

Press Release

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Fresenius makes excellent start to 2018, with strong sales and net income growth in constant currency

Q1/2018:

- Sales €8.1 billion (-1%, +7% in constant currency¹)
- EBIT² €1,054 million (-13%, -5% in constant currency)
- EBIT² €1,089 million (-10%, -2% in constant currency)
(excluding biosimilars business)
- Net income^{2,3} €450 million (-2%, +7% in constant currency)
- Net income^{2,3} €476 million (+4%, +12% in constant currency)
(excluding biosimilars business)

Stephan Sturm, CEO of Fresenius, said: "We have started into the year with great momentum. All four Fresenius business segments and all regions showed healthy organic growth in the first quarter. Once again, Fresenius Kabi stood out with a strong development across all regions and product areas. From this position of strength, we are well on track to reach our ambitious 2018 growth targets and achieve yet another record year."

¹ Growth rates adjusted for IFRS 15 adoption (Q1/17 base: €8,223 million)

² Before special items (i.e., expenses related to (i) the Akorn transaction, and (ii) the re-valuation of Sound Physicians' share-based payment program caused by its announced divestiture)

³ Net income attributable to shareholders of Fresenius SE & Co. KGaA

For a detailed overview of special items please see the reconciliation table on page 16.

Fresenius terminates merger agreement with Akorn

Fresenius decided on April 22, 2018, to terminate the company's merger agreement with Akorn, due to Akorn's failure to fulfill several closing conditions. Fresenius' decision is based on, among other factors, material breaches of FDA (Food and Drug Administration) data integrity requirements relating to Akorn's operations found during Fresenius' independent investigation. Fresenius had offered to delay its decision in order to allow Akorn additional opportunity to complete its own investigation and present any information it wished Fresenius to consider, but Akorn declined that offer.

Akorn disagrees with Fresenius' position and has filed a corresponding complaint. Fresenius in turn has filed a counterclaim on April 30, 2018.

Stephan Sturm, CEO of Fresenius, said: "We will continue to pursue the strategic goal of expanding our portfolio of injectable generic drugs in North America. This strategy has been, and remains, valid. And given the continuing strong development of Fresenius Kabi in North America, we are in an excellent position to achieve it."

Group guidance¹ for 2018 confirmed

Fresenius confirms its guidance for 2018. Group sales are expected to increase by 5% to 8%² in constant currency. Net income^{3,4} is expected to grow by 6% to 9% in constant currency. Excluding expenditures for the further development of the biosimilars business, net income^{3,5} is expected to grow by ~10% to 13% in constant currency.

Fresenius expects to further reduce its net debt/EBITDA⁶ ratio by year-end 2018.

7% sales growth in constant currency⁷

Group sales decreased by 1%⁷ (increased by 7%⁷ in constant currency) to €8,121 million (Q1/2017: €8,362 million). Organic sales growth was 4%. Acquisitions/divestitures contributed net 3% to growth. Sales growth was impacted by the anticipated decline in the pharmacy business within Care Coordination at Fresenius Medical Care North America. Also at Fresenius Medical Care, the prior-year quarter saw the compensation for treatments of U.S. war veterans in previous years ("VA agreement"), contributing €100 million as a one-time effect. Negative currency translation effects (8%) were mainly driven by the devaluation of the U.S. dollar and the Chinese yuan against the euro.

¹ Excluding effects of the Akorn, NxStage and Sound Physicians transactions

² 2017 base adjusted for IFRS 15 adoption (deduction of €486 million at Fresenius Medical Care)

³ Net income attributable to shareholders of Fresenius SE & Co. KGaA

⁴ 2017 base: €1,816 million; 2018 before special items (i.e., transaction-related effects); including expenditures for further development of biosimilars business (€43 million after tax in FY/17 and ~€120 million after tax in FY/18)

⁵ 2017 base: €1,859 million; 2018 before special items (i.e., transaction-related effects)

⁶ Calculated at expected annual average exchange rates, for both net debt and EBITDA; excluding effects of the Akorn, NxStage and Sound Physicians transactions; excluding further potential acquisitions; at current IFRS rules

⁷ Growth rates adjusted for IFRS 15 adoption (Q1/17 base: €8,223 million)

Group sales by region:

€ in millions	Q1/2018	Q1/2017	Change at actual rates	Currency translation effects	Change in constant currency	Organic growth	Acquisitions/Divestitures	% of total sales
North America	3,347	3,838 ¹	-13%	-14%	1%	2%	-1%	41%
Europe	3,589	3,242	11%	0%	11%	3%	8%	44%
Asia-Pacific	743	719	3%	-9%	12%	8%	4%	9%
Latin America	329	337	-2%	-18%	16%	13%	3%	4%
Africa	113	87	30%	-3%	33%	33%	0%	2%
Total	8,121	8,223 ¹	-1%	-8%	7%	4%	3%	100%

¹ 2017 adjusted for IFRS 15 adoption (deduction of €139 million at Fresenius Medical Care)

7% net income^{1,2} growth in constant currency

Group EBITDA² decreased by 10% (-2% in constant currency) to €1,403 million (Q1/2017: €1,560 million). Group EBIT² decreased by 13% (-5% in constant currency) to €1,054 million (Q1/2017: €1,216 million). The prior-year quarter was strongly influenced by a positive one-time effect: the VA agreement contributed €99 million, or 10%, to EBIT growth in constant currency in Q1/17. The EBIT margin² was 13.0% (12.7% before IFRS 15; Q1/2017: 14.5%). Group EBIT² before expenses for the further development of the biosimilars business decreased by 10% (-2% in constant currency) to €1,089 million. Group EBIT² before VA agreement and excluding the expenses for the biosimilars business increased by 6% in constant currency.

Group net interest² was -€146 million (Q1/2017: -€157 million). The decrease is mainly driven by currency effects and positive refinancing activities.

The decrease of the Group tax rate before special items to 21.0% (Q1/2017: 29.1%) was mainly due to the U.S. tax reform and a one-time tax effect at Fresenius Medical Care.

Noncontrolling interest² was €267 million (Q1/2017: €294 million), of which 95% was attributable to the noncontrolling interest in Fresenius Medical Care.

Group net income^{1,2} decreased by 2% (increased by 7% in constant currency) to €450 million (Q1/2017: €457 million). Earnings per share^{1,2} decreased by 2% (increased by 6% in constant currency) to €0.81 (Q1/2017: €0.83).

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

² Before special items

For a detailed overview of special items please see the reconciliation table on page 16.

Group net income^{1,2} before expenses for the further development of the biosimilars business increased by 4% (12% in constant currency) to €476 million (Q1/2017: €457 million). Earnings per share^{1,2} before expenses for the further development of the biosimilars business increased by 4% (11% in constant currency) to €0.86 (Q1/2017: €0.83).

Group net income¹ after special items decreased by 4% (increased by 4% in constant currency) to €440 million (Q1/2017: €457 million). Earnings per share¹ after special items decreased by 5% (increased by 4% in constant currency) to €0.79 (Q1/2017: €0.83).

Continued investment in growth

Spending on property, plant and equipment was €380 million (Q1/2017: €328 million), primarily for the modernization and expansion of dialysis clinics, production facilities as well as hospitals and day clinics. This corresponds to 4.7% of sales.

Total acquisition spending was €192 million (Q1/2017: €6,083 million). The prior-year quarter included the acquisition of Quirónsalud.

Cash flow development

Operating cash flow decreased by 50% to €236 million (Q1/2017: €476 million) with a margin of 2.9% (Q1/2017: 5.7%). The decrease is mainly attributable to prior years' received payment under the VA agreement of ~€200 million as well as to the seasonality in invoicing at Fresenius Medical Care North America, which is not expected to impact full year 2018 cash flow.

Free cash flow before acquisitions and dividends decreased to -€155 million (Q1/2017: €148 million). Free cash flow after acquisitions and dividends was -€389 million (Q1/2017: -€5,393 million).

Solid balance sheet structure

The Group's total assets increased by 1% (2% in constant currency) to €53,502 million (Dec. 31, 2017: €53,133 million). Current assets grew by 6% (8% in constant currency) to €13,409 million (Dec. 31, 2017: €12,604 million). Non-current assets decreased by 1% (0% in constant currency) to €40,093 million (Dec. 31, 2017: €40,529 million).

Total shareholders' equity increased by 1% (3% in constant currency) to €22,020 million (Dec. 31, 2017: €21,720 million). The equity ratio increased to 41.2% (Dec. 31, 2017: 40.9%).

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

² Before special items

For a detailed overview of special items please see the reconciliation table on page 16.

Group debt increased by 1% (2% in constant currency) to €19,200 million (Dec. 31, 2017: €19,042 million). Group net debt increased by 2% (3% in constant currency) to €17,716 million (Dec. 31, 2017: €17,406 million).

As of March 31, 2018, the net debt/EBITDA ratio was 2.98^{1,2} (December 31, 2017: 2.84^{1,2}).

Increased number of employees

As of March 31, 2018, the number of employees increased by 1% to 275,674 (Dec. 31, 2017: 273,249).

¹ At LTM average exchange rates for both net debt and EBITDA; pro forma closed acquisitions, excluding Akorn, NxStage and Sound Physicians transactions

² Before special items

For a detailed overview of special items please see the reconciliation table on page 16.

Business Segments

Fresenius Medical Care

Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases. As of March 31, 2018, Fresenius Medical Care was treating 322,253 patients in 3,790 dialysis clinics. Along with its core business, the company provides related medical services in the field of Care Coordination.

€ in millions	Q1/2018	Q1/2017	Change (reported)	Change (cc)
Sales	3,976	4,548	-10% ¹	2% ^{1,2}
EBIT	497	651	-24%	-15% ³
Net income ⁴	279	308	-10%	0% ⁵
Net income adjusted ^{4,6}	292	308	-5%	5%
Employees (Mar 31/Dec 31)	122,193	121,245	1%	

- **Q1/2018 growth impacted by significant currency headwinds and positive one-time effect in prior years' quarter**
- **2018 outlook of net income growth^{4,7} of 13 to 15% in constant currency confirmed**
- **2018 sales growth⁸ target adjusted to 5 to 7% at constant currency (previously ~8%), mainly due to recent reduction in dosing of calcimimetic drugs in the U.S.**

Reported sales were strongly impacted by headwinds from foreign exchange rates and by the anticipated decline in the pharmacy business within Care Coordination at Fresenius Medical Care North America. Sales decreased by 10%¹ (increased by 2%¹ in constant currency) to €3,976 million (Q1/2017: €4,548 million). Organic sales growth was 3%.

Acquisitions/divestitures and the VA agreement in the prior-year quarter decreased sales by 1%. Currency translation effects reduced sales by 12%. Excluding the VA agreement in the prior-year quarter, sales growth¹ was 4% in constant currency.

¹ Growth rate adjusted for IFRS 15 adoption (Q1/17 base: €4,409 million)

² Excluding VA agreement: 4%

³ Adjusted for re-valuation of Sound Physicians' share-based payment program and excluding VA agreement: 3%

⁴ Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

⁵ Adjusted for re-valuation of Sound Physicians' share-based payment program, the effect of the U.S. Tax Reform and excluding VA agreement: 8%

⁶ Consistent with guidance, adjusted for re-valuation of Sound Physicians' share-based payment program, including the effect of the U.S. Tax Reform and including VA agreement

⁷ 2017 base: €1,280 million; 2018 including benefits from U.S. tax reform and adjusted for the Sound valuation impact

⁸ 2017 reported sales: €17,784 million, adjusted for IFRS 15 adoption (deduction of €486 million)

Health Care services sales (dialysis services and care coordination) decreased by 12%¹ (increased by 1%¹ in constant currency) to €3,209 million (Q1/2017: €3,769 million). Health Care product sales decreased by 2% (increased by 6% in constant currency) to €767 million (Q1/2017: €779 million).

In North America, sales decreased by 14%¹ (-1%¹ in constant currency) to €2,774 million (Q1/2017: €3,375 million). Health Care services sales decreased by 14%¹ (-1%¹ in constant currency) to €2,590 million (Q1/2017: €3,165 million) mainly due to the prior-year VA agreement (€100 million). Excluding the 2017 effect from the VA Agreement Health Care services sales increased by 2%¹ in constant currency. Health Care product sales decreased by 12% (increased by 1% in constant currency) to €184 million (Q1/2017: €210 million).

Sales outside North America increased by 2% (10% in constant currency) to €1,198 million (Q1/2017: €1,169 million). Health Care services sales increased by 2% (12% in constant currency) to €619 million (Q1/2017: €604 million). Health Care product sales increased by 3% (8% in constant currency) to €579 million (Q1/2017: €564 million).

Fresenius Medical Care's EBIT decreased by 24% (-15% in constant currency) to €497 million (Q1/2017: €651 million). The EBIT margin was 12.5% (Q1/2017: 14.3%). Adjusted for the effect of the implementation of IFRS 15, the re-valuation of Sound Physicians' share-based payment program in connection with the announced divestiture of Sound Physicians and for the positive effect of the VA Agreement in Q1/2017, EBIT was up by 3% in constant currency and EBIT margin was stable at 12.8%.

Net income² of Fresenius Medical Care decreased by 10% (0% in constant currency) to €279 million (Q1/2017: €308 million). Consistent with guidance, i.e. adjusted for the re-valuation of Sound Physicians' share-based payment program, net income growth² was 5% in constant currency. Adjusted for the re-valuation of Sound Physicians' share-based payment program and the effect of the U.S. Tax Reform in 2018 and for the positive effect of the VA agreement, net income growth² was 8% in constant currency.

Operating cash flow was -€45 million (Q1/2017: €170 million). The cash flow margin was -1.1% (Q1/2017: 3.7%). The decrease is mainly attributable to prior years' payment under the VA agreement of ~€200 million as well as to the seasonality in invoicing at Fresenius Medical Care North America, which is not expected to impact full year 2018 cash flow.

¹ Growth rate adjusted for IFRS 15 adoption (Q1/17: deduction of €139 million)

² Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

Mainly driven by the change in dosing of calcimimetic drugs, Fresenius Medical Care expects sales to grow by 5 to 7%¹ (previously: ~8%¹) in constant currency. Fresenius Medical Care expects net income² growth of 13% to 15%³ in constant currency and excluding special items of 7% to 9%⁴.

The 2018 targets are based on 2017 figures adjusted for the adoption of IFRS 15 implementation and exclude effects from the planned acquisition of NxStage Medical and the announced divestiture of Sound Physicians.

For further information, please see Fresenius Medical Care's Press Release at www.freseniusmedicalcare.com.

¹ 2017 reported sales: €17,784 million, adjusted for IFRS 15 adoption (deduction of €486 million)

² Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

³ 2017 base: €1,280 million; 2018 including benefits from U.S. tax reform and adjusted for the Sound valuation impact

⁴ VA Agreement, Natural Disaster Costs, FCPA related charge, U.S. Tax Reform

Fresenius Kabi

Fresenius Kabi offers intravenously administered generic drugs, clinical nutrition and infusion therapies for seriously and chronically ill patients in the hospital and outpatient environments. The company is also a leading supplier of medical devices and transfusion technology products. In the biosimilars business, we are developing products with a focus on oncology and autoimmune diseases.

€ in millions	Q1/2018	Q1/2017	Change (reported)	Change (cc)
Sales	1,603	1,604	0%	9%
EBITDA ¹	338	382	-12%	1%
EBIT ¹	268	313	-14%	-2% ²
Net income ^{1,3}	170	191	-11%	3% ⁴
Employees (Mar 31/Dec 31)	36,880	36,380	1%	

- **Excellent start to 2018**
- **9% organic sales growth; 10% EBIT¹ growth in constant currency (excluding biosimilars business)**
- **Strong negative currency translation effects**
- **Strong operating cash flow**
- **2018 outlook confirmed**

With €1,603 million (Q1/2017: €1,604 million), sales of Fresenius Kabi were on prior years level (increased by 9% in constant currency). Organic sales growth was 9%. Strong negative currency translation effects (-9%) were mainly related to the devaluation of the U.S. dollar and the Chinese yuan against the euro.

Sales in Europe grew by 2% (organic growth: 3%) to €557 million (Q1/2017: €544 million).

Sales in North America decreased by 5% (organic growth: 10%) to €591 million (Q1/2017: €619 million).

Sales in Asia-Pacific increased by 8% (organic growth: 15%) to €301 million (Q1/2017: €280 million). Sales in Latin America/Africa decreased by 4% (organic growth: 10%) to €154 million (Q1/2017: €161 million).

EBIT¹ decreased by 14% (-2% in constant currency) to €268 million (Q1/2017: €313 million). The EBIT margin¹ was 16.7% (Q1/2017: 19.5%).

¹ Before special items

² Before expenses for the further development of the biosimilars business: 10%

³ Net income attributable to shareholders of Fresenius SE & Co. KGaA

⁴ Before expenses for the further development of the biosimilars business: 16%

For a detailed overview of special items please see the reconciliation table on page 16.

EBIT¹ before expenses for the further development of the biosimilars business decreased by 3% (increased by 10% in constant currency) to €303 million (Q1/2017: €313 million). The EBIT margin¹ before expenses for the further development of the biosimilars business was 18.9% (Q1/2017: 19.5%).

Net income^{1,2} decreased by 11% (increased by 3% in constant currency) to €170 million (Q1/2017: €191 million).

Operating cash flow increased by 18% to €226 million (Q1/2017: €192 million). The cash flow margin was 14.1% (Q1/2017: 12.0%).

Fresenius Kabi confirms its outlook for 2018 and expects organic sales growth of 4% to 7% and EBIT growth in constant currency of -3% to -6%³. Excluding expenditures for the further development of the biosimilars business, EBIT is expected to grow by ~2% to 5%⁴ in constant currency.

¹ Before special items

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

³ 2017 base: €1,177 million; 2018 before special items (i.e., transaction-related expenses), including expenditures for the further development of the biosimilars business (€60 million in FY/17 and expected expenditures of ~€160 million in FY/18)

⁴ 2017 base: €1,237 million; 2018 before special items (i.e., transaction-related expenses)

For a detailed overview of special items please see the reconciliation table on page 16.

Fresenius Helios

Fresenius Helios is Europe's leading private hospital operator. The company comprises Helios Germany and Helios Spain (Quirónsalud). Helios Germany operates 111 hospitals, thereof 88 acute care clinics and 23 post-acute care clinics, and treats more than 5.3 million patients annually. Quirónsalud operates 45 hospitals, 55 outpatient centers and around 300 occupational risk prevention centers, and treats approximately 11.6 million patients per year.

€ in millions	Q1/2018	Q1/2017	Change
Sales	2,331	2,018	16%
EBITDA	376	334	13%
EBIT	278	255	9%
Net income ¹	191	181	6%
Employees (Mar 31/Dec 31)	106,809	105,927	1%

- **3% organic sales growth**
- **9% EBIT increase**
- **2018 outlook confirmed**

Fresenius Helios increased sales by 16% to €2,331 million (Q1/2017: €2,018 million). Organic sales growth was 3%. The acquisition of Quirónsalud contributed 13% to sales growth. Helios Spain (Quirónsalud) has been consolidated since February 1, 2017.

Sales of Helios Germany increased by 3% (organic growth: 3%) to €1,574 million (Q1/2017: €1,528 million). Helios Spain increased sales by 54% (organic growth: 1%) to €757 million (Q1/2017: €490 million), mainly due to the additional month of consolidation compared to the prior-year quarter.

Fresenius Helios grew EBIT by 9% to €278 million (Q1/2017: €255 million). The EBIT margin was 11.9% (Q1/2017: 12.6%).

EBIT of Helios Germany decreased by 2% to €177 million (Q1/2017: €181 million) with a margin of 11.2% (Q1/2017: 11.8%). The decline is due to preparatory measures for anticipated regulatory structural requirements for minimum staffing as well as catalogue effects. The anticipated regulatory requirements will be countered by clustering.

EBIT of Helios Spain increased by 39% to €103 million (Q1/2017: €74 million), mainly due to the additional month of consolidation compared to prior-year quarter. The EBIT margin was 13.6% (Q1/2017: 15.1%).

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

Net income¹ of Fresenius Helios increased by 6% to €191 million (Q1/2017: €181 million).

Operating cash flow was €97 million (Q1/2017: €184 million). The margin was 4.2% (Q1/2017: 9.1%).

Fresenius Helios confirms its outlook for 2018 and expects organic sales growth of 3% to 6% and EBIT growth of 7% to 10%.

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

Fresenius Vamed

Fresenius Vamed manages projects and provides services for hospitals and other health care facilities worldwide. The portfolio ranges along the entire value chain: from project development, planning, and turnkey construction, via maintenance and technical management, to total operational management.

€ in millions	Q1/2018	Q1/2017	Change
Sales	249	223	12%
EBITDA	9	8	13%
EBIT	6	6	0%
Net income ¹	4	4	0%
Employees (Mar 31/Dec 31)	8,760	8,667	1%

- **9% organic sales growth**
- **Order backlog of €2,391 million at all-time high**
- **2018 outlook confirmed**

Sales increased by 12% (12% in constant currency) to €249 million (Q1/2017: €223 million). Organic sales growth was 9%. Sales in the project business increased by 19% to €92 million (Q1/2017: €77 million). Sales in the service business grew by 8% to €157 million (Q1/2017: €146 million).

EBIT of €6 million was unchanged from the prior-year level.

Net income¹ of €4 million was also unchanged from prior-year level.

Order intake was €260 million (Q1/2017: €220 million). As of March 31, 2018, order backlog was €2,391 million (December 31, 2017: €2,147 million).

For 2018, Fresenius Vamed expects organic sales growth in the range of 5% to 10% and EBIT growth of 5% to 10%.

¹ Net income attributable to shareholders of VAMED AG

Conference Call

As part of the publication of the results for the first quarter 2018, a conference call for analysts and investors will be held on May 3, 2018 at 2 p.m. CET (8 a.m. EST). You are cordially invited to follow the conference call in a live broadcast over the Internet at www.fresenius.com/media-calendar. Following the call, a replay will be available on our website.

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For additional information on the performance indicators used please refer to our website <https://www.fresenius.com/alternative-performance-measures>.

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Fresenius is a global health care group, providing products and services for dialysis, hospital and outpatient medical care. In 2017, Group sales were €33.9 billion. On March 31, 2018, the Fresenius Group had 275,674 employees worldwide.

For more information visit the Company's website at www.fresenius.com. Follow us on Facebook and Twitter: www.facebook.com/fresenius.group and <http://www.twitter.com/fresenius>.

This release contains forward-looking statements that are subject to various risks and uncertainties. Future results could differ materially from those described in these forward-looking statements due to certain factors, e.g. changes in business, economic and competitive conditions, regulatory reforms, results of clinical trials, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, and the availability of financing. Fresenius does not undertake any responsibility to update the forward-looking statements in this release.

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Chairman of the Supervisory Board: Dr. Gerd Krick

Fresenius Group Figures

Statement of Comprehensive Income

€ in millions		Q1/2018	Q1/2017	Change
Sales		8,121	8,362	-3%
Costs of sales		-5,783	-5,669	-2%
Gross profit		2,338	2,693	-13%
Selling, general and administrative expenses		-1,143	-1,356	16%
Research and development expenses		-159	-121	-31%
Operating income (EBIT)		1,036	1,216	-15%
Net interest		-149	-157	5%
Financial result		-149	-157	5%
Income before income taxes		887	1,059	-16%
Income taxes		-189	-308	39%
Net income		698	751	-7%
Less noncontrolling interest		-258	-294	12%
Net income	1),2)	450	457	-2%
Net income	1)	440	457	-4%
Earnings per ordinary share (€)	1),2)	0.79	0.83	-5%
Fully diluted earnings per ordinary share (€)	1),2)	0.79	0.82	-4%
Earnings per ordinary share (€)	1)	0.79	0.83	-5%
Fully diluted earnings per ordinary share (€)	1)	0.79	0.82	-4%
Average number of shares		554,817,933	553,465,548	
EBITDA	2)	1,403	1,560	-10%
Depreciation and amortization		-349	-344	-1%
EBIT	2)	1,054	1,216	-13%
EBITDA margin	2)	17.3%	18.7%	
EBIT margin	2)	13.0%	14.5%	

1) Net income attributable to Fresenius SE & Co. KGaA

2) Before transaction-related effects

For a detailed overview of special items please see the reconciliation table on page 16.

Reconciliation according to IFRS

Consolidated results for Q1/2018 include special items related to the Akorn transaction. These are mainly transaction costs in the form of legal and consulting fees as well as costs of the financing commitment for the Akorn transaction. Moreover special items arose from the announced divestiture of Sound Physicians due to the initial increase in valuation of the Sound Physicians' share based payment program. The following presentation shows the corresponding reconciliation to the IFRS values. There were no special items in Q1/2017.

Q1 2018

€ in millions	Q1/2018 Before special items and before expenses for biosimilars business	Expenditures for further development of biosimilars business	Q1/2018 Before special items	Special items (transaction- related effects Akorn)	Special items (transaction- related effects/ Sound Physicians)	Q1/2018 IFRS reported
Sales	8,121		8,121			8,121
EBIT	1,089	-35	1,054	-5	-13	1,036
Net interest	-144	-2	-146	-3		-149
Net income before taxes	945	-37	908	-8	-13	887
Income taxes	-202	11	-191	2		-189
Net income	743	-26	717	-6	-13	698
Less noncontrolling interest	-267		-267		9	-258
Net income attributable to shareholders of Fresenius SE & Co. KGaA	476	-26	450	-6	-4	440

Transaction-related effects are reported in the Group Corporate/Other segment.

Statement of Financial Position

€ in millions	March 31, 2018	December 31, 2017	Change
Assets			
Current assets	13,409	12,604	6%
thereof trade accounts receivable	6,856	6,260	10%
thereof inventories	2,934	3,252	-10%
thereof cash and cash equivalents	1,484	1,636	-9%
Non-current assets	40,093	40,529	-1%
thereof property, plant and equipment	9,496	9,555	-1%
thereof goodwill and other intangible assets	28,092	28,457	-1%
Total assets	53,502	53,133	1%
Liabilities and shareholders' equity			
Liabilities	31,482	31,413	0%
thereof trade accounts payable	1,479	1,688	-12%
thereof accruals and other short-term liabilities	7,986	7,795	2%
thereof debt	19,200	19,042	1%
Noncontrolling interest	8,136	8,059	1%
Total Fresenius SE & Co. KGaA shareholders' equity	13,884	13,661	2%
Total shareholders' equity	22,020	21,720	1%
Total liabilities and shareholders' equity	53,502	53,133	1%

Statement of Cash Flows

€ in millions	Q1/2018	Q1/2017	Change
Net income	698	751	-7%
Depreciation and amortization	349	344	1%
Change in accruals for pensions	16	18	-11%
Cash flow	1,063	1,113	-4%
Change in working capital	-811	-619	-31%
Operating cash flow	236	476	-50%
Capital expenditure, net	-391	-328	-19%
Cash flow before acquisitions and dividends	-155	148	--
Cash used for acquisitions, net	-189	-5,468	97%
Dividends paid	-45	-73	38%
Free cash flow after acquisitions and dividends	-389	-5,393	93%
Cash provided by/used for financing activities	254	5,293	-95%
Effect of exchange rates on change in cash and cash equivalents	-17	1	--
Net change in cash and cash equivalents	-152	-99	-54%

Segment reporting by business segment Q1 2018

€ in millions	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other			Fresenius Group		
	Q1/2018 ²⁾	Q1/2017	Change	Q1/2018 ²⁾	Q1/2017	Change	Q1/2018	Q1/2017	Change	Q1/2018	Q1/2017	Change	Q1/2018 ³⁾	Q1/2017	Change	Q1/2018	Q1/2017	Change
Sales	3,976	4,548	-13%	1,603	1,604	0%	2,331	2,018	16%	249	223	12%	-38	-31	-23%	8,121	8,362	-3%
thereof contribution to consolidated sales	3,968	4,541	-13%	1,589	1,591	0%	2,331	2,018	16%	233	212	10%	0	0		8,121	8,362	-3%
thereof intercompany sales	8	7	14%	14	13	8%	0	0		16	11	45%	-38	-31	-23%	0	0	
contribution to consolidated sales	49%	54%		19%	19%		29%	24%		3%	3%		0%	0%		100%	100%	
EBITDA	685	841	-19%	338	382	-12%	376	334	13%	9	8	13%	-23	-5	--	1,385	1,560	-11%
Depreciation and amortization	175	190	-8%	70	69	1%	98	79	24%	3	2	50%	3	4	-25%	349	344	1%
EBIT	510	651	-22%	268	313	-14%	278	255	9%	6	6	0%	-26	-9	-189%	1,036	1,216	-15%
Net interest	-80	-92	14%	-29	-28	-4%	-40	-29	-38%	0	0		0	-8	100%	-149	-157	5%
Income taxes	-87	-182	52%	-60	-85	29%	-45	-42	-7%	-2	-2	0%	5	3	67%	-189	-308	39%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	292	308	-5%	170	191	-11%	191	181	6%	4	4	0%	-217	-227	4%	440	457	-4%
Operating cash flow	-45	170	-126%	226	192	18%	97	184	-47%	-42	-44	5%	0	-26	100%	236	476	-50%
Cash flow before acquisitions and dividends	-263	-25	--	130	108	20%	32	139	-77%	-44	-45	2%	-10	-29	66%	-155	148	--
Total assets ¹	24,157	24,025	1%	11,754	11,792	0%	16,788	16,583	1%	1,321	1,282	3%	-518	-549	6%	53,502	53,133	1%
Debt ¹	7,721	7,448	4%	4,631	4,806	-4%	6,523	6,665	-2%	295	245	20%	30	-122	125%	19,200	19,042	1%
Other operating liabilities ¹	5,067	5,282	-4%	2,925	2,879	2%	2,243	2,027	11%	581	621	-6%	336	452	-26%	11,152	11,261	-1%
Capital expenditure	221	198	12%	78	66	18%	70	57	23%	3	3	0%	8	4	100%	380	328	16%
Acquisitions	184	150	23%	0	1	-100%	3	5,932	-100%	5	-	--	0	0		192	6,083	-97%
Research and development expenses	32	32	1%	127	89	43%	--	--	--	0	0		0	0		159	121	31%
Employees (per capita on balance sheet date) ¹	122,193	121,245	1%	36,880	36,380	1%	106,809	105,927	1%	8,760	8,667	1%	1,032	1,030	0%	275,674	273,249	1%
Key figures																		
EBITDA margin	17.2%	18.5%		21.1%	23.8%		16.1%	16.6%		3.6%	3.6%					17.3% ²⁾	18.7%	
EBIT margin	12.8%	14.3%		16.7%	19.5%		11.9%	12.6%		2.4%	2.7%					13.0% ²⁾	14.5%	
Depreciation and amortization in % of sales	4.4%	4.2%		4.4%	4.3%		4.2%	3.9%		1.2%	0.9%					4.3%	4.1%	
Operating cash flow in % of sales	-1.1%	3.7%		14.1%	12.0%		4.2%	9.1%		-16.9%	-19.7%					2.9%	5.7%	
ROOA ¹	10.2%	10.9%		10.6%	10.8%		6.9%	6.9%		8.7%	9.8%					9.0% ⁴⁾	9.4% ⁵⁾	

1) 2017: December 31

2) Before transaction-related effects

3) After transaction-related effects

4) The underlying pro forma EBIT does not include transaction-related effects.

5) The underlying pro forma EBIT does not include transaction-related effects and FCPA provision.

Sales by business segment

€ in millions	Q1/ 2018	Q1/ 2017	Change at actual rates	Currency translation effects	Change at constant rates	Organic growth	Acquisitions/ divestitures	% of total sales
Fresenius Medical Care	3,976	4,409 ¹⁾	-10%	-12%	2%	3%	-1%	49%
Fresenius Kabi	1,603	1,604	0%	-9%	9%	9%	0%	19%
Fresenius Helios	2,331	2,018	16%	0%	16%	3%	13%	29%
Fresenius Vamed	249	223	12%	0%	12%	9%	3%	3%
Total	8,121	8,223 ¹⁾	-1%	-8%	7%	4%	3%	100%

1) Adjusted for IFRS 15 adoption