

**Fresenius Finance B.V.**

**2012 financial statements**



KPMG Audit  
Document to which our report dated

**19 APR 2013**

**AV.**

also refers.  
Initials for identification purposes  
KPMG Accountants N.V.

## **Contents**


### **Financial report**

Director's report	2
Financial statements	6
Balance sheet as at 31 December 2012	6
Profit and loss account for the year ended 31 December 2012	7
Cash flow statement for the year 2012	8
Statement of recognised income and expense for the year ended 31 December 2012	9
Notes to the 2012 financial statements	10
Other information	32
Statutory stipulations concerning the appropriation of results	32
Proposal for the appropriation of the result 2012	32
Subsequent events after balance sheet date	32
Independent auditor's report	34



KPMG Audit  
Document to which our report dated

**19 APR 2013**

also refers.  1  
Initials for identification purposes  
KPMG Accountants N.V.

**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 2012.

### **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 1,650,000,000, the company has Euronotes for EUR 300,000,000 and the company has provided loans to affiliated companies for EUR 1,954,398,714.

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 2012, the company continued her role as financing company for the Fresenius group.

The operating result before taxation has increased from EUR 2,698,544 in 2011 to EUR 2,770,041 in 2012. This year-on-year improvement (as compared to 2011) is the result of a higher financial result (increased with EUR 95,387) and partly offset by increased external costs (increased with EUR 23,890).

The balance sheet total has increased from EUR 1,794,168,947 at the end of 2011 to EUR 2,006,703,917 at the end of 2012.

Financial fixed assets decreased by EUR 190,003,553, which is primary due to higher reclassification to receivables from affiliated companies compared with the amount of new long term loans provided.

Current assets increased by EUR 402,530,826, primary due to reclassification from financial fixed assets, new short-term loans issued and an accrual for costs to be incurred in respect of early redemption of loans. This increase is partly offset by repayments of loans by affiliated companies in 2012.

KPMG Audit  
Document to which our report dated

**19 APR 2013**

also refers. **A.V.** 2  
Initials for identification purposes  
KPMG Accountants N.V.

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

The shareholder's equity increased by EUR 4,470,076 to a positive amount of EUR 2,547,973, which is mainly due to the change in hedging reserve of EUR 3,235,081 and the result of the current year of EUR 1,234,995 that is added to the unappropriated result under the shareholder's equity.

Shareholder's equity still includes a negative hedging reserve at balance sheet date of EUR 6,169,054. This negative hedging reserve will be offset against future interest receipts. Therefore, the company is considered as a going concern.

Non-current liabilities decreased by EUR 144,906,720. In March 2012, a new Eurobond was issued for EUR 500,000,000. The Eurobond due in 2013 is still classified under the non-current liabilities since the company has issued successfully a new long term Eurobond to refinance this Eurobond before due date. The Eurobonds of EUR 500 million and EUR 150 million initially due in 2016 were redeemed early 2013 and are classified as current liabilities at the balance sheet date, accordingly.

Current liabilities increased by EUR 352,971,614, which is explained by the aforementioned reclassification of the Eurobonds of EUR 500 million and EUR 150 million as current liabilities, partially offset by repayment of the EUR 300,000,000 Euronotes in full in 2012.

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**

Incoming cash flow exceeded outgoing cash flows over the year and has resulted in a cash and cash equivalents net increase of EUR 265,701. Refer to the cash-flow statement for further details.

## **Personnel related information**


During 2012 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 2:166 and 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, manufacturing industry 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.



KPMG Audit  
Document to which our report dated

19 APR 2013

also refers.   
Initials for identification purposes  
KPMG Accountants N.V.

**Fresenius Finance B.V.**

## **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.

### **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. Standard & Poor's rating for Fresenius SE & Co. KGaA is currently BB+ with stable outlook, Moody's rating is currently Ba1 with stable outlook and Fitch's rating is currently 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 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 loans due in 2012 have matured in 2012. The swaps related to the loans due in 2014 will also mature in 2014 and have fixed swap rates ranging from 4.005% to 4.8800%. 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**

The company is not exposed to foreign currency risk.



KPMG Audit  
Document to which our report dated

19 APR 2013 4

also refers. *AV*  
Initials for identification purposes  
KPMG Accountants N.V.

**Fresenius Finance B.V.**

## **Future developments**

The following transactions occurred in 2013 up to the date of these 2012 financial statements:

- Issue on January 24, 2013 of a EUR 500 million Eurobond with maturity date in 2020.
- Repayment on January 31, 2013 of EUR 500 million Eurobond due on January 31, 2013.
- Early redemption on February 7, 2013 of the EUR 500 million Eurobond initially due in 2016.
- Early redemption on February 7, 2013 of the EUR 150 million Eurobond initially due in 2016.

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, 19 April 2013

The Board of Directors  
Jos Simons  
Bernard Dierickx



KPMG Audit  
Document to which our report dated

19 APR 2013

also refers. *AV.*  
Initials for identification purposes  
KPMG Accountants N.V.

**Fresenius Finance B.V.**

**Balance sheet as at 31 December 2012**

*(before profit appropriation)*

		2012		2011	
		EUR	EUR	EUR	EUR
<b>Fixed assets</b>					
Fixed assets	1	3,589		5,892	
Financial fixed assets	2	1,239,326,351		1,429,329,904	
			1,239,329,940		1,429,335,796
<b>Current assets</b>					
Receivables from affiliated companies	3	767,008,345		364,590,976	
Other receivables	4	13,653		155,897	
Cash and cash equivalents	5	351,979		86,278	
			767,363,977		364,833,151
			2,006,703,917		1,794,168,947
<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	-6,169,054		-9,404,135	
Retained earnings	6	5,482,024		4,569,158	
Unappropriated result	6	1,234,995		912,866	
			2,547,973		-1,922,103
<b>Non-current liabilities</b>	7		1,301,838,101		1,446,744,821
<b>Current liabilities</b>	8		702,317,843		349,346,229
			2,006,703,917		1,794,168,947



KPMG Audit  
Document to which our report dated

19 APR 2013

6

also refers.

Initials for identification purposes  
KPMG Accountants N.V.

**Fresenius Finance B.V.**

**Profit and loss account for the year ended 31 December 2012**

		2012		2011
		EUR	EUR	EUR
<b>Financial result</b>				
Interest and similar income	9	123,669,246		122,241,686
Interest and similar charges	10	120,637,343		119,305,170
			3,031,903	2,936,516
Costs of outsourced work and other external costs	11	261,862		237,972
<b>Operating result before taxation</b>			2,770,041	2,698,544
Taxation on result	12	640,798		677,129
Withholding taxes	12	894,248		1,108,549
<b>Net result</b>			1,234,995	912,866



KPMG Audit  
Document to which our report dated

19 APR 2013

7

also refers. *A.Y.*  
Initials for identification purposes  
KPMG Accountants N.V.



**Fresenius Finance B.V.**

**Cash flow statement for the year 2012**

	2012		2011	
	EUR	EUR	EUR	EUR
Result after taxation	1,234,995		912,866	
Adjusted for:				
• Changes in working capital (excluding cash and cash equivalents and short-term bank overdrafts)	-9,972,258		-6,921,586	
• Hedging reserve	3,235,081		5,257,840	
• Depreciation fixed assets	3,668		3,915	
• Amortisation discount at issue and issue costs Eurobonds	7,873,793		4,410,451	
<b>Cash flow from operating activities</b>		<b>2,375,279</b>		<b>3,663,486</b>
Investments in:				
• Fixed assets	-1,364		-	
• Financial fixed assets	-515,000,000		-230,000,000	
Divestments in :				
• Financial fixed assets	-		232,081,215	
Loans to affiliated companies	312,891,786		-7,014,430	
<b>Cash flow from investing activities</b>		<b>-202,109,578</b>		<b>-4,933,215</b>
Eurobonds	500,000,000		-	
Euronotes	-300,000,000		-	
<b>Cash flow from financing</b>		<b>200,000,000</b>		
<b>Changes in cash equivalents</b>		<b>265,701</b>		<b>-1,269,729</b>

**KPMG**

KPMG Audit  
Document to which our report dated

19 APR 2013

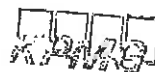
8

also refers. **A.V.**  
Initials for identification purposes  
KPMG Accountants N.V.

Fresenius Finance B.V.

**Statement of recognised income and expense for the year  
ended 31 December 2012**

	2012		2011	
	EUR	EUR	EUR	EUR
Net result after taxes attributable to the company		1,234,995		912,866
Changes in the fair value of the derivatives recognised in equity	3,235,081		5,257,840	
Total of items recognised directly in equity of the company		3,235,081		5,257,840
Total result of the legal entity		4,470,076		6,170,706



KPMG Audit  
Document to which our report dated

19 APR 2013

also refers. AV. 9  
Initials for identification purposes  
KPMG Accountants N.V.

**Fresenius Finance B.V.**

## **Notes to the 2012 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.

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.

KPMG Audit  
Document to which our report dated

19 APR 2013

10

also refers. A.Y.  
Initials for identification purposes  
KPMG Accountants N.V.

## **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 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

KPMG Audit  
Document to which our report dated

19 APR 2013

11

also refers. *AV*  
Initials for identification purposes  
KPMG Accountants N.V.

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

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 non-current liabilities are linked with the non-current portion of the Euronotes.

### ***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.

### ***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.

### ***Impairment***

Assets with a long life should be tested for impairment in the case of changes or circumstances arising that lead to an indication that the carrying amount of the asset will not be recovered. The recoverability of assets in use is determined by comparing the carrying amount of an asset with the estimated present value of the future net cash flows which the asset is expected to generate.

KPMG Audit  
Document to which our report dated

19 APR 2013

also refers. *A.V.* 12  
Initials for identification purposes  
KPMG Accountants N.V.

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

If the carrying amount of an asset exceeds the estimated present value of the future cash flows, impairment is charged to the difference between the carrying amount and the recoverable amount.

### **Other receivables**

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 economic 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 economic 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'.

### **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.



KPMG Audit  
Document to which our report dated

19 APR 2013

also refers. *AV.* 13  
Initials for identification purposes  
KPMG Accountants N.V.

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

### **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.

### **Share in the result from investments in participating interests**

The share in the result of participating interests consists of the share of the company in the result of these participating interests. The results of participating interests acquired or sold during the financial year are stated in the group result from the date of acquisition or until the date of sale respectively.

### **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.

KPMG Audit  
Document to which our report dated

19 APR 2013

also refers. **AV. 14**  
Initials for identification purposes  
KPMG Accountants N.V.

**Fresenius Finance B.V.**

***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.



KPMG Audit  
Document to which our report dated

19 APR 2013 15  
A.V.

also refers.  
Initials for identification purposes  
KPMG Accountants B.V.



## Fresenius Finance B.V.

### 1 Fixed assets

Fixed assets are detailed as follows:

	Book value 2012 EUR	Book value 2011 EUR
Office equipment	589	1,192
Hardware	3,000	4,700
Balance as at 31 December	3,589	5,892

Office equipment is depreciated over 5 years. The asset value of the office equipment was EUR 3,015 at start date. The accumulated depreciation at 31/12/2012 amounts to EUR 2,426. The remaining book value will be depreciated till 2014.

Hardware is depreciated over 3 years. The asset value of the hardware was EUR 14,025 at start date. The accumulated depreciation at 31/12/2012 amounts to EUR 11,025. The remaining book value will be depreciated in 2013.

### 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 2012	1,426,122,180	3,207,724	1,429,329,904
• Loans provided	515,000,000		515,000,000
• Loans redemptions			
• Other redemptions			
• Reclassification to Receivables from affiliated companies	-703,852,180		-703,852,180
• Tax effect of changes in fair value of derivatives recognized in equity		-1,151,373	-1,151,373
Balance as at 31 December 2012	1,237,270,000	2,056,351	1,239,326,351

KPMG Audit

Document to which our report dated

19 APR 2013

also refers.  16

Initials for identification purposes  
KPMG Accountants N.V.

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

### **Participating interests:**

Until 13 December 2011, the company had a 100% participating interest in Fresenius Finance (Jersey) Limited. This company was dissolved on 13 December 2011. As a result of this dissolution the participation of Fresenius Finance BV in Fresenius Finance (Jersey) Limited has ended without any participation result for Fresenius Finance BV in 2011.

### **Deferred tax asset:**

The deferred tax asset comprises 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 7 and 8.

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

The loans to affiliated companies as at 31 December 2012 comprise long-term loans to

*Fresenius SE & Co. KGaA* with a principal amount of EUR 872,970,000 (31 December 2011: EUR 381,874,860) containing the following loans:

EUR 50,700,000 at 6.10 % due in 2014;

EUR 184,270,000 at 5.45 % due in 2016;

EUR 138,000,000 at 7.40 % due in 2016;

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

*Fresenius Kabi Spain* has no long term loans (31 December 2011: EUR 42,740,000) since the long term loan became a short term loan.

*Fresenius Kabi Austria* with a principal amount of EUR 264,300,000 (31 December 2011: EUR 338,300,000) containing the following loans:

EUR 15,000,000 at 5.45 % due in 2014;

EUR 149,300,000 at 6.10 % due in 2014;

EUR 100,000,000 at 5.45 % due in 2015.

*Fresenius Kabi Italia* with a principal amount of EUR 4,500,000 (31 December 2011: EUR 82,360,000) at 5.85 % due in 2014.

*Fresenius Kabi Sweden* has no long term loans (31 December 2011: EUR 326,500,000) since the long term loans became short term loans.

*Fresenius Kabi AG* with a principal amount of EUR 36,000,000 (31 December 2011: EUR 194,847,320) at 5.85 % due in 2014.

KPMG Audit  
Document to which our report dated

19 APR 2013

also refers. *AV.* 17  
Initials for identification purposes  
KPMG Accountants N.V.

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

*Proserve GMBH* with a principal amount of EUR 57,000,000 (31 December 2011: EUR 57,000,000) at 5.85% due in 2014.

*Clinico Poland* with a principal amount of EUR 2,500,000 (31 December 2011: EUR 2,500,000) at 5.85% due in 2014.

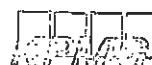
The loans to affiliated companies are not secured.

Based on the fair value of the underlying external debt the management of the company considers that the carrying amount of the provided loans does not significantly differ from the fair value of the loan.

In absence of the availability of the counterparty credit ratings of the individual affiliated companies, the credit risk of Fresenius SE & Co. KGaA has been applied in estimating the fair value of the loans granted to these affiliated companies.

### **3 Receivables from affiliated companies**

	2012 EUR	2011 EUR
Loans to Fresenius SE & Co. KGaA	37,181,394	227,768,320
Loan to Fresenius Kabi Italia	71,910,000	15,000,000
Loan to Fresenius Kabi France	-	76,000,000
Loan to Fresenius Kabi AG	149,797,320	7,400,000
Loans to Fresenius Kabi Austria	89,000,000	-
Loan to Fresenius Kabi Spain	42,740,000	-
Loans to Fresenius Kabi Sweden	326,500,000	-
Accrued interest to receive from Fresenius SE & Co. KGaA	14,372,309	12,618,031
Accrued interest to receive from Fresenius Kabi Austria	6,878,442	6,882,027
Accrued interest to receive from Fresenius Kabi France	-	2,145,956
Accrued interest to receive from Fresenius Kabi Sweden	7,414,271	7,414,271
Accrued interest to receive from Fresenius Kabi Italia	1,752,976	2,299,667
Accrued interest to receive from Fresenius Kabi Spain	970,554	970,554
Accrued interest to receive from Clinico Poland	72,725	72,330
Accrued interest to receive from Fresenius Kabi AG	4,426,215	4,370,692
Accrued interest to receive from Fresenius Proserve GMBH	1,658,139	1,649,128
Accrued early redemption expenses to be paid by Fresenius SE & Co. KGaA	12,334,000	-
	<b>767,808,345</b>	<b>364,590,976</b>



KPMG Audit  
Document to which our report dated

19 APR 2013

also refers. **AY** 18  
Initials for identification purposes  
KPMG Accountants N.V.

**Fresenius Finance B.V.**

The receivables from affiliated companies as at 31 December 2012 comprise receivables from *Fresenius SE & Co. KGaA* with a principal amount of EUR 37,181,394 (31 December 2011: EUR 227,768,320) containing the following receivables:

EUR 7,543,905 at 5.45%;

EUR 8,589,904 at 5.60%;

EUR 21,047,585 at 5.70%.

*Fresenius Kabi Italia* with a principal amount of EUR 71,910,000 (31 December 2011: EUR 15,000,000) at 5.45%.

*Fresenius Kabi Austria* with a principal amount of EUR 89,000,000 (31 December 2011: EUR 0) containing the following receivables:

EUR 50,000,000 at 5.45%;

EUR 39,000,000 at 5.45 %.

*Fresenius Kabi Spain* with a principal amount of EUR 42,740,000 (31 December 2011: EUR 0) at 5.45%.

*Fresenius Kabi Sweden* with a principal amount of EUR 326,500,000 (31 December 2011: EUR 0) containing the following receivables:

EUR 258,000,000 at 5.45%;

EUR 68,500,000 at 5.45 %.

*Fresenius Kabi AG* with a principal amount of EUR 149,797,320 (31 December 2011: EUR 7,400,000) at 5.45%.

The loan from *Fresenius Kabi France* with a principal amount of EUR 76,000,000 due this year has been repaid by *Fresenius Kabi France* as expected.

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

Based on the fair value of the underlying external debt the management of the company considers that the carrying amount of the provided loans does not significantly differ from the fair value of the loan.

In absence of the availability of the counterparty credit ratings of the individual affiliated companies, the credit risk of *Fresenius SE & Co. KGaA* has been applied in estimating the fair value of the loans granted to these affiliated companies.

The accrued early redemption expenses are related to the early redemption of the EUR 500 million and the EUR 150 million bonds and can be detailed as follows:

KPMG Audit  
Document to which our report dated

19 APR 2013

also refers. *AV*, 19  
Initials for identification purposes  
KPMG Accountants

## Fresenius Finance B.V.

- EUR 5,954,000 early redemption premium.
- EUR 980,000 extra amortization on disagio on EUR 500 million Eurobond.
- EUR 5,400,000 extra amortization on disagio on EUR 150 million Eurobond.

### 4 Other receivables

	2012 EUR	2011 EUR
Withholding tax credits	-	113,487
Other	13,653	42,410
	<u>13,653</u>	<u>155,897</u>

The other receivables include an amount of EUR 13,653 (2011: EUR 42,410) not due within one year.

Reference is made to note 12 for further details on withholding taxes.

### 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 EUR	Share premium reserve EUR	Hedging reserve EUR	Retained earnings EUR	Unappro- priated result EUR	Total 2012 EUR	Total 2011 EUR
Balance as at 1 January	18,151	1,981,857	-9,404,135	4,569,158	912,866	-1,922,103	-8,092,809
Changes:							
Result for the year					1,234,995	1,234,995	912,866
Retained earnings				912,866	-912,866	-	-
Changes in fair value of derivatives recognised in equity			3,235,081			3,235,081	5,257,840
Balance as at 31 December	18,151	1,981,857	-6,169,054	5,482,024	1,234,995	2,547,973	-1,922,103

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.

KPMG Audit  
Document to which our report dated

19 APR 2013

20

also refers.  
Initials for identification purposes  
KPMG Accountants N.V.

## Fresenius Finance B.V.

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.

## 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:

	2012 EUR	2011 EUR
Eurobonds	993,612,696	1,136,209,661
Euronotes – non-current portion	300,000,000	300,000,000
Derivatives – interest rate swaps related with non-current liabilities	8,225,405	10,535,160
	<u>1,301,838,101</u>	<u>1,446,744,821</u>

## Eurobonds

The Eurobonds can be detailed as follows:

	Eurobond (2019) EUR	Eurobond (2013) EUR	Total EUR
Face value	500,000,000	500,000,000	1,000,000,000
Discount at issue	-	-2,295,000	-2,295,000
Issue costs	-7,106,405	-7,076,075	-14,182,480
Accumulated amortisation	719,101	9,371,075	10,090,176
Balance as at 31 December 2012	<u>493,612,696</u>	<u>500,000,000</u>	<u>993,612,696</u>

In January 2006, the company issued a bond with a total nominal value of EUR 1,000 million. This bond comprises one tranche with a nominal value of EUR 500 million, a maturity of 7 years and an annual interest rate of 5.0% and a second tranche with a nominal value of EUR 500 million, a maturity of 10 years and an annual interest rate of 5.5% as well as a call option for the issuer after five years. Fresenius SE & Co. KGaA, Fresenius Kabi AG and Fresenius ProServe GmbH are the guarantors for this issue.

KPMG Audit  
Document to which our report dated

19 APR 2013

21

A.Y.  
also refers.  
Initials for identification purposes  
KPMG Accountants N.V.

## Fresenius Finance B.V.

The tranche with a nominal value of EUR 500 million with a maturity of 7 years that becomes due in January 2013 is still reported under the non-current liabilities since the company has issued successfully a new long term bond to refinance this bond due in January 2013.

In January 2009, Fresenius Finance B.V. placed a tap on its 2006 Eurobond for a total amount of EUR 150,000,000. An aggregate principal amount of € 150 million was issued at a price of 92.0 % and a coupon of 5.5 %, resulting in a yield to maturity of 7.0 %. This Eurobond had an initial maturity date in 2016.

Since the company has decided at balance sheet date to repay in 2013 the tranche with nominal value EUR 500 million (initially due in 2016) and the tap with nominal value EUR 150 million (initially due in 2016) both amounts are reported under the current liabilities.

The costs related to the early redemption of these Eurobonds have been processed in the 2012 financial statements since the decision to early redeem these Eurobonds was made in 2012. These costs have been recharged to Fresenius SE & Co. KGaA and other Fresenius companies.

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.

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

The fair values of the Fresenius Finance B.V. bonds at December 31, 2012 were as follows (in Mio EUR):

Bond	Nominal	Rate	Fair Value
FFBV 2006/13 5.00 %	500	1.0025	501.25
FFBV 2012/19 4.25 %	500	1.0775	538.75

## Euronotes

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 2012					
Balance as at 31 December 2012	62,000	38,000	87,500	112,500	300,000

KPMG Audit  
Document to which our report dated

19 APR 2013

also refers. *AY.* 22  
Initials for identification purposes  
KPMG Accountants N.V.

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

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%.

The interest rate on the Euronotes of EUR 87.5 million is floating and is based on the 3 months Euribor rate with a surcharge of 1.90 %. The company has entered into interest rate swaps to hedge the exposure of floating interest.

The interest rate on the Euronotes of EUR 112.5 million is fixed at 5.98%

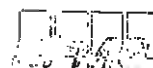
The total fair value of the non-current Euronotes portfolio amounts to EUR 310.03 million.

### **Derivatives – noncurrent liabilities**

Derivatives, consisting of interest rate swaps, 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.

The movement in non-current derivatives can be detailed as follows:

	Interest rate swaps EUR
Fair value at 1 January 2012	10,535,160
Changes in fair value recognized in equity	-1,732,316
Changes in fair value recognized in profit and loss statement	-
Tax effect of changes in fair value recognized in equity	-577,439
Fair value at 31 December 2012	8,225,405



KPMG Audit  
Document to which our report dated

19 APR 2013

23

also refers.  
Initials for identification purposes  
KPMG Accountants N.V.



## Fresenius Finance B.V.

The non- current derivatives can be detailed as follows:

- Floating to fixed interest rate swaps

	EUR	
	Notional amount	Fair value
Maturing 2 April 2014 fixed at 4.0050 %	87,500,000	-4,016,616
Maturing 2 July 2014 fixed at 4.8800 %	62,000,000	-4,208,789
		<u>-8,225,405</u>

## 7 Current liabilities

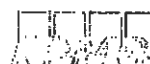
Current liabilities can be specified as follows:

	2012 EUR	2011 EUR
Trade creditors	28,477	17,859
Accounts payable to affiliated companies	464,888	521,860
Derivatives – interest rate swaps	-	2,076,699
Accrued interest	38,964,888	41,722,637
Accrued issue costs	6,464,128	4,781,476
Accrued early redemption expenses	5,954,000	-
Euronotes - Current portion of long term debt	-	300,000,000
Eurobonds – Current portion of long term debt	649,744,353	-
Corporate income tax	638,546	179,556
Other liabilities	58,563	46,122
	<u>702,317,843</u>	<u>349,346,229</u>

### Accounts payable to affiliated companies

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

	2012 EUR	2011 EUR
Fresenius SE & Co. KGaA	283,842	285,922
Fresenius Kabi AG	121,646	122,538
Fresenius Kabi NV	59,400	113,400
	<u>464,888</u>	<u>521,860</u>



KPMG Audit  
Document to which our report dated

19 APR 2013 24

also refers.  
Initials for identification purposes  
KPMG Accountants B.V.

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

### **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.

Since the Euronotes where the interest rate swaps were related to have been repaid as expected during the course of 2012, these liabilities no longer exist at balance sheet date.

During 2012, an amount of EUR 1,502,765 of changes in fair value net of taxes linked with interest rate swap contracts was recognized in equity.

### **Accrued interest**

The accrued interest can be detailed as follows:

	2012 EUR	2011 EUR
Eurobond EUR 500,000,000 (2013)	10,416,667	10,416,667
Eurobond EUR 500,000,000 (2016)	11,458,333	11,458,333
Eurobond EUR 150,000,000 (2016)	3,437,500	3,437,500
Eurobond EUR 500,000,000 (2019)	4,427,083	-
Euronotes	9,225,305	16,410,157
	<b>38,964,888</b>	<b>41,722,657</b>

### **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 6,464,128 are the remaining liability at year end of which

- An amount of EUR 1,092,025 has remaining term of < 1 year.
- An amount of EUR 4,060,804 has a remaining term of 1 < 5 years.
- An amount of EUR 1,311,299 has a remaining term of > 5 years.

During 2012, an extra reversal of EUR 2,771,892 accrued issue costs was booked in relation with the early redemption of the EUR 500 million and the EUR 150 million Eurobonds.

### **Euronotes – current portion of long term debt**

The 4 Euronotes with a total amount of EUR 300,000,000 that were due in 2012 were repaid at due date.



KPMG Audit  
Document to which our report dated

19 APR 2013

also refers.  
Initials for identification purposes  
KPMG Accountants N.V.

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

### **Eurobonds – current portion of long term debt**

The Eurobonds can be detailed as follows:

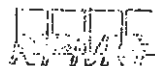
	<b>Eurobond (2016) EUR</b>	<b>Eurobond (2016) EUR</b>	<b>Total EUR</b>
Face value	500,000,000	150,000,000	650,000,000
Discount at issue	-3,430,000	-12,000,000	-15,430,000
Issue costs	-7,076,075	-1,500,000	-8,576,075
Accumulated amortisation	7,374,430	7,224,106	14,598,536
Amortisation due to early redemption	2,063,856	708,036	2,771,892
Discount at issue to be charged to Fresenius SE & Co. KGaA due to early redemption	980,000	5,400,000	6,380,000
Balance as at 31 December 2012	<u>499,912,211</u>	<u>149,832,142</u>	<u>649,744,353</u>

Both Eurobonds with initial maturity date in 2016 are presented in these financial statements as current liabilities since the company has decided in 2012 to early redeem these Eurobonds in 2013. These Eurobonds will not be refinanced by a new long term Eurobond at the date of the early redemption. The fair values of these Fresenius Finance B.V. bonds at December 31, 2012 were as follows (in Mio EUR)

Bond	Nominal	Rate	Fair Value
FFBV 2006/16 5.5 %	650	1.01	656.50

### **Corporate income tax**

Based on the 2012 taxable result and taking into consideration the corporate tax advances paid during 2012, the company has a corporate tax liability amounting to EUR 222,888.



KPMG Audit  
Document to which our report dated

19 APR 2013

26

also refers. *AV.*  
Initials for identification purposes  
KPMG Accountants N.V.

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

Due to the revised method of allocation of withholding taxes the company has at balance sheet date the following tax liabilities:

	2012 EUR	2011 EUR
Tax liability 2012	222,888	
Tax liability 2011	241,883	179,556
Tax liability 2010	91,235	
Tax liability 2009	82,540	
	<hr/>	<hr/>
	638,546	179,556
	<hr/>	<hr/>

Based on the current tax structure of the company the utilization of the withholding tax credit is uncertain for the near future and has been valued at nil in the financial statements of December 31, 2012. Nevertheless the management of the company expects to be able to utilize this withholding tax credit in the mid-term future. The maximum utilization could result in EUR 2,002,797 withholding tax credit to be offset against future corporate income tax payable.

## ***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.

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.



KPMG Audit  
Document to which our report dated

19 APR 2013 27

also refers.  
Initials for identification purposes  
KPMG Accountants N.V.

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

The corporate credit rating of Fresenius SE & Co. KGaA at year end was for Standard & Poor's BB+ with positive 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**

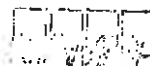
It is management's policy not to be exposed to significant open interest rate risk positions. Basically, lending's and borrowings are matched on an individual basis as much as possible. If this is not possible, the company enters into interest rate swaps to hedge interest rate risks.

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 mature over the next 2 years following the maturity of the related loans and have fixed swap rates ranging from 4.0050% to 4.8800%. 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 the Euronotes mentioned in note 7.

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 balance sheet date the company has no foreign currency risk.



KPMG Audit  
Document to which our report dated

19 APR 2009

28

also refers. *AV.*  
Initials for identification purposes  
KPMG Accountants B.V.

**Fresenius Finance B.V.**

**Interest and similar income**

Interest and similar income can be detailed as follows:

	2012 EUR	2011 EUR
Interest income Fresenius SE & Co. KGaA	44,676,839	56,088,942
Interest income Fresenius Kabi Austria	19,897,943	19,984,718
Interest income Fresenius Kabi Sweden	17,794,250	17,794,250
Interest income Fresenius Kabi France	2,151,130	4,412,300
Interest income Fresenius Proserve GMBH	3,343,512	3,334,500
Interest income Imm Isola della Scala	-	17,165
Interest income Fresenius Kabi Spain	2,329,330	2,329,330
Interest income Fresenius Kabi Poland	-	118,890
Interest income Clinico Poland	146,645	146,250
Interest income Fresenius Kabi AG	10,774,182	10,450,951
Interest income Fresenius Kabi Italia	4,797,621	5,453,603
Interest income bank and third parties	40	5,371
Recharged loan fee Fresenius SE & Co. KGaA	-	108,814
Recharged interest expenses to Fresenius SE & Co. KGaA	5,423,754	1,932,761
Recharged disagio on EUR 500 mio Eurobond	980,000	-
Recharged disagio on EUR 150 mio Eurobond	5,400,000	-
Recharged early redemption fee on EUR 500 mio and EUR 150 mio Eurobond	5,954,000	-
Fair value changes foreign exchange derivatives	-	63,052
Other interest	-	789
	<b>123,669,246</b>	<b>122,241,686</b>

KPMG Audit  
Document to which our report dated

19 APR 2013 29

also refers.  
Initials for identification purposes  
KPMG Accountants B.V.

**Fresenius Finance B.V.**

**8 Interest and similar charges**

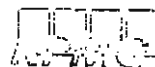
Interest expenses and similar charges can be detailed as follows:

	2012 EUR	2011 EUR
Interest expense Eurobonds	84,679,349	65,160,451
Interest expense long-term Euronotes	23,217,913	34,357,670
Interest expense loan MEB Fresenius Finance Jersey		19,309,068
Early redemption fee on on EUR 500 mio and EUR 150 mio Eurobond	5,954,000	
Extra amortization on disagio on EUR 500 mio Eurobond	980,000	
Extra amortization on disagio on EUR 150 mio Eurobond	5,400,000	
Commission on guarantee Fresenius SE & Co. KGaA -/Fresenius Proscruc - /Fresenius Kabi AG	405,488	408,460
Fair value changes foreign exchange derivatives		68,427
Bank expenses	593	527
Interest expense income taxes	-	567
	<b>120,637,343</b>	<b>119,305,170</b>

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

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

	2012 EUR	2011 EUR
Salaries	8,157	9,004
Charged wages and salaries	52,400	47,700
Audit fees KPMG	79,163	51,436
Tax advisory services KPMG Meijburg & Co	43,688	9,282
Advisory fees		61,191
Rent office building	37,958	38,831
Other	40,496	20,528
	<b>261,862</b>	<b>237,972</b>



KPMG Audit  
Document to which our report dated

19 APR 2013

also refers. **A.Y. 30**  
Initials for identification purposes  
KPMG Accountants N.V.

**Fresenius Finance B.V.**

## **10 Taxation on result**

The applicable weighted average tax rate is 23.13% (2011: 25.09%). The tax liability in the profit and loss accounts over 2012 amounts to EUR 640,798 or 23.13% 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 2012 is uncertain for the near future. Therefore this credit is valued at nil as of December 31, 2012.

Nevertheless the management of the company expects to be able to utilize this withholding tax credit in the mid-term future. The maximum utilization could result in EUR 2,002,797 withholding tax credit to be offset against future corporate income tax payable.

## **11 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.

## **12 Employees**

During the year 1 part-time director (10% full time equivalent) was employed (2011: 0.10).

## **13 Emoluments of directors**

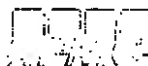
During 2012 the remuneration of the part time director (10% full time equivalent) who was on the pay roll amounted to EUR 8,157 (2011: EUR 9,004). The second director of the company received no emoluments during the financial year.

Zeist, 19 April 2013

The Board of Directors

J.M. Simons

B. Dierickx



KPMG Audit  
Document to which our report dated

19 APR 2013 31

also refers.  
Initials for identification purposes  
KPMG Accountants B.V.



**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 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 2012**

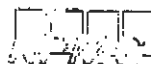
The following appropriation of the result after taxes for the year 2012 is proposed to the General Meeting of Shareholders: to include EUR 1,234,995 (100% of the net result after taxes) in the retained earnings within shareholder's equity.

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

The following transactions occurred in 2013 up to the date of these 2012 financial statements :

- Issue on January 24, 2013 of a EUR 500 million Eurobond with maturity date in 2020.
- Repayment on January 31, 2013 of EUR 500 million Eurobond due on January 31, 2013.
- Early redemption on February 7, 2013 of the EUR 500 million Eurobond initially due in 2016.
- Early redemption on February 7, 2013 of the EUR 150 million Eurobond initially due in 2016.

The costs related to the early redemption of the EUR 500 million and the EUR 150 million Eurobonds have been processed in the 2012 financial statements since the decision to early repay these Eurobonds was taken in 2012.



KPMG Audit  
Document to which our report dated

19 APR 2013

32

also refers.  
Initials for identification purposes:  
KPMG Accountants N.V.

**Fresenius Finance B.V.**

## Independent auditor's report

**To: the General Meeting of Shareholders of Fresenius Finance B.V.**

## Report on the financial statements

We have audited the accompanying financial statements 2012 of Fresenius Finance B.V., 's-Hertogenbosch, The Netherlands, which comprise the balance sheet as at 31 December 2012, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

### Management's responsibility

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

### Auditor's responsibility

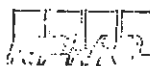
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

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 2012 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.



KPMG Audit  
Document to which our report dated

19 APR 2003

33

A.V.

also refers.  
Initials for identification purposes.  
KPMG / 2000-00-00

**Fresenius Finance B.V.**

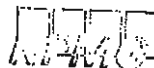
**Report on other legal and regulatory requirements**

Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, except for non-compliance with the requirement of Section 2:392 sub 1 at g of the Netherlands Civil Code to include information in respect of events subsequent to the balance sheet date in the Other information annexed to the financial statements, we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b - h has been annexed. Further, we report that the directors' report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, 19 April 2013

KPMG Accountants N.V.

A. Thomson RA



KPMG Audit  
Document to which our report dated

19 APR 2013

A.Y.

also refers  
Initials for identification purposes  
KPMG Accountants N.V.