

General Partner's Written Report to the Annual General Meeting of Fresenius SE & Co. KGaA regarding item 7 of the agenda pursuant to sec. 186 para. 4 sent. 2 in conjunction with sec. 203 para. 2 sent. 2 German Stock Corporation Act:

In the following, the General Partner shall provide a report pursuant to sec. 186 para. 4 sent. 2 in conjunction with sec. 203 para. 2 sent. 2 German Stock Corporation Act on the reasons for which it is authorized to exclude shareholder subscription rights in certain cases in the event that the Authorized Capital I is utilized. This report is accessible on the Company's internet site www.fresenius.de, in the Investor Relations - General Meeting area, from the date of convocation of the General Meeting. It will also be available in the meeting room for inspection for the duration of the General Meeting.

If the General Partner exercises its right to increase the capital, the General Partner will, in principle, offer to sell the new shares to the shareholders from the Authorized Capital I. However, according to the proposed authorization, the General Partner is entitled to exclude the shareholders' subscription rights in the following cases.

Exclusion of subscription rights to eliminate fractional amounts

The General Partner, with the consent of the Supervisory Board, is entitled to exclude shareholders' subscription rights to eliminate fractional amounts in order to achieve a non-fractional issue amount and a rounded subscription ratio. The exclusion of the subscription right for fractional amounts is necessary in order to ensure that the subscription ratio is simple and practical to implement for increase amounts below the share capital. The shares excluded from shareholders' subscription right as unassigned fractions will either be sold on the stock exchange or otherwise utilized in an optimal manner for the Company. As any exclusion of the subscription rights is only limited to fractional amounts, any potential dilution effect is negligible.

Exclusion of the subscription rights in the event of a capital increase

An exclusion of the subscription rights in the event of a capital increase against cash with the consent of the Supervisory Board is also permitted if the issue amount of the new shares does not fall significantly below the market price and the proportional amount of the shares issued under the exclusion of the subscription rights does not exceed 10% of the share capital, neither at the time the resolution is reached regarding this authorization nor at the time of utilization. Any sales of treasury shares and any issue of shares from any other authorized capital must be taken into consideration with regard to the 10% limit if they take place during the waiting period of this authorization under the exclusion of the subscription rights pursuant to sec. 186 para. 3 sent. 4 German Stock Corporation Act. Shares that have been or will be issued to service participation certificates and/or bonds with conversion and option rights or a conversion obligation must also be taken into consideration, provided that the participation certificates and/or bonds are issued during the waiting period of this authorization under exclusion of the subscription rights in accordance with sec. 186 para. 3 sent. 4 German Stock Corporation Act.

These requirements correspond to the legislator's valuation in sec. 186 para. 3 sent. 4 German Stock Corporation Act, which shall largely exclude a dilution of the value of the interests held by the current shareholders. A placement of the shares under the exclusion of the

subscription rights affords the opportunity to generate a higher inflow of funds than in the case of an issue in which subscription rights are granted. It enables market-sensitive pricing and the highest possible income from sale as the placement can be executed immediately after specifying the issue price. In the event of an offer of sale to all shareholders, the subscription price can be published until no later than three days prior to the expiration of the subscription period pursuant to sec. 186 para. 2 sent. 2 German Stock Corporation Act. But, even where this room for maneuver is utilized, there would be a risk of a change in price over several days which, in turn, would result in discounts when setting the selling price. The length of the subscription period would also not allow the company to react to favorable market conditions in the short term. The opportunity to execute a capital increase under exclusion of the subscription rights will allow the General Partner of Fresenius SE & Co. KGaA to take the necessary measures to strengthen the equity base for future business development under optimal conditions. The decisive market price is the market price at the time the General Partner effectively sets the sale price. As market volatility may potentially result in short-term price fluctuations, a decision to determine whether an average price over a few days or a price at a certain reference date is to be specified shall not be made in advance. This shall be determined in each individual case.

Exclusion of the subscription rights in the event of a capital increase against contributions in kind

In the event of a capital increase against contributions in kind, the General Partner, with the consent of the Supervisory Board, is entitled to exclude subscription rights, if the Authorized Capital I is used to acquire a company, parts of a company or an interest in a company.

Without the exclusion of subscription rights, the Authorized Capital I could not be used to finance acquisitions for the purpose specified above. The authorization to grant the company's ordinary shares against contributions in kind is expected to give the company the necessary scope to exploit beneficial opportunities to acquire companies, parts of companies or interests in companies both quickly and flexibly. In particular, in order to remain competitive at an international level, the company must always be in a position to act quickly and flexibly on international markets in the interests of their shareholders. The Authorized Capital I in connection with the opportunity to exclude subscription rights in the event of a capital increase against contributions in kind addresses this issue. It provides the opportunity to offer consideration of the company's shares rather than cash in the event that an acquisition opportunity emerges. This protects the liquidity of the company. The debt level will also remain manageable. The pecuniary interests of the shareholders are protected by the obligation placed on the General Partner to issue the new shares at an issue price corresponding to sec. 255 para. 2 German Stock Corporation Act, which is proportional to the value of the contribution in kind when utilizing the authorization. The market price shall be decisive when calculating the value of the shares granted as consideration. However, a schematic link to a market price is not planned, in particular, in order to prevent the results of negotiations being put at risk by fluctuations in the market price.

Limitation of the overall scope of capital increases free from subscription rights

The General Partner may only exercise the aforementioned powers to exclude subscription rights to the extent that the proportional amount of all shares issued subject to an exclusion of subscription rights does not exceed 20% of the share capital, neither at the time when the authorizing resolution is adopted nor at the time when these powers are exercised. This restricts the overall scope of shares that may be issued from Authorized Capital I free from subscription rights. If, during the period of validity of the Authorized Capital I until its utili-

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zation, other authorizations concerning the issue or the sale of the shares of the company or the issue of rights, which authorize or bind to the subscription of shares of the company, are used and the right of subscription is thereby excluded, this has to be taken into consideration with regard to the abovementioned 20% limit. In this way, shareholders will be given additional protection against the possible dilution of their existing holdings.

There are currently no plans to utilize the Authorized Capital I. In all cases, the General Partner will carefully check whether the exercise of the authorization to issue new shares and to exclude the subscription rights is in the interests of the Company and its shareholders. It will report to the General Meeting each time these powers are exercised.

Bad Homburg v.d.H., April 2013

Fresenius SE & Co. KGaA

**The General Partner
Fresenius Management SE
The Management Board**