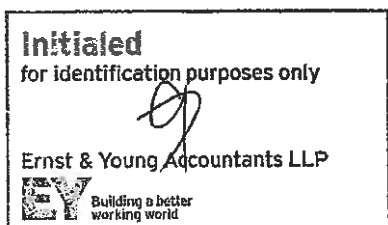


**Fresenius Finance B.V.**

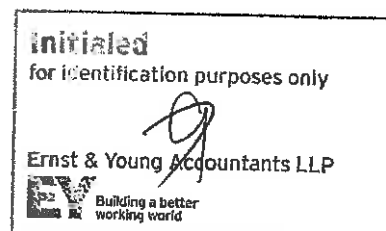
**2014 financial statements**



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**Fresenius Finance B.V.**

## **Director's report**

Management of Fresenius Finance B.V. ("the company") hereby presents its financial statements for the financial year ended on 31 December 2014.

## **General information**

The company is a financing company. The principal activities of the company consist of borrowing and lending activities. In 2014 all outstanding loans with affiliated companies, other than Fresenius SE & Co. KGaA were repaid. The only loans remaining within the company are with Fresenius SE & Co. KGaA.

At balance sheet date the company has issued Senior notes issued for EUR 2,200,000,000 and the company has provided loans to Fresenius SE & Co. KGaA for EUR 2,206,401,952.

The company, statutory seated in 's-Hertogenbosch, is a private limited company. The ultimate parent company is Fresenius SE & Co. KGaA, Bad Homburg, Germany.

The company is managed by two directors and uses services provided by affiliated companies and external advisers.

The objective of the company is to act as the most appropriate financing company for Fresenius SE & Co. KGaA and affiliated companies.

The company has not experienced significant problems related with the worldwide financial and economic crisis.

## **Financial information**

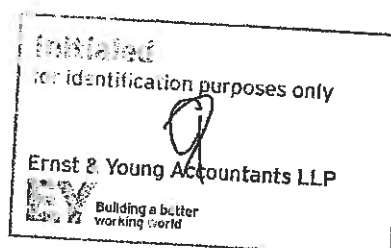
During 2014, the company continued her role as financing company for the Fresenius group.

In January 2014, Fresenius Finance B.V. issued a new Senior Note for a total amount of EUR 300 million with a coupon of 2.375%. This Senior Note will mature in 2019. Fresenius SE & Co. KGaA, Fresenius Kabi AG and Fresenius ProServe GmbH are the guarantors for this issue.

In January 2014, Fresenius Finance B.V. issued a new Senior Note for a total amount of EUR 450 million with a coupon of 3.000%. This Senior Note will mature in 2021. Fresenius SE & Co. KGaA, Fresenius Kabi AG and Fresenius ProServe GmbH are the guarantors for this issue.

In February 2014, Fresenius Finance B.V. issued a new Senior Note for a total amount of EUR 450 million with a coupon of 4.000%. This Senior Note will mature in 2024. Fresenius SE & Co. KGaA, Fresenius Kabi AG and Fresenius ProServe GmbH are the guarantors for this issue.

The operating result before taxation has increased from EUR 990,716 in 2013 to EUR 2,458,675 in 2014. This year-on-year increase (as compared to 2013) is the result of a higher financial result (increased with EUR 1,630,293) and partly offset by increased external costs (decreased with EUR 162,334).



## **Fresenius Finance B.V.**

The balance sheet total has increased from EUR 1,319,563,423 at the end of 2013 to EUR 2,220,926,057 at the end of 2014.

Financial fixed assets increased by EUR 1,185,891,777, which is primary due to new loans provided to Fresenius SE & Co. KGaA.

Current assets decreased by EUR 284,528,913, primarily due to repayments of loans by affiliated companies in 2014.

The shareholder's equity increased by EUR 7,448,980 to a positive amount of EUR 15,028,988 which is mainly due to the change in hedging reserve of EUR 1,669,162 and the result of the current year of EUR 5,779,818 that is added to the unappropriated result under the shareholder's equity.

Non-current liabilities increased by EUR 1,189,213,902 mainly due to the three new Senior notes amounting in total to EUR 1,200,000,000 issued in 2014.

Current liabilities decreased by EUR 295,300,247, which is mainly explained by the repayment of the EUR 300,000,000 Senior notes that became due in 2014 and that were fully repaid.

The solvency ratio for 2014 is at 0,68 % (2013 : 0,57 %). The fact that the ratio is so low is because we are a financing company.

Significant risks and uncertainties depend on the risks and uncertainties in the affiliated companies that have outstanding loans from Fresenius Finance B.V.

Cash flows and funding requirements of the company are driven by the cash flows and funding requirements of the affiliated companies. (See Credit risk below).

## **Financial and non-financial performance indicators**

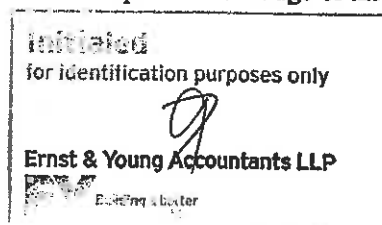
Since Fresenius SE & Co. has published a cash flow statement in her annual accounts, the company is not obliged to perform a publication in her annual accounts

Incoming cash flow exceeded outgoing cash flows over the year and has resulted in a cash and cash equivalents net increase of EUR 346,510.

## **Personnel related information**

During 2014 the company had two directors. One part time director (10% full time equivalent) was on the payroll during the full year. The second director of the company received no emoluments.

Fresenius Finance B.V. deviates from Article 2:276 of Book 2 of the Dutch Civil Code, which states that positions on the management should be distributed in a way so that at least 30% of positions are held by women and at least 30% by men. This deviation has been made to ensure that the Company has competent Executive Board that has required knowledge of the company



## **Fresenius Finance B.V.**

and the Company's key market areas. When appointing members to the Executive Board, the Company shall aim for a complementary range of experience, gender and age.

## **Information regarding financial instruments**

### **General**

During the normal course of business, Fresenius Finance B.V. makes use of several financial instruments such as bonds, loans from and to affiliated companies, bank loans and cash balances with banks. Due to the use of these financial instruments, the company is exposed to interest rate risk and credit risk. The company uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing activities. Consequently a major part of the risk is covered. In accordance with its treasury policy, the company does not hold or issue derivative financial instruments for trading purposes. This is not applicable for FY 2014 and therefore risk regarding interest is low for FY 2014 since we have fixed interest rates

### **Credit risk**

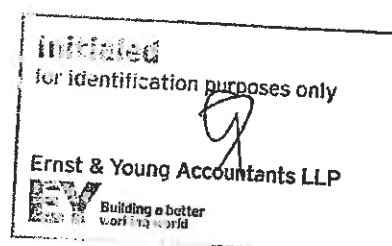
All financial instruments are concluded with either highly rated financial institutions or companies within the Fresenius SE & Co. KGaA group, which are expected to fully perform under the terms of the agreements. The company continuously monitors changes in credit ratings of counterparties. At the balance sheet date the credit risk concentrates on entities of the Fresenius SE & Co. KGaA group. Fresenius' credit quality is assessed and regularly reviewed by the leading rating agencies Moody's, Standard & Poor's, and Fitch. The corporate credit rating of Fresenius SE & Co. KGaA at issue date of these financial statements is for Standard & Poor's BBB- with stable outlook, for Moody's Ba1 with stable outlook and for Fitch's BB+ with stable outlook.

The company does not expect any counterparties to fail to meet their obligations. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet.

### **Cash flows and liquidity risk**

Future cash flows and financial requirements will mainly be influenced by the future cash flows and financial requirements of the parent company Fresenius SE & Co KGaA and its subsidiaries. As in previous years the company expects that loans provided to affiliated companies will be repaid on due date. The cash flow risk is therefore nil.

We expect Fresenius SE & Co KGaA to remain solvent. In January 2015 S&P has upgraded the corporate credit rating of Fresenius from BB+ to BBB- with a stable outlook. Also Moody's Investors Service has raised the outlook on the Ba1 rating for Fresenius to stable.



## **Fresenius Finance B.V.**

The liquidity risk is as well nil due to matching of the external financing with the internal loans with a fix interest rate. They have the same term, similar nominal value, and the projected interest receivables are higher than the interest payables.

There is also a EUR 10 million current account which guarantees sufficiently the liquidity position of the company.

The cash position at yearend 2014 increased compared to previous year by EUR 346,510 to EUR 452,864 (2013 : EUR 106,354)

### **Interest rate risk**

It is management's policy not to be exposed to significant open interest rate risk positions. Loans and borrowings are matched on an individual basis as much as possible. If this is not possible, the company enters into interest rate swaps to hedge the remaining interest rate risks. Currently the company is not exposed to interest rate risk since all external financing and internal loans bear fix interest rate.

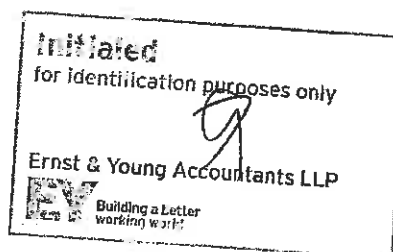
Due to these fix interest rates and the long term of the loans, there may be a risk concerning the fair value

### **Foreign currency risk**

The company is not exposed to foreign currency risk.

### **Tax risk**

In 2014, the German tax authorities finalised a tax audit related to transfer pricing between the Company and its ultimate parent company in Germany. Pursuant to this tax audit in Germany, the taxable results of Fresenius Finance B.V. have been adjusted retrospectively for fiscal years 2002 -2011, which in turn may lead to a refund of Dutch corporate income tax. During 2014, the transfer pricing model of the Company has been reviewed and assessed by the Dutch tax authorities. The outcome of this review is that the Company would receive a refund for the years 2002-2014. To date the company has already received the refund from Dutch tax authorities for the years 2002, 2003, 2004, 2005, 2006, 2007,2013 and 2014.



**Fresenius Finance B.V.**

### **Future developments**

Investments in financial fixed assets (such as granting of loans to affiliated companies) will be done if necessary for the affiliated companies.

No future activities regarding research and development are expected.

The profitability of the Company will mainly depend on the amounts of the loans provided to affiliated companies and the corresponding interest spread.

These financial statements have been prepared on the basis of the going concern assumption.

### **Responsibility statements**

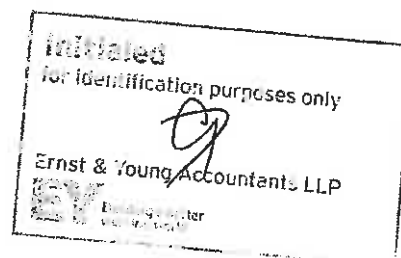
As far as we are aware the financial statements give a true and fair view of the assets, liabilities, financial position and the profit or the loss of the company. The financial statements give a true and fair view regarding the position on the balance sheet date, the state of affairs during the financial year of the company and its associated companies whose information is disclosed in the financial statements, and the principal risks confronting the company are discussed.

Zeist, April 30<sup>th</sup>, 2015

**The Board of Directors**

**Jos Simons**

**Bernard Dierickx**



## Balance sheet as at 31 December 2014

(Before profit appropriation)

		2014		2013	
		EUR	EUR	EUR	EUR
<b>Fixed assets</b>					
Tangible fixed assets	1	2,922		3,152	
Financial fixed assets	2	2,188,024,542		1,002,132,765	
			2,188,027,464		1,002,135,917
<b>Current assets</b>					
Receivables from affiliated companies	3	28,058,457		317,167,565	
Other receivables	4	4,387,272		153,587	
Cash and cash equivalents	5	452,864		106,354	
			32,898,593		317,427,506
			2,220,926,057		1,319,563,423
<b>Shareholder's equity</b>					
Issued capital	6	18,151		18,151	
Share premium reserve	6	1,981,857		1,981,857	
Hedging reserve	6	-		-1,669,162	
Retained earnings	6	7,249,162		6,717,019	
Unappropriated result	6	5,779,818		532,143	
			15,028,988		7,580,008
<b>Non-current liabilities</b>	7	2,178,624,253		989,410,351	
<b>Current liabilities</b>	8	27,272,816		322,573,064	
			2,220,926,057		1,319,563,423

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## Profit and loss account for the year ended 31 December 2014

		2014		2013	
		EUR	EUR	EUR	EUR
<b>Financial result</b>					
Interest and similar income loans	9	82,349,351		62,807,279	
Interest income on income taxes	10	792,267		-	
		<u>83,141,618</u>		<u>62,807,279</u>	
Total interest and similar income					
Interest and similar charges	11	80,317,193		61,613,147	
		<u>80,317,193</u>		<u>61,613,147</u>	
			2,824,425		1,194,132
Costs of outsourced work and other external costs	12		365,750		203,416
			<u>365,750</u>		<u>203,416</u>
<b>Operating result before taxation</b>			2,458,675		990,716
Taxation on result	13		-3,321,143		225,689
Withholding taxes	13				232,883
			<u>-3,321,143</u>		<u>232,883</u>
<b>Net result</b>			<u>5,779,818</u>		<u>532,144</u>

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**Statement of total income and expense for the year ended 31 December 2014**

	2014		2013	
	EUR	EUR	EUR	EUR
<b>Net result after taxes attributable to the company</b>		<b>5,779,818</b>		<b>532,144</b>
Changes in the fair value of the derivatives recognised in equity	<u>1,669,162</u>		<u>4,499,892</u>	
<b>Total of items recognised directly in equity of the company</b>		<u>1,669,162</u>		<u>4,499,892</u>
<b>Total result of the legal entity</b>		<u>7,448,980</u>		<u>5,032,036</u>

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## **Notes to the 2014 financial statements**

### **General**

#### **Relationship with parent company and principal activities**

The company, statutory seated in's-Hertogenbosch, the Netherlands, is a private limited company. The ultimate parent company is Fresenius SE & Co. KGaA, Bad Homburg, Germany.

The company is a financing company; the principal activities of the company consist of borrowing and lending activities.

The offices of the company are located at Amersfoortseweg 10 E, 3705 GJ ZEIST in the Netherlands.

#### **Basis of preparation**

The financial statements have been prepared in accordance with Title 9 of Book 2 of the Netherlands Civil Code.

#### **Solvency**

Given the objectives of the company, the company is economically interrelated with the ultimate holding company, Fresenius SE & Co. KGaA, Germany. In assessing the solvency and general risk profile of the company, the solvency of the Fresenius SE & Co. KGaA group as a whole needs to be considered.

#### **Accounting policies**

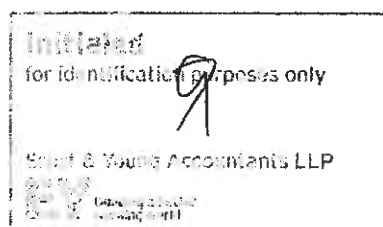
If not stated otherwise, assets and liabilities are shown at historical cost.

An asset is included in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be reliably measured. A liability is included in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable or cannot be measured with sufficient reliability.

The income and expenses are accounted for in the period to which they relate.

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed.



## **Fresenius Finance B.V.**

Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

### **Principles for the translation of foreign currencies**

The reporting currency in the financial statements of Fresenius Finance B.V. is the euro (EUR), which is the company's functional currency.

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to euro at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to euro at foreign exchange rates ruling at the dates the fair value was determined.

### **Financial instruments**

Financial instruments include trade and other receivables, cash and cash equivalents, loans and other financing commitments, trade and other payables.

Financial instruments are initially recognised at fair value. If instruments are not carried at fair value through profit and loss, then any directly attributable transaction costs are included in the initial measurement.

After initial recognition, financial instruments are valued in the manner described below.

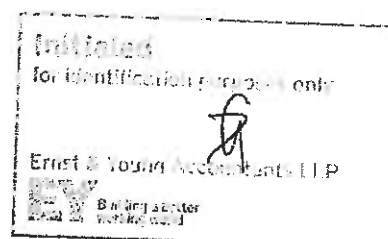
### ***Derivatives and hedge accounting***

Derivatives are measured at fair value with recognition of all changes in value in the profit and loss account, except where hedge accounting is used to hedge the variability of future cash flows affecting the profit and loss account (cash flow hedge accounting).

If cash flow hedge accounting is used, the effective portion of the fair value changes of the derivatives is initially recognised in the revaluation reserve. As soon as the expected future transactions lead to the recognition of gains or losses in the profit and loss account, the respective amounts are taken from the revaluation reserve to the profit and loss account.

In case a derivative no longer meets the conditions for hedge accounting, expires, is sold, or if the company has decided to no longer apply hedge accounting, the hedging relationship is terminated. The gains or losses recognised at the time of the termination of the hedging relationship remain in equity until the expected future transaction takes place. If the transaction is no longer expected to take place, the deferred gain or loss on the hedge recognised in equity is taken to the profit and loss account.

The company regularly assesses the effectiveness of its hedging relationships by comparing the cumulative value change of the hedged position with the cumulative value change of the derivatives.



## **Fresenius Finance B.V.**

The lower of the cumulative value change of the hedged position and the cumulative value change of the derivatives is recognised as a deferred gain or loss in the revaluation reserve.

The company documents its hedging relationships by means of specific hedging documentation.

### **Loans granted and other receivables**

Loans granted and other receivables are carried at amortised cost using the effective interest method, less impairment losses.

### ***Long-term and current liabilities and other financial commitments***

Long-term and current liabilities and other financial commitments are stated after their initial recognition at amortised cost on the basis of the effective interest rate method.

Redemption payments regarding long-term liabilities that are due next year, are presented under current liabilities.

### **Impairment**

On reporting dates the company will test all long term assets reported at amortized cost whether any possible devaluations might occur. When the impairment test is positive, the company should determine the profit and loss effect of the impairment.

The accounting policies applied for the valuation of trade and other receivables and securities are described under the heading 'Financial instruments'.

### **Shareholders' equity**

Financial instruments that are designated as equity instruments by virtue of the legal reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution.

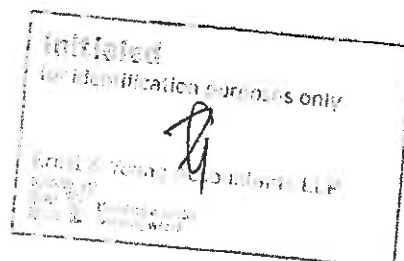
Financial instruments that are designated as a financial liability by virtue of the legal reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

### **Non-current liabilities**

The valuation of non-current liabilities is explained under the heading 'Financial instruments'.

### **Current liabilities**

The valuation of current liabilities is explained under the heading 'Financial instruments'.



## **Fresenius Finance B.V.**

### **Interest and similar income**

Interest and similar income comprise interest income on funds invested, foreign exchange gains and gains on hedging instruments that are recognised in the income statement. Interest income is recognised in the income statement as it accrues, using the effective interest method.

### **Interest and similar charges**

Interest and similar charges comprise interest charges on borrowings calculated using the effective interest rate method, foreign exchange losses and losses on hedging instruments that are recognised in the income statement.

### **Costs of outsourced work and other external costs**

This concerns costs that are directly attributable to the operations of the company.

### **Taxation on result**

The taxation on result comprises both current taxes payable and deferred taxes, taking account of tax facilities and non-deductible costs. No taxes are deducted from profits if and insofar as said profits can be offset against losses from previous years.

Taxes are deducted from losses if these can be offset against profits in previous years and results in a tax rebate. In addition, taxes may be deducted to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

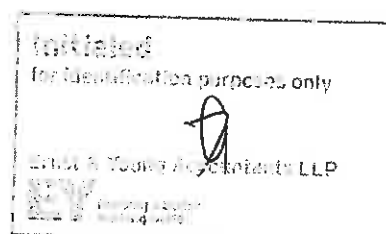
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date taking into account the tax facilities and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Several countries require that payers of interest to foreign payees withhold income tax from such payment and pay it to their government. Taxes withhold may be eligible for a tax credit depending on the tax structure of the company.

### **Cash flow statement**

The Company's cash flow information is included in the cash flow statement presented in the consolidated financial statements of the ultimate parent company (Fresenius SE & Co KGaA, Germany) for the year ended December 31, 2014, which can be obtained on the website of Fresenius SE & Co KGaA (<http://www.fresenius.com>). In accordance with the guidelines of the council for annual reporting (article 360.104) in the Netherlands, the company is exempted from including a cash flow statement in its financial statements.



## **Fresenius Finance B.V.**

### **Determination of fair value**

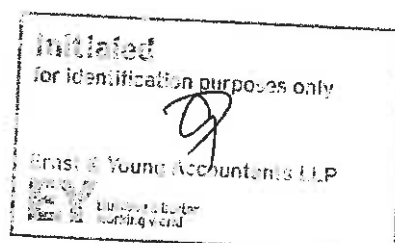
A number of accounting principles and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. For measurement and disclosure purposes, the fair value is determined on the basis of the following methods. If applicable, detailed information concerning the principles for determining the fair value is included in the section that specifically relates to the relevant asset or liability.

### ***Trade and other receivables***

The fair value of trade and other receivables is estimated at the present value of future cash flows.

### ***Non-derivative financial obligations***

The fair value of non-derivative financial commitments is only determined for disclosure purposes and is calculated on the basis of the net present value of future repayments and interest payments, discounted at the market interest rate, including a margin for the relevant risks as at the reporting date.



## 1 Tangible fixed assets

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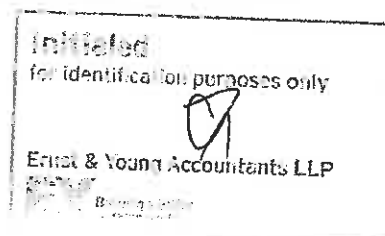
Movements in Tangible Fixed Assets can be detailed as follows:

	Office equipment EUR	Hardware EUR	Total EUR
Balance at 1 January 2014			
Cost	5,710	14,896	20,606
Accumulated depreciation	<u>3,016</u>	<u>14,438</u>	<u>17,454</u>
Carrying amount at 1 January 2014	2,694	458	3,152
Changes during the year:			
▪ Cost depreciation 2014	-583	-519	1,101
▪ Additions to tangible fixed assets during 2014	-	872	870
Carrying amount at 31 December 2014	<u>2,111</u>	<u>811</u>	<u>2,922</u>
Cost	5,710	15,768	21,478
Accumulated depreciation	<u>3,599</u>	<u>14,957</u>	<u>18,556</u>
Carrying amount at 31 December 2014	<u>2,111</u>	<u>811</u>	<u>2,922</u>

## 2 Financial fixed assets

Movements in financial fixed assets can be detailed as follows:

	Loans to affiliated companies EUR	Deferred taxes EUR	Total EUR
Balance as at 1 January 2014	1,001,567,011	565,754	1,002,132,765
• Loans provided	1,206,401,952		1,206,401,952
• Loans redemptions	-12,156,660		-12,156,660
• Issue costs	-10,364,000		-10,364,000
• Amortization issue costs	2,576,239		2,576,239
• Tax effect of changes in fair value of derivatives recognized in equity		-565,754	-565,754
Balance as at 31 December 2014	<u>2,188,024,542</u>	<u>0</u>	<u>2,188,024,542</u>





## **Fresenius Finance B.V.**

### **Loans to affiliated companies:**

The loans to affiliated companies as at 31 December 2014 comprise long-term loans to

*Fresenius SE & Co. KGaA* with a principal amount of EUR 2,206,401,952 (31 December 2013: EUR 1,012,156,660) containing the following loans:

EUR 500,000,000 at 4.300 % due in 2019 (Fair value EUR 570 million)

EUR 500,000,000 at 2.930 % due in 2020 (Fair value EUR 548 million)

EUR 298,941,000 at 2.552 % due in 2019 (Fair value EUR 319 million)

EUR 444,379,500 at 3.411 % due in 2021 (Fair value EUR 503 million)

EUR 453,000,000 at 3.964 % due in 2024 (Fair value EUR 522 million)

EUR 10,081,452 at 0.083%, this loan has no fixed due date (the carrying amount does not significantly differ from the fair value of this loan).

The loans can be detailed as follows :

	2012/2019 EUR
Face value	500,000,000
Issue costs	-7,106,405
Accumulated amortisation issue cost	2,530,441
Balance as at 31 December 2014	495,424,036

	2013/2020 EUR
Face value	500,000,000
Issue costs	-5,948,666
Accumulated amortisation issue cost	1,326,546
Balance as at 31 December 2014	495,377,880

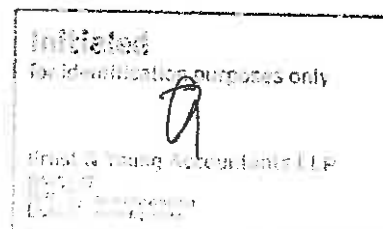
**Fresenius Finance B.V.**

	2014/2019 EUR
Face value	298,941,000
Issue costs	-2,700,000
Accumulated amortisation issue cost	458,965
Balance as at 31 December 2014	296,699,965

	2014/20121 EUR
Face value	444,379,500
Issue costs	-3,819,000
Accumulated amortisation issue cost	439,655
Balance as at 31 December 2014	441,000,155

	2014/2024 EUR
Face value	453,000,000
Issue costs	-3,845,000
Accumulated amortisation issue cost	286,055
Balance as at 31 December 2014	449,441,055

	Total loans to affiliated companies EUR
Face value	2,196,320,500
Issue costs	-23,419,071
Accumulated amortisation issue cost	5,041,662
Balance as at 31 December 2014	2,177,943,091



**Fresenius Finance B.V.**

**Deferred tax asset:**

The deferred tax asset until 2013 comprised the tax effect of the temporary differences between the carrying amount of the interest rate swap liabilities for financial reporting purposes and the amount used for taxation purposes. Reference is made to notes 9 and 10. Since the loans were repaid in the course of 2014, the SWAP is settled in FY 2014

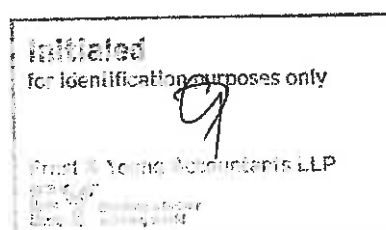
### 3 Receivables from affiliated companies

	2014 EUR	2013 EUR
Loans to Fresenius SE & Co. KGaA	-	50,700,000
Loan to Fresenius Kabi Italia	-	4,500,000
Loan to Clinico Poland	-	2,500,000
Loan to Fresenius Kabi AG	-	36,000,000
Loans to Fresenius Kabi Austria	-	149,300,000
Loans to Proserve GMBH	-	57,000,000
Accrued interest to receive from Fresenius SE & Co. KGaA	28,058,457	11,973,753
Accrued interest to receive from Fresenius Kabi Austria	-	2,276,825
Accrued interest to receive from Fresenius Kabi Italia	-	131,264
Accrued interest to receive from Clinico Poland	-	72,925
Accrued interest to receive from Fresenius Kabi AG	-	1,050,114
Accrued interest to receive from Fresenius Proserve GMBH	-	1,662,684
	<b>28,058,457</b>	<b>317,167,565</b>

The receivables from affiliated companies as at 31 December 2014 comprise receivables from:

**EUR 28,058,457 interest to receive from Fresenius SE & Co. KGaA**

All receivables from affiliated companies that were due in 2014 have been repaid as expected.



#### 4 Other receivables

	2014 EUR	2013 EUR
Tax receivable 2014	482,492	
Tax receivable 2013	364,835	136,461
Tax payable 2012	-20,977	
Tax receivable 2011	571,028	
Tax receivable 2010	524,469	
Tax receivable 2009	433,447	
Tax receivable 2008	116,121	
Tax receivable 2007	56,339	
Tax receivable 2006	337,777	
Tax receivable 2005	52,564	
Tax payable 2004	-5,521	
Tax receivable 2003	318,306	
Tax receivable 2002	347,353	
Other receivables	16,772	17,126
Interest receivable regarding income tax	792,267	
	<b>4,387,272</b>	<b>153,587</b>

#### Corporate income tax

In 2014 the company has agreed with the tax authorities a revised method to determine the taxable bases for the years 2002 until current year for Fresenius Finance B.V. Since Fresenius SE & Co KGaA act as guarantor for the obtained loans, the interest margin is tax levied in Germany and Fresenius SE & Co KGaA is a principal responsible for these taxes. These taxes are not recharged to the company

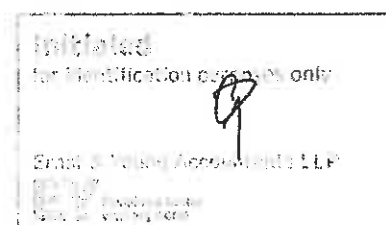
This has resulted in a tax receivable amounting to EUR 3,578,233 for the years listed above. Associated with this income tax receivable, the company will also receive interests on these receivables. This interest receivable has been estimated by the company based on the applicable interest rates at EUR 792,267.

Until current date, we have already received a refund from Dutch tax authorities for the years 2002, 2003, 2004, 2005, 2006, 2007, 2013 and 2014

Reference is made to note 13 for further details on withholding taxes.

#### Other

The other receivables include an amount of EUR 13,652 (2013: EUR 16,211) not due within one year.



## 5 Cash and cash equivalents

Cash at bank and in hand are stated at nominal value and are at free disposal.

## 6 Shareholders' equity

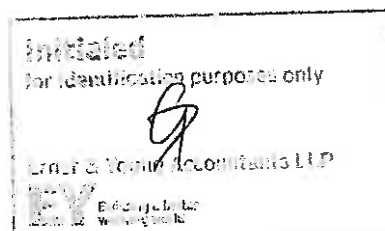
	Issued capital	Share premium reserve	Hedging reserve	Retained earnings	Unappro- priated result	Total 2014	Total 2013
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Balance as at 1 January	18,151	1,981,857	-1,669,162	6,717,019	532,143	7,580,008	2,547,973
Changes:							
Result for the year					5,779,818	5,779,818	532,143
Retained earnings				532,143	-532,143	-	-
Changes in fair value of derivatives recognised in equity			1,669,162			1,669,162	4,499,892
Balance as at 31 December	18,151	1,981,857	-	7,249,162	5,779,818	15,028,988	7,580,008

Referring to Article 178c sub 1, the authorized share capital of the company consists of 200 shares with a nominal value of EUR 453.78.

According to the Articles of Association, the shares are nominated in guilders NLG 1,000 per share. 40 shares are issued and fully paid. No changes occurred during the year.

The share premium reserve relates to income from the issuance of shares as far nominal value of the shares (income above par) is exceeded. No changes occurred during the year.

The hedging reserve comprised the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred, less deferred taxes. The hedging reserve is legally not freely distributable. At yearend 2014 the hedging reserve is not existing anymore, due to the repayment of the related bond loans in accordance with the agreed repayment terms.



## **7 Non-current liabilities**

This note provides information about the contractual terms of the company's interest-bearing notes and bonds and borrowings. For more information about the company's exposure to interest rate and foreign currency risk, refer to note 8 - Financial Instruments.

The non-current liabilities can be specified as follows:

	2014 EUR	2013 EUR
Senior Notes	2,178,624,253	989,410,351
	<u>2,178,624,253</u>	<u>989,410,351</u>

### **Senior Notes**

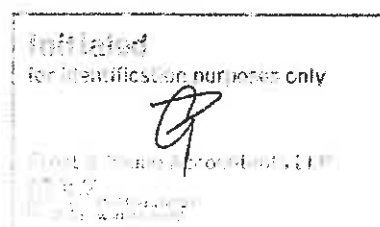
The Senior Notes amounting to EUR 300,000,000 reported under Current Liabilities at yearend 2013 that became due in 2014 were fully repaid at due date.

In January 2014, Fresenius Finance B.V. issued a new Senior Note for a total amount of EUR 300 million with a coupon of 2.375%. This Senior Note will mature in 2019. Fresenius SE & Co. KGaA, Fresenius Kabi AG and Fresenius ProServe GmbH are the guarantors for this issue. The effective interest of the senior note is 2,65%, which differs from the coupon rate due to the issue costs and the disagio.

In January 2014, Fresenius Finance B.V. issued a new Senior Note for a total amount of EUR 450 million with a coupon of 3.000%. This Senior Note will mature in 2021. Fresenius SE & Co. KGaA, Fresenius Kabi AG and Fresenius ProServe GmbH are the guarantors for this issue. The effective interest of the senior note is 3,34%, which differs from the coupon rate due to the issue costs and the disagio.

In February 2014, Fresenius Finance B.V. issued a new Senior Note for a total amount of EUR 450 million with a coupon of 4.000%. This Senior Note will mature in 2024. Fresenius SE & Co. KGaA, Fresenius Kabi AG and Fresenius ProServe GmbH are the guarantors for this issue. The effective interest of the senior note is 4,02%, which differs from the coupon rate due to the issue costs and the premium.

The effective interest of the senior notes 2012/2019 and 2013/2020 are respectively 4,49% (coupon rate of 4,25%) and 3,06% (coupon rate of 2,875%), which is caused by the issue costs.



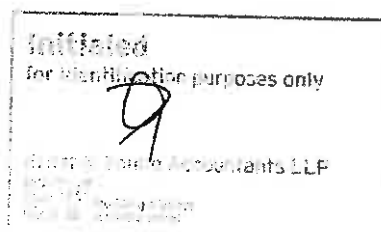
## Fresenius Finance B.V.

The Senior Notes can be detailed as follows:

	Senior notes (2019) EUR
Face value	500,000,000
Issue costs	-7,106,405
Accumulated amortisation issue cost	2,543,134
Balance as at 31 December 2014	495,436,729

	Senior notes (2020) EUR
Face value	500,000,000
Issue costs	-5,948,666
Accumulated amortisation issue cost	1,382,322
Balance as at 31 December 2014	495,433,656

	Senior notes (2019) EUR
Face value	300,000,000
Issue costs	-2,700,000
Disagio	-1,059,000
Accumulated amortisation issue cost	455,496
Accumulated amortisation disagio	184,864
Balance as at 31 December 2014	296,881,360

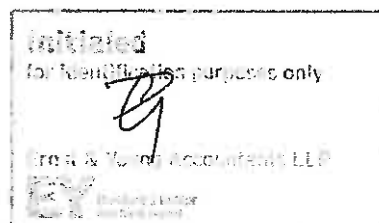


# **Fresenius Finance B.V.**

	Senior notes (2021) EUR
Face value	450,000,000
Issue costs	-3,819,000
Disagio	-5,620,500
Accumulated amortisation issue cost	425,722
Accumulated amortisation disagio	668,285
Balance as at 31 December 2014	441,654,507

	Senior notes (2024) EUR
Face value	450,000,000
Issue costs	-3,845,000
Premium	3,000,000
Accumulated amortisation issue cost	282,470
Accumulated amortisation premium	-219,470
Balance as at 31 December 2014	449,218,000

	Senior notes (Total) EUR
Face value	2,200,000,000
Issue costs	-23,419,071
Disagio/Premium	-3,679,500
Accumulated amortisation issue cost	5,089,145
Accumulated amortisation disagio/premium	633,679
Balance as at 31 December 2014	2,178,624,253





## Fresenius Finance B.V.

The Senior Notes have been offered in a private placement to institutional investors. Fresenius SE & Co KGaA has applied the Luxembourg Stock Exchange to admit the senior notes to trading on its regulated market.

The fair values of the Fresenius Finance B.V. Senior Notes at December 31, 2014 were as follows (in Mio EUR):

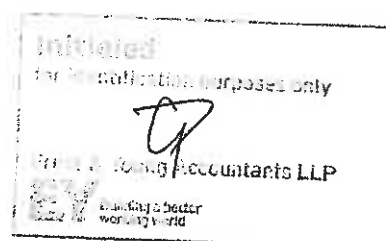
Senior Notes	Nominal	Rate	Fair Value
FFBV 2012/19 4.250 %	500.00	1.1175	EUR 559 million
FFBV 2013/20 2.875 %	500.00	1.0688	EUR 534 million
FFBV 2014/19 2.375 %	300.00	1.0500	EUR 315 million
FFBV 2014/21 3.000 %	450.00	1.0775	EUR 484 million
FFBV 2014/24 4.000 %	450.00	1.1188	EUR 503 million

This fair value calculation is based on stock exchange prices obtained from Credit Suisse per balance sheet date.

## 8 Current liabilities

Current liabilities can be specified as follows:

	2014 EUR	2013 EUR
Trade creditors	15,168	2,491
Accounts payable to affiliated companies	-	59,400
Derivatives – interest rate swaps	-	2,234,916
Accrued interest	27,002,077	20,240,929
Euronotes - Current portion of long term debt	-	300,000,000
Other liabilities	57,504	35,328
Deferred tax liability regarding interest income on income taxes	198,067	-
	<u>27,272,816</u>	<u>322,573,064</u>



## **Fresenius Finance B.V.**

### **Accounts payable to affiliated companies**

The accounts payable to affiliated companies can be detailed as follows:

	<b>2014 EUR</b>	<b>2013 EUR</b>
Fresenius Kabi NV		<b>59,400</b>
		<b>59,400</b>

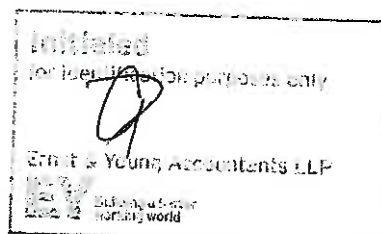
### **Derivatives – current liabilities**

Derivatives, consisting of interest rate swap contracts, are valued as follows. The fair value of interest rate swaps is calculated by discounting the future cash flows on the basis of the market interest rates applicable for the remaining term of the contract as of the date of the statement of financial position.

Repayment of the related loans took place during 2014 and therefore no interest SWAP is applicable at YE 2014.

The movement in current derivatives can be detailed as follows:

	<b>Interest rate swaps EUR</b>
Fair value at 1 January 2014	<b>2,234,915</b>
Reclassification fair value at 1 January 2014 from non-current liabilities	
Changes in fair value recognized in equity	<b>-1,669,162</b>
Changes in fair value recognized in profit and loss statement	
Tax effect of changes in fair value recognized in equity	<b>-565,753</b>
Fair value at 31 December 2014	



## Fresenius Finance B.V.

### Accrued interest

The accrued interest can be detailed as follows:

	2014 EUR	2013 EUR
Euro Notes EUR 500,000,000 (2019)	4,427,083	4,427,083
Euro Notes EUR 300,000,000 (2019)	2,948,963	-
Euro Notes EUR 500,000,000 (2020)	6,588,542	6,588,542
Euro Notes EUR 450,000,000 (2021)	5,587,492	-
Euro Notes EUR 450,000,000 (2024)	7,449,997	-
Euronotes (paid back in 2014)	-	9,225,305
	<b>27,002,077</b>	<b>20,240,929</b>

### Deferred tax liability

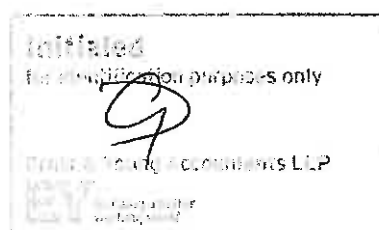
The deferred tax liability is the result of the interest income on income taxes from previous years. The tax rate of 25% has been applied to the total interest receivable amount of EUR 792,267, resulting in a deferred tax liability of EUR 198,067.

### Euronotes – current portion of long term debt

The current portion of the long term Euronotes can be detailed as follows:

	LBBW (2014) EUR (‘000)	LBBW (2014) EUR (‘000)	LBBW (2014) EUR (‘000)	LBBW (2014) EUR (‘000)	Total EUR (‘000)
Face value	62,000	38,000	87,500	112,500	300,000
• Discount at issue	-	-	-	-	-
• Accumulated amortisation	-	-	-	-	-
• Redemption in 2014	-62,000	-38,000	-87,500	-112,500	-300,000
Balance as at 31 December 2014	-	-	-	-	-

All Euronotes listed above have been fully repaid during 2014.



## **Fresenius Finance B.V.**

### ***Off-balance liabilities***

The liability concerning the rent of the building amounts to EUR 32,785 ( 2012 : EUR 65,570). This amount represents 1 year of rent

### ***Financial instruments***

#### **General**

During the normal course of business, Fresenius Finance B.V. makes use of several financial instruments such as bonds, notes, loans from and to affiliated companies and cash balances with banks. Due to the use of these financial instruments, the company is exposed to interest rate risk and credit risk. The company uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, the company does not hold or issue derivative financial instruments for trading purposes. This is not applicable for FY 2014 and therefore risk regarding interest is low for FY 2014 since we have fixed interest rates

Earnings of the company were not materially affected by hedge ineffectiveness in the reporting period since the critical terms of the interest derivatives matched the critical terms of the underlying exposures.

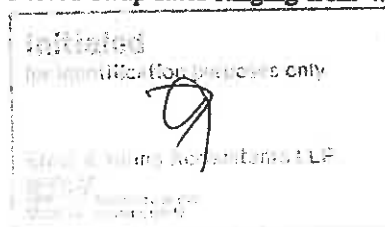
#### **Credit risk**

All financial instruments are concluded with either highly rated financial institutions or companies within the Fresenius SE & Co. KGaA group, which are expected to fully perform under the terms of the agreements. The company continuously monitors changes in credit ratings of counterparties. At the balance sheet date the credit risk concentrates on entities of the Fresenius SE & Co. KGaA group. The corporate credit rating of Fresenius SE & Co. KGaA at issue date of these financial statements is for Standard & Poor's BBB- with stable outlook, for Moody's Baa1 with stable outlook and for Fitch's BB+ with stable outlook.

The company does not expect any counterparties to fail to meet their obligations. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet.

#### **Interest rate risk**

It is management's policy not to be exposed to significant open interest rate risk positions. Basically, lending's and borrowings are matched on an individual basis as much as possible. If this is not possible, the company enters into interest rate swaps to hedge interest rate risks. Interest rate swaps, denominated in euro, have been entered into to achieve an appropriate mix of fixed and floating rate exposure within the company's policy. The swaps matured in 2014 following the maturity of the related loans and had fixed swap rates ranging from 4.0050% to 4.8800%.



## **Fresenius Finance B.V.**

The interest rate risk is mitigated for 2014 and the following years as the interest rate of the long term loans is fixed and directly related to the interest rate of the senior notes. As a result, there is no interest rate risk at December 31<sup>st</sup>, 2014, and the company does not expect to have an interest rate risk in the near future.

Due to these fix interest rates and the long term of the loans, there may be a risk concerning the fair value

### **Foreign currency risk**

At balance sheet date the company has no foreign currency risk.

### **Cash flows and liquidity risk**

Future cash flows and financial requirements will mainly be influenced by the future cash flows and financial requirements of the parent company Fresenius SE & Co KGaA and its subsidiaries.. As in previous years the company expects that loans provided to affiliated companies will be repaid on due date.

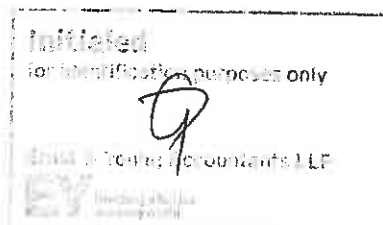
The cash flow risk is therefore nil.

Generally it is Fresenius' goal to minimize external debt in all of its subsidiaries. So all subsidiaries are instructed to use primarily the Fresenius In-house bank (which is located at Fresenius SE).

We expect Fresenius SE & Co KGaA to remain solvent. In January 2015 S&P has upgraded the corporate credit rating of Fresenius from BB+ to BBB- with a stable outlook. Also Moody's Investors Service has raised the outlook on the Ba1 rating for Fresenius to stable.

The liquidity risk is as well nil due to matching of the external financing with the internal loans with a fix interest rate. They have the same term, similar nominal value, and the projected interest receivables are higher than the interest payables.

There is also a EUR 10 million current account which guarantees sufficiently the liquidity position of the company



## **9 Interest and similar income**

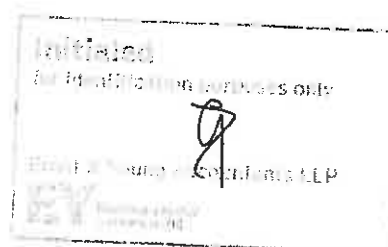
Interest and similar income can be detailed as follows:

	2014 EUR	2013 EUR
Interest income Fresenius SE & Co. KGaA	74,209,412	40,603,302
Interest income Fresenius Kabi Austria	2,327,421	10,376,473
Interest income Fresenius Kabi Sweden	-	1,482,854
Interest income Fresenius Proserve GMBH	1,671,818	3,339,044
Interest income Fresenius Kabi Spain	-	194,110
Interest income Clinico Poland	73,325	146,449
Interest income Fresenius Kabi AG	1,055,885	2,811,876
Interest income Fresenius Kabi Italia	131,986	601,085
Effective interest income on loans to affiliated companies	2,879,504	1,505,761
Recharged interest expenses to Fresenius SE & Co. KGaA	-	1,746,325
	<b>82,349,351</b>	<b>62,807,279</b>

## **10 Interest income on income taxes**

Associated with this income tax receivable, the company will also receive interests on these receivables. This interest receivable has been estimated by the company based on the applicable interest rates at EUR 792,267.

Until current date, we have already received a refund from Dutch tax authorities for the years 2002, 2003, 2004, 2005, 2006, 2007, 2013 and 2014



## 11 Interest and similar charges

Interest expenses and similar charges can be detailed as follows:

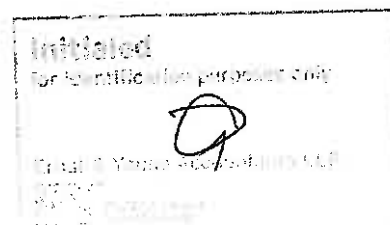
	2014 EUR	2013 EUR
Interest expense Eurobonds	76,822,660	59,988,547
Effective interest expenses Senior Notes	3,493,817	1,561,620
Commission on guarantee Fresenius SE & Co. KGaA -Fresenius Proserve - /Fresenius Kabi AG	-	37,200
Bank expenses	716	1,000
Interest expense income taxes	-	24,780
	<u>80,317,193</u>	<u>61,613,147</u>

## 12 Costs of outsourced work and other external costs

The costs of outsourced work and other external costs are detailed as follows:

	2014 EUR	2013 EUR
Salaries	8,359	8,235
Charged management and service expenses from Fresenius Kabi NV	59,400	52,400
Other expenses related to the bonds	68,155	-
Consulting and other fees	71,832	34,000
Tax advisory services KPMG Meijburg & Co	67,923	58,891
Rent office building	32,785	22,432
Bank fees	43,372	-
Other	13,924	27,458
	<u>365,750</u>	<u>203,416</u>

The audit of the Company has been performed by Ernst & Young Accountants LLP. The fees for the external Dutch auditor, the audit organization and the entire network to which the audit organization belongs charged to the financial year amounts to EUR 39,000. No other services are applicable.



### **13 Taxation on result**

Based on the current tax structure of the company the utilization of the withholding tax credit stated on the balance sheet per 2014 is very uncertain for the near future. Therefore this credit is valued at nil as of December 31, 2014. The management of the company does not expect to be able to utilize this withholding tax credit in the future. Since no withholding taxes are paid in 2014, no such reassessment had to be made for 2014.

The effective tax rate is -135% (2013: 23%) and the applicable tax rate 25% (2013: 25%) in the Netherlands. The difference relates to a reviewed Transfer Price policy and the assessment of this change by the Dutch tax authorities. As a result the company will receive a refund for the years 2002 – 2014 amounting to EUR 3,578,233 (refer to note 4).

	2014 EUR	2013 EUR
Taxation on result current year	-13,600	225,689
Taxation on result prior years	3,532,810	-
Change in deferred tax liability	-198,067	-
	<u>3,321,143</u>	<u>225,689</u>

### **14 Transactions with related parties**

It is normal course of business Fresenius Finance B.V. issues loans to affiliated companies. These transactions are conducted on a commercial basis under comparable conditions that apply to transactions with third parties.

### **15 Employees**

During the year 1 part-time director (0.10 FTE) was employed in The Netherlands (2013: 0.10 FTE).

### **16 Emoluments of directors**

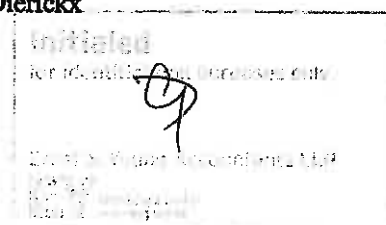
During 2014 the remuneration of the part time director (10% full time equivalent) who was on the pay roll amounted to EUR 9,366 (2013: EUR 9,366). The second director of the company received no emoluments during the financial year.

Zeist, April 30<sup>th</sup>, 2015

The Board of Directors

J.M. Simons

B. Dierickx





**Fresenius Finance B.V.**

Other information

## **Independent auditor's report**

Reference is made to the last pages of this report.

## **Statutory stipulations concerning the appropriation of results**

Article 20 of the Articles of Association contains the following stipulations regarding the appropriation of results:

- Sub 1. The result is at the disposal of the General Meeting.
- Sub 2. Payments can only be made for at most the payable part of shareholder's equity.
- Sub 3. Payment of profit shall only be distributed after adoption of the financial statements proving that profit distribution is allowed.
- Sub 4. The company is allowed to make interim profit distributions provided this article's sub 2 is complied with.
- Sub 5. The General Meeting is allowed to make payments chargeable to retained earnings provided this article's sub 2 is complied with.
- Sub 6. The shareholder's claim on payment becomes barred by lapse of five years.

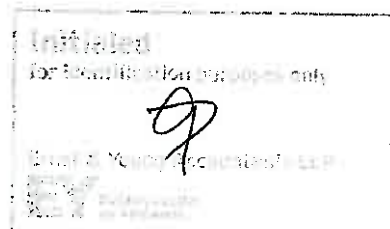
## **Proposal for the appropriation of the result 2014**

The following appropriation of the result after taxes for the year 2014 is proposed to the General Meeting: to include EUR 5,779,818 (100% of the net result after taxes) in the retained earnings within shareholder's equity.

## **Subsequent events after balance sheet date**

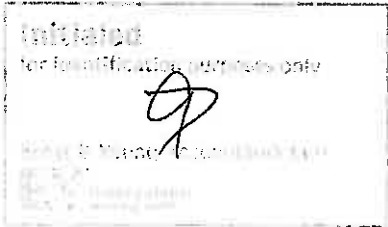
The following transactions occurred in 2015 up to the date of these 2014 financial statements:

- In 2015 the Company received the refund of the tax receivables for the years 2002, 2003, 2004, 2005, 2006, 2007, 2013 and 2014 that are stated in these financial statements.



**Fresenius Finance B.V.**

**Independent auditor's report**



## Independent auditor's report

To: the shareholders and board of directors of Fresenius Finance B.V.

### Report on the audit of the financial statements 2014

#### Our opinion

We have audited the financial statements 2014 of Fresenius Finance B.V. (the Company), based in 's-Hertogenbosch.

In our opinion the financial statements give a true and fair view of the financial position of Fresenius Finance B.V. as at 31 December 2014, and of its result for 2014 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for 2014;
- the notes comprising a summary of the significant accounting policies and other explanatory information.

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Fresenius Finance B.V. in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Materiality

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Based on our professional judgment we determined the materiality for the financial statements as a whole at € 794,- thousand. The materiality is based on 1% of interest income. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the board of directors that misstatements in excess of € 40,- thousand, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

#### Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matter to board of directors. The key audit matter is not a comprehensive reflection of all matters discussed.

This matter was addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of receivables from group companies  
The long and short term receivables from group companies are significant to our audit as these represent approximately 99% of the total assets in the financial statements of the company.

The group companies we refer to are all subsidiaries from Fresenius SE & Co. KGaA, Bad Homburg v.d. Höhe, which is the head of the group where Fresenius Finance B.V. belongs to. The company is dependent on interest income from, or repayments of, the receivables from group companies to meet its financial obligations. We have performed, among others, the following substantive audit procedures with respect to the receivables from group companies:

- Inspection of loan agreements and recalculating the amortized cost calculation including the effective interest method.
- Evaluation of the credit rating of Fresenius SE & Co. KGaA (the guarantor) from several credit rating agencies.
- Taken notice of the audited financial statements 2014 of Fresenius SE & Co. KGaA (the guarantor).

The Company's disclosure on the credit risk is included in the financial instruments risk paragraph on page 27 of the financial statements.

### **Responsibilities of the board of directors for the financial statements**

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the director's report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting unless the

board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board of directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design 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.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.

- Concluding on the appropriateness of the board of directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company ceasing to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

## Report on other legal and regulatory requirements

### Report on the board of directors report and the other information

Pursuant to legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the director's report and other information):

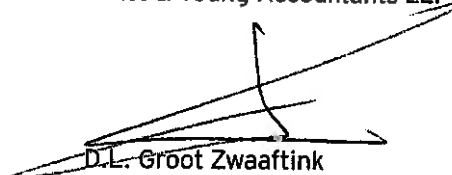
- We have no deficiencies to report as a result of our examination whether the director's report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the director's report, to the extent we can assess, is consistent with the financial statements.

### Engagement

We were engaged by the board of directors as auditor of Fresenius Finance B.V. on 20 November 2014, as of the audit for the year 2014 and have operated as statutory auditor since that date.

Zwolle, 30 April 2015

Ernst & Young Accountants LLP



D.L. Groot Zwaartink