

Fresenius Finance B.V.

Unaudited interim report
including the following reports

Semi-annual director's report

Semi-annual financial
statements

Statement from the board of
directors

Fresenius Finance B.V.

**Semi-annual director's report
and semi-annual
financial statements
per 30.06.2014
(unaudited)**

Interim director's report

Management of Fresenius Finance B.V. ("the company") hereby presents its unaudited semi-annual financial statements for the financial period ended on 30 June 2014.

General information

The company is a financing company. The principal activities of the company consist of borrowing and lending activities to affiliated companies from Fresenius SE & Co. KGaA.

At balance sheet date the company has issued Eurobonds for EUR 2,200,000,000, the company has Euronotes for EUR 100,000,000 and the company has provided loans to affiliated companies for EUR 2,306,277,496.

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 economical crisis.

Financial information

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

The operating result before taxation has increased from EUR 553,861 (H1/2013) to EUR 907,360 for H1/2014. This increase (on balance) compared with H1/2013 is the result of a higher financial result (increased with EUR 421,559), partly offset with increased external costs (increased with EUR 68,060 compared with H1/2013). The higher financial result is directly linked with the fact that the company provided more loans to affiliated companies.

The balance sheet total has increased from EUR 1,330,153,072 at the end of 2013 to EUR 2,338,850,672 at the end of H1/2014.

The financial fixed assets increased by EUR 1,193,558,712 (mainly due to EUR 1,199,204,052 new loans provided to affiliated companies offset by EUR 5,083,216 loan redemptions).

The current assets decreased with EUR 184,861,472 (mainly due to repayments of loans by affiliated companies).

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The shareholder's equity increased by EUR 3,420,660 to a positive amount of EUR 11,000,668 (partly because of the positive change in hedging reserve of EUR 1,657,346). This negative hedging reserve still reported on the balance sheet will be offset against future interest receipts. Therefore, the company is considered as a going concern. On the other side the result of the current period of EUR 1,763,313 is added to the unappropriated result under the shareholder's equity. The unappropriated result of 2013 has been added to the retained earnings.

The non-current liabilities increased by EUR 1,197,552,716 (mainly because of EUR 1,200,000,000 new issued Eurobonds).

The current liabilities decreased with EUR 192,275,776 (mainly because of EUR 200,000,000 Euronotes that were repaid).

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.

Financial and non-financial performance indicators

The net result for the period increased with EUR 1,550,691 compared with H1/2013. This is mainly linked with the fact that the company has provided more loans to affiliated companies compared with the same period in previous year and tax refunds related with previous years.

Incoming cash flow exceeded outgoing cash flows over the period January 2014 till June 2014 and has resulted in a cash and cash equivalents net increase of EUR 703,848.

Personnel related information

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

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, foreign currency risk and credit risk. The company uses derivative financial instruments to hedge its exposure to foreign exchange and 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.

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 Standard & Poor's, Moody's and Fitch. Standard & Poor's rating for Fresenius SE & Co. KGaA is currently BB+ with positive outlook, Moody's rating is currently Ba1 with negative outlook and Fitch's rating is currently BB+ with positive 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 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. 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 related to the Euronotes that matured in 2012 have consequently also matured in 2012. The swaps related to the Euronotes maturing in 2014 mature in 2014 following the maturity of the related loans and have fixed swap rates ranging from 5.495% to 5.905%. As from 31 December 2008 the variable interest on the long-term liabilities is 100% fixed by the interest rate swaps (effective hedge).

The company classifies interest rate swaps as cash flow hedges and states them at fair value. These amounts are recognised in the balance sheet as derivatives.

Foreign currency risk

At 30 June 2014 the company has no foreign currency risk.

Future developments

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

No future activities regarding research and development are expected.

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

Incoming and outgoing cash flows are expected to remain in balance.

Responsibility statements

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

Zeist, 25 July 2014

The Board of Directors

Jos Simons
Bernard Dierickx

Interim balance sheet as at 30 June 2014

(before profit appropriation)

		30/06/2014		31/12/2013	
		EUR	EUR	EUR	EUR
Fixed assets					
Fixed assets	1	3,512		3,152	
Financial fixed assets	2	2,206,281,126		1,012,722,414	
			2,206,284,638		1,012,725,566
Current assets					
Receivables from affiliated companies	3	130,991,969		317,167,565	
Other receivables	4	763,863		153,587	
Cash and cash equivalents	5	810,202		106,354	
			132,566,034		317,427,506
			2,338,850,672		1,330,153,072
Shareholder's equity					
Issued capital	6	18,151		18,151	
Share premium reserve	6	1,981,857		1,981,857	
Hedging reserve	6	-11,816		-1,669,162	
Retained earnings	6	7,249,163		6,717,019	
Unappropriated result	6	1,763,313		532,143	
			11,000,668		7,580,008
Non-current liabilities	7		2,186,963,067		989,410,351
Current liabilities	8		140,886,937		333,162,713
			2,338,850,672		1,330,153,072

Interim profit and loss account for the period ended 30 June 2014

		30/06/2014		30/06/2013	
		EUR	EUR	EUR	EUR
Financial result					
Interest and similar income	9	41,063,251		33,183,156	
Interest and similar charges	10	<u>39,985,508</u>		<u>32,526,972</u>	
			1,077,743		656,184
Costs of outsourced work and other external costs	11		<u>170,383</u>		<u>102,323</u>
Operating result before taxation			907,360		553,861
Taxation on result	12		-855,953		341,239
Net result			<u>1,763,313</u>		<u>212,622</u>

Interim cash flow statement for the period till 30 June 2014

	30/06/2014		30/06/2013	
	EUR	EUR	EUR	EUR
Result after taxation	1,763,313		212,622	
Adjusted for:				
• Changes in working capital (excluding cash and cash equivalents and short-term bank overdrafts)	-8,921,437		2,007,637	
• Hedging reserve	1,657,346		2,323,001	
• Depreciation fixed assets	511		1,872	
• Amortisation discount at issue and issue costs Eurobonds	325,822		871,130	
Cash flow from operating activities		-5,174,445		5,416,262
Investments in:				
• Fixed assets	-871		-	
• Financial fixed assets	-1,199,204,052		-640,373,326	
Divestments in :				
• Financial fixed assets	5,083,216		568,060,615	
Loans to affiliated companies	200,000,000		717,128,714	
Cash flow from investing activities		-994,121,707		644,816,003
Issue of Eurobonds	1,200,000,000		500,000,000	
Redemption Euronotes	-200,000,000		-	
Redemption Eurobonds	-		-1,150,000,000	
Cash flow from financing		1,000,000,000		-650,000,000
Changes in cash equivalents		703,848		232,265

Statement of recognised income and expense for the period ended 30 June 2014

	30/06/2014		30/06/2013	
	EUR	EUR	EUR	EUR
Net result after taxes attributable to the company		1,763,313		212,622
Changes in the fair value of the derivatives recognised in equity	1,657,346		2,323,001	
Total of items recognised directly in equity of the company		1,657,346		2,323,001
Total result of the legal entity		3,420,659		2,535,623

Notes to the semi-annual 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 disclosed 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 disclosed 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.

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

Application of Section 408, book 2 of the Netherlands Civil Code (BW)

The company applied article 408 Book 2 of the Netherlands Civil Code, and was as such exempted from drawing up consolidated financial statements since Fresenius Finance (Jersey) Limited was dissolved in December 2011. The financial information of the company is consolidated in the consolidated financial statements of the ultimate parent company, Fresenius SE & Co. KGaA.

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 investments in shares, trade and other receivables, cash and cash equivalents, loans and other financing commitments, trade and other payables.

Financial instruments also include derivative financial instruments (derivatives) embedded in contracts. These derivatives are not separated from the host contract by the company and are therefore recognised in accordance with the host contract.

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. If a hedged position in respect of an expected future transaction leads to the recognition in the balance sheet of a non-financial asset, the company adjust the cost price of this asset in line with the hedging results that have not yet been recognised in 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.

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.

If a derivative is a fair value hedge of a recognised asset or liability or an off-balance sheet commitment arising from a binding agreement, revaluation gains or losses on the derivative are recognised in profit or loss. These revaluation gains or losses are recognised simultaneously with any gains or losses on the hedged position that arise from the fair value change related to the specific risk of the hedged item or position.

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

The derivatives recorded under the current liabilities are linked with the current portion of the Euronotes. As from 2011 the derivatives linked with the non-current portion of the Euronotes are recorded under the non-current liabilities.

Purchased notes and bonds

Purchased notes and bonds which the company intends to hold to maturity (and is capable of doing so), are measured at amortised cost using the effective interest method, less impairment losses.

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Loans granted and other receivables

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

Financial fixed assets

Participating interests are valued at historic costs as the company applies section 408, book 2 BW.

The accounting policies for other financial fixed assets are included under the heading 'financial instruments'.

Dividends are recognised in the period in which they are declared. Interest income is recognised in the profit and loss account as it accrues, using the effective interest method. Any profit or loss is recognised in the profit or loss as accounted for under financial income or expenses.

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.

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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.

Cash flow statement

The cash flow statement has been prepared using the indirect method. Cash flows in foreign currency are translated into euros at the average weighted exchange rates at the dates of the transactions.

Cash flows from financial derivatives that are stated as fair value hedges or cash flow hedges are attributed to the same category as the cash flows from the hedged balance sheet items. Cash flows from financial derivatives to which hedge accounting is no longer applied, are categorised in accordance with the nature of the instrument as from the date on which the hedge accounting is ended. The company uses the corporate treasury facilities offered by the parent company Fresenius SE & Co. KGaA. Consequently the cash movements need to be considered as cash movements in Fresenius SE & Co. KGaA on behalf of 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.

Financial assets

The fair value of financial assets is determined on the basis of the listed closing (bid) price as at reporting date. The fair value of investments held to maturity is only determined for the benefit of the disclosures.

Trade and other receivables

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

Derivatives

The fair value of derivative instruments is based on the quoted market price, if available. If there is no market price available, the fair value is estimated on the basis of the expected cash flows discounted at the current interest rates, including a margin for discounting the relevant risks.

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.

Other information

1 Fixed assets

The fixed assets can be detailed as follows:

	Book value 30/06/2014 EUR	Book value 31/12/2013 EUR
Office equipment	2,381	2,694
Hardware	1,131	458
Balance	3,512	3,152

Office equipment is depreciated over 5 years. The asset value of the office equipment was EUR 5,710 at start date. The total write-off at 30/06/2014 amounts to EUR 3,329. The remaining book value will be depreciated till 2018.

Hardware is depreciated over 3 years. The asset value of the hardware was EUR 14,896 at start date. The total write-off at 30/06/2014 amounts to EUR 13,765. The remaining book value will be depreciated till 2018.

2 Financial fixed assets

Movements in the financial fixed assets can be detailed as follows:

	Loans to affiliated companies EUR	Deferred taxes EUR	Total EUR
Balance as at 1 January 2014	1,012,156,660	565,754	1,012,722,414
• Loans provided	1,199,204,052		1,199,204,052
• Loans redemptions	-5,083,216		-5,083,216
• Other redemptions			
• Reclassification to Receivables from affiliated companies			
• Tax effect of changes in fair value of derivatives recognized in equity		-562,124	-562,124
Balance as at 30 June 2014	2,206,277,496	3,630	2,206,281,126

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Loans to affiliated companies:

The loans to affiliated companies as at 30 June 2014 comprise long-term loans to

Fresenius SE & Co. KGaA with a principal amount of EUR 2,206,277,496 (31 December 2013: EUR 1,012,156,660) containing the following loans:

EUR 500,000,000 at 4.30 % due in 2019

EUR 500,000,000 at 2.93 % due in 2020

EUR 298,941,000 at 2.552 % due in 2019

EUR 444,379,500 at 3.411 % due in 2021

EUR 453,000,000 at 3.964 % due in 2024

EUR 9,956,996 at 0.225%, this loan has no fixed due date.

3 Receivables from affiliated companies

	30/06/014	31/12/2013
	EUR	EUR
Loans to Fresenius SE & Co. KGaA		50,700,000
Loan to Fresenius Kabi Italia	4,500,000	4,500,000
Loan to Fresenius Kabi AG	36,000,000	36,000,000
Loans to Fresenius Kabi Austria		149,300,000
Loan to Proserve GMBH	57,000,000	57,000,000
Loans to Clinico Poland	2,500,000	2,500,000
Accrued interest to receive from Fresenius SE & Co. KGaA	28,072,487	11,973,753
Accrued interest to receive from Fresenius Kabi Austria	50,576	2,276,825
Accrued interest to receive from Fresenius Kabi Italia	129,101	131,264
Accrued interest to receive from Clinico Poland	71,723	72,925
Accrued interest to receive from Fresenius Kabi AG	1,032,805	1,050,114
Accrued interest to receive from Fresenius Proserve GMBH	1,635,277	1,662,684
	130,991,969	317,167,565

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The receivables from affiliated companies as at 30 June 2014 comprise receivables from

Fresenius Kabi Italia with a principal amount of EUR 4,500,000 at 5.85%.

Fresenius Kabi AG with a principal amount of EUR 36,000,000 at 5.85%.

Fresenius Proserve GMBH with a principal amount of EUR 57,000,000 at 5.85%.

Clinico Poland with a principal amount of EUR 2,500,000 at 5.85%.

All receivables from affiliated companies are due within 1 year and have not been pledged.

4 Other receivables

	30/06/2014	31/12/2013
	EUR	EUR
Income tax receivable 2013	136,461	136,461
Income tax receivable previous years	613,750	-
Other	13,652	17,126
	<hr/>	<hr/>
	763,863	153,587
	<hr/>	<hr/>

The other receivables include an amount of EUR 13,652 (2013: EUR 17,126) 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 30/06/2014	Total 31/12/2013
	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					1,763,313	1,763,313	532,143
Retained earnings				532,143	-532,143	-	-
Changes in fair value of derivatives recognised in equity			1,657,346			1,657,346	4,499,892
Balance as at 30 June	18,151	1,981,857	-11,816	7,249,162	1,763,313	11,000,668	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 comprises 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.

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, see note 8 - Financial Instruments.

The non-current liabilities can be specified as follows:

	30/06/2014 EUR	31/12/2013 EUR
Eurobonds	2,186,963,067	989,410,351
	<u>2,186,963,067</u>	<u>989,410,351</u>

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Eurobonds

The Eurobonds can be detailed as follows:

	Eurobond (2019) EUR
Face value	500,000,000
Issue costs	-7,106,405
Accumulated amortisation	2,241,902
Balance as at 30 June 2014	495,135,497

	Eurobond (2020) EUR
Face value	500,000,000
Issue costs	-5,948,666
Accumulated amortisation	1,129,914
Balance as at 30 June 2014	495,181,248

	Eurobond (2019) EUR
Face value	300,000,000
Issue costs	-1,059,000
Accumulated amortisation	92,011
Balance as at 30 June 2014	299,033,011

	Eurobond (2021) EUR
Face value	450,000,000
Issue costs	-5,620,500
Accumulated amortisation	349,196
Balance as at 30 June 2014	444,728,696

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	Eurobond (2024) EUR
Face value	450,000,000
Premium	3,000,000
Accumulated amortisation	-115,385
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Balance as at 30 June 2014	452,884,615
	<hr/>
	Eurobonds (Total) EUR
Face value	2,200,000,000
Issue costs/Premium	-16,734,571
Accumulated amortisation	3,697,638
	<hr/>
Balance as at 30 June 2014	2,186,963,067
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In March 2012, Fresenius Finance B.V. issued a new Eurobond for a total amount of EUR 500 million with a coupon of 4.25%. This Eurobond will mature in 2019. Fresenius SE & Co. KGaA, Fresenius Kabi AG and Fresenius ProServe GmbH are the guarantors for this issue.

In January 2013, Fresenius Finance B.V. issued a new Eurobond for a total amount of EUR 500 million with a coupon of 2.875%. This Eurobond will mature in 2020. 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 Eurobond for a total amount of EUR 300 million with a coupon of 2.375%. This Eurobond 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 Eurobond for a total amount of EUR 450 million with a coupon of 3.000%. This Eurobond 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 Eurobond for a total amount of EUR 450 million with a coupon of 4.000%. This Eurobond will mature in 2024. Fresenius SE & Co. KGaA, Fresenius Kabi AG and Fresenius ProServe GmbH are the guarantors for this issue.

The Eurobonds have been offered in a private placement to institutional investors only.

8 Current liabilities

Current liabilities can be specified as follows:

	30/06/2014	31/12/2013
	EUR	EUR
Trade creditors	17,136	2,491
Accounts payable to affiliated companies	59,400	59,400
Derivatives – interest rate swaps	15,446	2,234,916
Accrued interest	30,916,423	20,240,929
Accrued issue costs	9,683,255	10,589,649
Accrued early redemption expenses	-	-
Euronotes - Current portion of long term debt	100,000,000	300,000,000
Eurobonds – Current portion of long term debt	-	-
Corporate income tax 2014	125,942	-
Other liabilities	69,335	35,328
	140,886,937	333,162,713

Accounts payable to affiliated companies

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

	30/06/2014	31/12/2013
	EUR	EUR
Fresenius Kabi NV	59,400	59,400
	59,400	59,400

Derivatives – current liabilities

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

The movement in current derivatives can be detailed as follows:

Fresenius Finance B.V.

	Interest rate swaps EUR
Fair value at 1 January 2014	2,234,915
Changes in fair value recognized in equity	-1,657,346
Tax effect of changes in fair value recognized in equity	-562,124
Fair value at 30 June 2014	15,446

The current derivatives can be detailed as follows:

- Floating to fixed interest rate swaps

	Notional amount EUR	Fair value EUR
Maturing 2 July 2014 fixed at 4.8800 %	62,000,000	-15,446
		-15,446

Accrued issue costs

This is related to issue costs of the Eurobonds that have been prepaid by Fresenius SE & Co. KGaA at issue date of the bonds.

The accrued issue costs of EUR 9,683,255 is the remaining liability at reporting date and has a remaining term between 5 years and 10 years.

Euronotes – current portion of long term debt

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

	LBBW (2014)	LBBW (2014)	LBBW (2014)	LBBW (2014)	Total
	EUR	EUR	EUR	EUR	EUR
Face value	62,000,000	38,000,000	87,500,000	112,500,000	300,000,000
• Discount at issue					
• Accumulated amortisation					
• Redemption in 2014			-87,500,000	-112,500,000	-200,000,000
Balance as at 30 June 2014	62,000,000	38,000,000	-	-	100,000,000

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The interest rate on the Euronotes with a principal amount of EUR 62 million is floating and is based on the 6 months Euribor rate with a surcharge of 0.90%. The company has entered into interest rate swaps to hedge the exposure of floating interest.

The interest rate on the Euronotes with a principal amount of EUR 38 million is fixed at 5.753%.

Corporate income tax

Based on the 2014 taxable income and the corporate tax advances paid during 2014, the company has a corporate tax liability amounting to EUR 125,942 at reporting date related to the current year. Based on revised tax positions for previous years the company has a tax receivable amounting to EUR 750,211 related with previous years.

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, foreign currency risk and credit risk. The company uses derivative financial instruments to hedge its exposure to foreign exchange and 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.

Earnings of the company were not materially affected by hedge ineffectiveness in the reporting period since the critical terms of the interest and foreign exchange 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 reporting date is from Standard & Poor's BB+ with positive outlook, Moody's rating is currently Ba1 with negative outlook and Fitch's rating is currently BB+ with positive outlook.

The company does not except 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 mature over the next year following the maturity of the related loans and have fixed swap rates ranging from 5.495% to 5.905%. As from 31 December 2008 the variable interest on the long-term liabilities is 100% fixed by the interest rate swaps (effective hedge). The interest rate swaps are linked with Euronotes mentioned in note 7 and note 8.

The company classifies interest rate swaps as cash flow hedges and states them at fair value. These amounts are recognised in the balance sheet as derivatives.

Foreign currency risk

Until 1 September 2011, the company was exposed to foreign currency risk on loans to affiliated companies that are denominated in a currency other than the Euro. The company used forward exchange contracts to hedge its foreign currency risk. Most of the forward exchange contracts had maturities of less than one year after the balance sheet date. Where necessary, the forward exchange contracts were rolled over at maturity.

At balance sheet date the company has no foreign currency risk since the only loan in foreign currency (loan between Fresenius Finance BV and Fresenius Kabi Poland issued in PLN) was entirely settled on 1 September 2011.

9 Interest and similar income

Interest and similar income can be detailed as follows:

	30/06/2014	30/06/2013
	EUR	EUR
Interest income Fresenius SE & Co. KGaA	35,755,250	20,934,970
Interest income Fresenius Kabi Austria	2,377,997	5,721,631
Interest income Fresenius Kabi Sweden	-	1,482,854
Interest income Fresenius Proserve GMBH	1,639,843	1,644,386
Interest income Fresenius Kabi Spain	-	194,111
Interest income Clinico Poland	71,923	72,122
Interest income Fresenius Kabi AG	1,035,690	1,741,567
Interest income Fresenius Kabi Italia	129,461	467,298
Recharged interest expenses to Fresenius SE & Co. KGaA	-	871,130
Fair value changes foreign exchange/interest derivatives	53,087	53,087
	41,063,251	33,183,156

10 Interest and similar charges

Interest expenses and similar charges can be detailed as follows:

	30/06/2014	30/06/2013
	EUR	EUR
Interest expense Eurobonds	34,083,113	23,661,760
Interest expense long-term Euronotes	5,901,963	8,819,733
Commission on guarantee Fresenius SE & Co. KGaA -/Fresenius Proserve - /Fresenius Kabi AG	-	37,201
Bank expenses	432	678
Interest expense income taxes	-	7,600
	39,985,508	32,526,972

11 Costs of outsourced work and other external costs

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

	30/06/2014	30/06/2013
	EUR	EUR
Salaries	4,015	4,015
Charged wages and salaries	26,298	26,383
Audit fees KPMG	33,155	17,000
Tax advisory services KPMG Meijburg & Co	52,576	30,782
Rent office building	16,339	7,588
Other	38,000	16,555
	170,383	102,323

12 Taxation on result

The applicable weighted average tax rate is -94.31 % (H1/2013: 61.61%). This decrease in weighted average tax rate compared with H1/2013 is mainly linked with tax refunds related to previous years. The corporate income tax liability in the semi-annual profit and loss accounts over 2014 amounts to EUR 216,840 or 23.90% of the result before taxes. Based on the current tax structure of the company the utilization of the withholding tax credit stated on the balance sheet per H1/2014 is uncertain for the near future. Therefore this credit is valued at nil.

13 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.

14 Employees

During the year 1 part-time director (10% full time equivalent) was employed (2013: 0.10).

15 Emoluments of directors

During half of the year 2014 the remuneration of the part time director (10% full time equivalent) who was on the pay roll amounted to EUR 4,015 (H1/2013: EUR 4,015). The second director of the company received no emoluments during the financial year.

Zeist, 25 July 2014

The Board of Directors

J.M. Simons

B. Dierickx

Other information

Independent auditor's report

This interim reporting package has not been audited.

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 of Shareholders.
- 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 of Shareholders 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

In accordance with Article 20 of the Articles of Association, the result after taxation is at the disposal of the Shareholders.

Events after balance sheet date

None

Fresenius Finance B.V.

Fresenius Finance B.V.

**Statement from the Board of
Directors**

FRESENIUS FINANCE B.V.

Statement from the Board of Directors

To the best of our knowledge, the financial statements are prepared in accordance with Title 9 of Book 2 of the Netherlands Civil Code and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company as of 30 June 2014.

The interim management report includes a fair review of the important events which have occurred during the first six months of the financial year and their impact on the financial statements, together with a fair description of the principal risks and uncertainties the Company faces for the remaining six months of the financial year.

Zeist, 25 July 2014

The Board of Directors

Signed by

Joseph Maurice Simons

Bernard Dierickx