

## NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 14. CASH AND CASH EQUIVALENTS

As of December 31, cash and cash equivalents were as follows:

€ in millions	2013	2012
Cash	846	865
Time deposits and securities (with a maturity of up to 90 days)	18	20
<b>Total cash and cash equivalents</b>	<b>864</b>	<b>885</b>

As of December 31, 2013 and December 31, 2012, earmarked funds of €22 million and €38 million, respectively, were included in cash and cash equivalents.

### 15. TRADE ACCOUNTS RECEIVABLE

As of December 31, trade accounts receivable were as follows:

€ in millions	2013	2012
Trade accounts receivable	3,961	4,056
less allowance for doubtful accounts	487	406
<b>Trade accounts receivable, net</b>	<b>3,474</b>	<b>3,650</b>

All trade accounts receivable are due within one year.

The following table shows the development of the allowance for doubtful accounts during the fiscal year:

€ in millions	2013	2012
<b>Allowance for doubtful accounts at the beginning of the year</b>	<b>406</b>	<b>383</b>
Change in valuation allowances as recorded in the consolidated statement of income	284	251
Write-offs and recoveries of amounts previously written-off	-185	-221
Foreign currency translation	-18	-7
<b>Allowance for doubtful accounts at the end of the year</b>	<b>487</b>	<b>406</b>

The following table shows the ageing analysis of trade accounts receivable and their allowance for doubtful accounts:

€ in millions	not overdue	up to 3 months overdue	3 to 6 months overdue	6 to 12 months overdue	more than 12 months overdue	Total
Trade accounts receivable	2,277	672	275	334	403	3,961
less allowance for doubtful accounts	28	78	52	68	261	487
<b>Trade accounts receivable, net</b>	<b>2,249</b>	<b>594</b>	<b>223</b>	<b>266</b>	<b>142</b>	<b>3,474</b>

### 16. INVENTORIES

As of December 31, inventories consisted of the following:

€ in millions	2013	2012
Raw materials and purchased components	445	433
Work in process	323	291
Finished goods	1,314	1,216
less reserves	68	100
<b>Inventories, net</b>	<b>2,014</b>	<b>1,840</b>

The companies of the Fresenius Group are obliged to purchase approximately €720 million of raw materials and purchased components under fixed terms, of which €453 million was committed at December 31, 2013 for 2014. The terms of these agreements run one to eight years. Advance payments from customers of €248 million (2012: €174 million) have been offset against inventories.

Inventories as of December 31, 2013 and December 31, 2012 included approximately €24 million and approximately €23 million, respectively, of the product Erythropoietin (EPO). On January 1, 2012, Fresenius Medical Care entered into a three-year sourcing and supply agreement with its EPO supplier.