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Investor News

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Fresenius announces issuance of equity-neutral convertible bonds

- Non-interest bearing
- Issue price 100.00% to 104.75%
- Conversion premium 45%

Fresenius intends to issue €500 million equity-neutral convertible bonds due 2024. This is the last component of the acquisition financing for Quirónsalud, Spain's largest private hospital operator.

Via the convertible bonds, investors can benefit from a positive performance of Fresenius shares. Concurrently with the placement of the bonds, Fresenius will purchase call options¹ on its shares to fully hedge its risk of high repayment obligations. The instrument will not result in the issuance of new shares upon conversion of the bonds.

The bonds will not bear any interest and will have a denomination of €100,000. The issue price will range between 100.00% and 104.75% of their nominal value, corresponding to an annual yield to maturity between -0.66% and 0.00%.

¹ cash-settled; any increase of Fresenius' share price above the conversion price would be offset by a corresponding value increase of the call options; dilution of Fresenius' share capital through issuance of new shares in connection with this transaction is ruled out.

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The initial conversion price will be 45% above Fresenius' reference share price. The reference share price will be the arithmetic average of Fresenius' daily volume-weighted average XETRA share prices over a period of ten consecutive XETRA trading days, starting on January 20, 2017.

The bonds will be offered through an international private placement solely to qualified investors outside the United States. The initial conversion price is expected to be determined after market close on February 2, 2017 once the reference share price has been determined. Settlement and closing are expected on January 31, 2017.

Fresenius intends to apply for the bonds to be included in the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange.

Credit Suisse Securities (Europe) Limited and Société Générale Corporate & Investment Banking are acting as Joint Global Coordinators for the offering together with Crédit Agricole Corporate and Investment Bank as Joint Bookrunners.

The Fresenius' counterparties will hedge their positions under the call options through the purchase or sale of Fresenius shares, or any other transactions.

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Fresenius is a global health care group, providing products and services for dialysis, hospital and outpatient medical care. In 2015, Group sales were €27.6 billion. On September 30, 2016, the Fresenius Group had 231,432 employees worldwide.

For more information visit the Company's website at www.fresenius.com. Follow us on Twitter: www.twitter.com/fresenius_ir.

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