

# Quarterly Financial Report of Fresenius Group

applying International Financial Reporting Standards (IFRS)

1<sup>st</sup> Half and 2<sup>nd</sup> Quarter 2016

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## FRESENIUS GROUP FIGURES AT A GLANCE

Fresenius is a global health care group providing products and services for dialysis, hospitals, and outpatient medical care. In addition, Fresenius focuses on hospital operations. We also manage projects and provide services for hospitals and other health care facilities. In 2015, Group sales were €28.0 billion. As of June 30, 2016, more than 220,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

### SALES, EARNINGS, AND CASH FLOW

€ in millions	Q2/2016	Q2/2015	Change	H1/2016	H1/2015	Change
Sales	7,203	7,044	2%	14,218	13,622	4%
EBIT <sup>1</sup>	1,028	965	7%	1,987	1,819	9%
Net income <sup>2</sup>	378	337	12%	736	629	17%
Earnings per share in € <sup>2</sup>	0.70	0.62	12%	1.35	1.16	16%
Operating cash flow	997	723	38%	1,333	1,257	6%

### BALANCE SHEET AND INVESTMENTS

€ in millions	June 30, 2016	December 31, 2015	Change
Total assets	44,067	43,233	2%
Non-current assets	33,114	32,800	1%
Equity <sup>3</sup>	18,887	18,453	2%
Net debt	13,862	13,725	1%
Investments <sup>4</sup>	1,179	811	45%

### RATIOS

€ in millions	Q2/2016	Q2/2015	H1/2016	H1/2015
EBITDA margin <sup>1</sup>	18.7%	17.7%	18.2%	17.4%
EBIT margin <sup>1</sup>	14.3%	13.7%	14.0%	13.4%
Depreciation and amortization in % of sales	4.4%	4.0%	4.2%	4.0%
Operating cash flow in % of sales	13.8%	10.3%	9.4%	9.2%
Equity ratio (June 30/December 31)			42.9%	42.7%
Net debt/EBITDA (June 30/December 31) <sup>5</sup>			2.59	2.65

<sup>1</sup> 2015 before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before special items

<sup>3</sup> Equity including noncontrolling interest

<sup>4</sup> Investments in property, plant and equipment, and intangible assets, acquisitions (first half)

<sup>5</sup> 2015 before special items, at LTM average exchange rates for both net debt and EBITDA, 2016 pro forma acquisitions.

## INFORMATION BY BUSINESS SEGMENT

(all segment data according to U.S. GAAP)

### FRESENIUS MEDICAL CARE – Dialysis products, Dialysis services

US\$ in millions	Q2/2016	Q2/2015	Change	H1/2016	H1/2015	Change
Sales	4,420	4,199	5%	8,626	8,159	6%
EBIT	641	547	17%	1,181	1,051	12%
Net income <sup>1</sup>	294	241	22%	522	450	16%
Operating cash flow	678	385	76%	857	832	3%
Investments/Acquisitions	564	301	87%	913	571	60%
R & D expenses	39	34	12%	76	65	17%
Employees, per capita on balance sheet date (June 30 / December 31)				113,089	109,113	3%

### FRESENIUS KABI – IV drugs, Clinical nutrition, Infusion therapy, Medical devices/Transfusion technology

€ in millions	Q2/2016	Q2/2015	Change	H1/2016	H1/2015	Change
Sales	1,476	1,538	-4%	2,946	2,932	0%
EBIT <sup>2</sup>	307	314	-2%	616	571	8%
Net income <sup>3</sup>	180	169	7%	359	309	16%
Operating cash flow	211	271	-22%	335	354	-5%
Investments/Acquisitions	67	85	-21%	216	177	22%
R & D expenses <sup>2</sup>	82	83	-1%	161	161	0%
Employees, per capita on balance sheet date (June 30 / December 31)				33,915	33,125	2%

### FRESENIUS HELIOS – Hospital operations

€ in millions	Q2/2016	Q2/2015	Change	H1/2016	H1/2015	Change
Sales	1,477	1,383	7%	2,912	2,774	5%
EBIT <sup>2</sup>	173	160	8%	332	307	8%
Net income <sup>4</sup>	138	119	16%	262	226	16%
Operating cash flow	164	117	40%	230	231	0%
Investments/Acquisitions	86	63	37%	133	112	19%
Employees, per capita on balance sheet date (June 30 / December 31)				71,975	69,728	3%

### FRESENIUS VAMED – Projects and services for hospitals and other health care facilities

€ in millions	Q2/2016	Q2/2015	Change	H1/2016	H1/2015	Change
Sales	254	255	0%	472	463	2%
EBIT	9	9	0%	16	16	0%
Net income <sup>5</sup>	6	6	0%	11	10	10%
Operating cash flow	19	-7	--	1	-44	102%
Investments/Acquisitions	2	6	-67%	4	7	-43%
Order intake	228	92	148%	465	284	64%
Employees, per capita on balance sheet date (June 30 / December 31)				7,999	8,262	-3%

<sup>1</sup> Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

<sup>2</sup> 2015 before special items

<sup>3</sup> Net income attributable to shareholders of Fresenius Kabi AG; 2015 before special items

<sup>4</sup> Net income attributable to shareholders of HELIOS Kliniken GmbH; 2015 before special items

<sup>5</sup> Net income attributable to shareholders of VAMED AG

# FRESENIUS SHARE

The unexpected outcome of the British EU referendum strongly affected financial markets at the end of the second quarter. During the first half, the Fresenius share was nearly unchanged and the DAX fell 10%.

## FIRST HALF OF 2016

Following a volatile start to the year, more stable conditions returned to global financial markets early in the second quarter. The recovery was supported by unexpectedly positive US economic indicators, higher oil prices and new economic stimulus packages in the euro zone. Concerns over the United Kingdom's pending vote on EU membership then began to impact markets in June. The referendum's surprising result

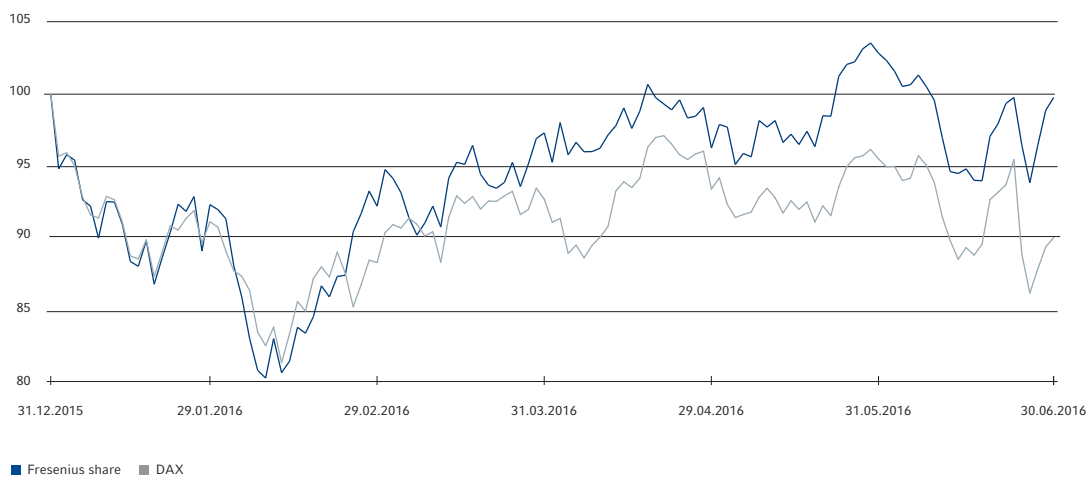
caused turbulence at the end of the second quarter on the world's financial and currency markets.

According to the latest ECB forecast, the euro zone's economy is expected to expand by 1.6% this year. The Federal Reserve expects the U.S. economy to grow 2.0%.

During the tense first half of 2016, the DAX slipped 10% to 9,680 points. On June 30, 2016, the Fresenius share closed at €65.82, nearly unchanged to its close on December 31, 2015.

## RELATIVE SHARE PRICE PERFORMANCE VS. DAX

31.12.2015 = 100



## KEY DATA OF THE FRESENIUS SHARE

	H1/2016	2015	Change
Number of shares (June 30/December 31)	546,278,580	545,727,950	
Quarter-end quotation in €	65.82	65.97	0%
High in €	68.30	69.75	-2%
Low in €	53.05	42.41	25%
Ø Trading volume (number of shares per trading day)	1,300,826	1,390,878	-6%
Market capitalization, € in millions (June 30 / December 31)	35,956	36,002	0%

# MANAGEMENT REPORT

Once again, all four business segments contributed to strong organic growth. Even compared with an excellent prior-year quarter, Fresenius has again achieved double-digit earnings growth. We continue to look forward with great confidence, and are raising our 2016 earnings guidance.

## FRESENIUS RAISES EARNINGS GUIDANCE AFTER STRONG SECOND QUARTER; DOUBLE-DIGIT EARNINGS GROWTH

	H1/2016	at actual rates	in constant currency
Sales	€14.2 bn	+4%	+6%
EBIT <sup>1</sup>	€1,987 m	+9%	+10%
Net income <sup>2</sup>	€736 m	+17%	+18%

### HEALTH CARE INDUSTRY

The health care sector is one of the world's largest industries. It is relatively insensitive to economic fluctuations compared to other sectors and has posted above-average growth over the past years.

The main growth factors are rising medical needs deriving from aging populations, the growing number of chronically ill and multimorbid patients, stronger demand for innovative products and therapies, advances in medical technology and the growing health consciousness, which increases the demand for health care services and facilities.

In the emerging countries, drivers are the expanding availability and correspondingly greater demand for basic health care and increasing national incomes and hence higher spending on health care.

Health care structures are being reviewed and cost-cutting potential identified in order to contain the steadily rising health care expenditures. However, such measures cannot compensate for the cost pressure. Market-based elements are increasingly being introduced into the health care system to create incentives for cost- and quality-conscious behavior. Overall treatment costs shall be reduced through improved quality standards. In addition, ever-greater importance is being placed on disease prevention and innovative reimbursement models linked to treatment quality standards.

## RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

### SALES

Group sales increased by 4% (6% in constant currency) to €14,218 million (H1/2015: €13,622 million). Organic sales growth was 6%. Acquisitions contributed 1% and divestitures reduced sales by 1%. Negative currency translation effects (-2%) were mainly driven by the devaluation of the Latin American currencies against the Euro.

<sup>1</sup> 2015 before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before special items

## EARNINGS

€ in millions	Q2/2016	Q2/2015	H1/2016	H1/2015
EBIT <sup>1</sup>	1,028	965	1,987	1,819
Net income <sup>2</sup>	378	337	736	629
Net income <sup>3</sup>	378	320	736	634
Earnings per share in € <sup>2</sup>	0.70	0.62	1.35	1.16
Earnings per share in € <sup>3</sup>	0.70	0.59	1.35	1.17

## EARNINGS

Group EBITDA<sup>1</sup> increased by 9% (10% in constant currency) to €2,586 million (H1/2015: €2,369 million). Group EBIT<sup>1</sup> increased by 9% (10% in constant currency) to €1,987 million (H1/2015: €1,819 million). The EBIT margin<sup>1</sup> increased to 14.0% (H1/2015: 13.4%). Group EBIT<sup>1</sup> includes impairment losses from acquired in-process R & D of €25 million (H1/2015: €0 million). Excluding these losses, the currency adjusted increase was 11%.

Group net interest decreased to -€291 million (H1/2015: -€330 million), mainly due to more favorable financing terms and lower net debt.

With 28.3%, the Group tax rate (before special items) was on Q1/2016 level (28.4%) and hence in line with expectations.

Noncontrolling interest increased to €480 million (H1/2015: €414 million), of which 96% was attributable to the noncontrolling interest in Fresenius Medical Care.

Group net income<sup>2</sup> increased by 17% (18% in constant currency) to €736 million (H1/2015: €629 million). Group net income<sup>2</sup> is affected by impairment losses from acquired in-process R & D of €15 million (H1/2015: €0 million). Excluding these losses, the currency adjusted increase was 20%. Earnings per share<sup>2</sup> increased by 16% (17% in constant currency) to €1.35 (H1/2015: €1.16).

## SALES BY REGION

€ in millions	H1/2016	H1/2015	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/ divestitures	% of total sales <sup>4</sup>
North America	6,825	6,278	9%	0%	9%	8%	1%	48%
Europe	5,324	5,184	3%	-1%	4%	3%	1%	37%
Asia-Pacific	1,359	1,324	3%	-3%	6%	10%	-4%	10%
Latin America	560	664	-16%	-23%	7%	10%	-3%	4%
Africa	150	172	-13%	-11%	-2%	-2%	0%	1%
<b>Total</b>	<b>14,218</b>	<b>13,622</b>	<b>4%</b>	<b>-2%</b>	<b>6%</b>	<b>6%</b>	<b>0%</b>	<b>100%</b>

## SALES BY BUSINESS SEGMENT

€ in millions	H1/2016	H1/2015	Change at actual rates	Currency translations effects	Change at constant rates	Organic growth	Acquisitions/ divestitures	% of total sales <sup>4</sup>
Fresenius Medical Care	7,730	7,312	6%	-2%	8%	7%	1%	55%
Fresenius Kabi	2,946	2,932	0%	-4%	4%	6%	-2%	21%
Fresenius Helios	2,912	2,774	5%	0%	5%	4%	1%	21%
Fresenius Vamed	472	463	2%	0%	2%	3%	-1%	3%

All segment data according to U.S. GAAP

<sup>1</sup> 2015 before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before special items

<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>4</sup> Calculated on the basis of contribution to consolidated sales

**RECONCILIATION**

The Group's IFRS financial results as of June 30, 2016 do not include special items, whereas the Group's IFRS financial results as of June 30, 2015 comprise special items. Net income attributable to shareholders of Fresenius SE & Co. KGaA was adjusted for these special items. The table below shows the special items and the reconciliation from net income (before special items) to earnings according to IFRS.

**INVESTMENTS**

Spending on property, plant and equipment was €674 million (H1/2015: €617 million), primarily for the modernization and expansion of dialysis clinics, production facilities and hospitals. Total acquisition spending was €505 million (H1/2015: €194 million).

**CASH FLOW**

Operating cash flow increased by 6% to €1,333 million (H1/2015: €1,257 million) with a margin of 9.4% (H1/2015: 9.2%).

**RECONCILIATION**

€ in millions	H1/2016 (before special items)	Kabi efficiency program	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	H1/2016 according to IFRS (incl. special items)	H1/2015 (before special items)	Kabi efficiency program	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	H1/2015 according to IFRS (incl. special items)
<b>Sales</b>	<b>14,218</b>				<b>14,218</b>	13,622				13,622
<b>EBIT</b>	<b>1,987</b>				<b>1,987</b>	1,819	-33	-8	34	1,812
Interest result	-291				-291	-330				-330
<b>Net income before taxes</b>	<b>1,696</b>	0	0	0	<b>1,696</b>	1,489	-33	-8	34	1,482
Income taxes	-480				-480	-446	10	2	0	-434
<b>Net income</b>	<b>1,216</b>	0	0	0	<b>1,216</b>	1,043	-23	-6	34	1,048
Less noncontrolling interest	-480				-480	-414				-414
<b>Net income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>	<b>736</b>	0	0	0	<b>736</b>	629	-23	-6	34	634

€ in millions	Q2/2016 (before special items)	Kabi efficiency program	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	Q2/2016 according to IFRS (incl. special items)	Q2/2015 (before special items)	Kabi efficiency program	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	Q2/2015 according to IFRS (incl. special items)
<b>Sales</b>	<b>7,203</b>				<b>7,203</b>	7,044				7,044
<b>EBIT</b>	<b>1,028</b>	0	0	0	<b>1,028</b>	965	-19	-6	0	940
Interest result	-139				-139	-165				-165
<b>Net income before taxes</b>	<b>889</b>	0	0	0	<b>889</b>	800	-19	-6	0	775
Income taxes	-251	0	0	0	-251	-238	6	2	0	-230
<b>Net income</b>	<b>638</b>	0	0	0	<b>638</b>	562	-13	-4	0	545
Less noncontrolling interest	-260				-260	-225				-225
<b>Net income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>	<b>378</b>	0	0	0	<b>378</b>	337	-13	-4	0	320

The special items are reported in the Group/Other segment.



## INVESTMENTS BY BUSINESS SEGMENT

€ in millions	H1/2016	H1/2015	thereof property, plant and equipment	thereof acquisitions	Change	% of total
Fresenius Medical Care	819	511	454	365	60%	70%
Fresenius Kabi	216	177	105	111	22%	18%
Fresenius Helios	133	112	105	28	19%	11%
Fresenius Vamed	4	7	4	0	-43%	1%
Corporate/Other	3	-2	2	1	--	0%
IFRS Reconciliation	4	6	4	0	-33%	--
<b>Total</b>	<b>1,179</b>	<b>811</b>	<b>674</b>	<b>505</b>	<b>45%</b>	<b>100%</b>

All segment data according to U.S. GAAP

Free cash flow before acquisitions and dividends increased slightly to €649 million (H1/2015: €646 million). Free cash flow after acquisitions and dividends was -€207 million (H1/2015: €107 million).

## ASSET AND LIABILITY STRUCTURE

The Group's total assets increased by 2% (3% in constant currency) to €44,067 million (Dec. 31, 2015: €43,233 million). The increase is mainly driven by business expansion. Current assets grew by 5% (6% in constant currency) to €10,953 million (Dec. 31, 2015: €10,433 million). Non-current assets increased by 1% (2% in constant currency) to €33,114 million (Dec. 31, 2015: €32,800 million).

Total shareholders' equity grew by 2% (3% in constant currency) to €18,887 million (Dec. 31, 2015: €18,453 million). The equity ratio increased to 42.9% (Dec. 31, 2015: 42.7%).

Group debt increased by 1% (2% in constant currency) to €14,960 million (Dec. 31, 2015: €14,769 million). As of

June 30, 2016, the net debt/EBITDA ratio was 2.59<sup>1,2</sup> (Dec. 31, 2015: 2.65<sup>1</sup>).

## SECOND QUARTER OF 2016

Group sales increased by 2% (5% in constant currency) to €7,203 million (Q2/2015: €7,044 million). Organic sales growth was 5%. Acquisitions contributed 1%, while divestitures reduced sales by 1%.

Group EBIT<sup>3</sup> increased by 7% (9% in constant currency) to €1,028 million (Q2/2015: €965 million), the EBIT margin<sup>3</sup> was 14.3% (Q2/2015: 13.7%). Group EBIT<sup>3</sup> includes impairment losses from acquired in-process R & D of €25 million (Q2/2015 €0 million). Excluding these losses, the currency adjusted increase was 12%. In Q2/2016, the Group tax rate<sup>3</sup> was 28.2% (Q2/2015: 29.8%).

Group net income<sup>3,4</sup> before special items increased by 12% (15% in constant currency) to €378 million (Q2/2015: €337 million). Group net income<sup>3,4</sup> is affected by impairment losses

## CASH FLOW STATEMENT (SUMMARY)

€ in millions	H1/2016	H1/2015	Change
Net income	1,216	1,048	16%
Depreciation and amortization	599	550	9%
Change in accruals for pensions	45	30	50%
<b>Cash flow</b>	<b>1,860</b>	<b>1,628</b>	<b>14%</b>
Change in working capital	-527	-371	-42%
<b>Operating cash flow</b>	<b>1,333</b>	<b>1,257</b>	<b>6%</b>
Property, plant and equipment, investments net	-684	-611	-12%
<b>Cash flow before acquisitions and dividends</b>	<b>649</b>	<b>646</b>	<b>0%</b>
Cash used for acquisitions, net	-264	-16	--
Dividends paid	-592	-523	-13%
<b>Free cash flow paid after acquisitions and dividends</b>	<b>-207</b>	<b>107</b>	<b>--</b>
Cash provided by/used for financing activities	263	-405	165%
Effect of exchange rates on change in cash and cash equivalents	-2	40	-105%
<b>Net change in cash and cash equivalents</b>	<b>54</b>	<b>-258</b>	<b>121%</b>

<sup>1</sup> 2015 before special items; at LTM average exchange rates for both net debt and EBITDA

<sup>2</sup> Pro forma acquisitions

<sup>3</sup> 2015 before special items

<sup>4</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

from acquired in-process R & D of €15 million (Q2/2015 €0 million). Excluding these losses, the currency adjusted increase was 19%. Earnings per share<sup>1,2</sup> increased by 12% (15% in constant currency) to €0.70 (Q2/2015: €0.62).

Operating cash flow increased to €997 million (Q2/2015: €723 million). The cash flow margin increased to 13.8% (Q2/2015: 10.3%). As expected, the operating cashflow of Fresenius Medical Care improved considerably in Q2/2016.

Investments in property, plant and equipment increased to €359 million (Q2/2015: €342 million). Acquisition spending was €301 million (Q2/2015: €90 million).

### CHANGE TO THE MANAGEMENT BOARD

On 26 June 2016, Fresenius SE & Co. KGaA announced that the Supervisory Board of Fresenius Management SE has unanimously appointed Stephan Sturm (52) as Chief Executive Officer of Fresenius as of July 1, 2016. Stephan Sturm succeeds

Ulf Mark Schneider (50), who decided to leave the company effective June 30, 2016 to pursue another opportunity.

### ANNUAL GENERAL MEETING 2016

At the Annual General Meeting 2016, the shareholders of Fresenius SE & Co. KGaA approved all agenda items with a large majority. Fresenius SE & Co. KGaA shareholders approved the 23<sup>rd</sup> consecutive dividend increase proposed by the general partner and the Supervisory Board (agenda item 2). Shareholders received €0.55 per common share (2014: €0.44). With large majorities, the shareholders elected all nominees as shareholder representatives to the Supervisory Board (agenda item 6) and the Joint Committee (agenda item 7).

The voting results for all agenda items are listed in the table below.

Item no.	Description	Number of shares for which valid votes were cast	in % of the capital stock	Yes votes		No votes	
				Number	in % of the valid votes cast	Number	in % of the valid votes cast
Item no. 1	Resolution on the Approval of the Annual Financial Statements of Fresenius SE & Co. KGaA for the Fiscal Year 2015	393,116,643	72.00%	393,031,755	99.98%	84,888	0.02%
Item no. 2	Resolution on the Allocation of the Distributable Profit	395,937,623	72.52%	359,038,242	90.68%	36,899,381	9.32%
Item no. 3	Resolution on the Approval of the Actions of the General Partner for the Fiscal Year 2015	245,530,433	44.97%	244,634,401	99.64%	896,032	0.36%
Item no. 4	Resolution on the Approval of the Actions of the Supervisory Board for the Fiscal Year 2015	243,897,528	44.67%	242,729,823	99.52%	1,167,705	0.48%
Item no. 5	Election of the Auditor and Group Auditor for the Fiscal Year 2016 and of the Auditor for the potential Review of the Half-Yearly Financial Report for the first Half-Year of the Fiscal Year 2016 and other Financial Information	249,874,817	45.77%	239,849,998	95.99%	10,024,819	4.01%
Item no. 6	Election to the Supervisory Board						
	a) Prof. Dr. med. D. Michael Albrecht	249,836,788	45.76%	222,730,391	89.15%	27,106,397	10.85%
	b) Michael Diekmann	248,333,681	45.49%	235,713,334	94.92%	12,620,347	5.08%
	c) Dr. Gerd Krick	248,329,141	45.48%	224,790,942	90.52%	23,538,199	9.48%
	d) Prof. Dr. med. Iris Löw-Friedrich	248,800,209	45.57%	237,472,838	95.45%	11,327,371	4.55%
	e) Klaus-Peter Müller	248,789,056	45.57%	232,048,939	93.27%	16,740,117	6.73%
Item no. 7	f) Hauke Stars	248,795,206	45.57%	237,379,367	95.41%	11,415,839	4.59%
	Election to the Joint Committee						
Item no. 7	Michael Diekmann Dr. Gerd Krick	248,299,535	45.48%	226,456,901	91.20%	21,842,634	8.80%

<sup>1</sup> 2015 before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

## BUSINESS SEGMENTS

(all segment data according to U.S. GAAP)

### FRESENIUS MEDICAL CARE

Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases. As of June 30, 2016, Fresenius Medical Care was treating 301,548 patients in 3,504 dialysis clinics. Along with its core business, the company seeks to expand the range of medical services in the field of care coordination.

US\$ in millions	Q2/2016	Q2/2015	Change	H1/2016	H1/2015	Change
Sales	4,420	4,199	5%	8,626	8,159	6%
EBITDA	835	728	15%	1,557	1,408	11%
EBIT	641	547	17%	1,181	1,051	12%
Net income <sup>1</sup>	294	241	22%	522	450	16%
Employees (June 30/December 31)				113,089	110,242	3%

- ▶ 7% sales growth in constant currency in Q2
- ▶ 22% net income growth in Q2
- ▶ 2016 outlook confirmed

#### FIRST HALF OF 2016

Sales increased by 6% (8% in constant currency) to US\$8,626 million (H1/2015: US\$8,159 million). Organic sales growth was 7%. Acquisitions contributed 1%. Currency translation effects reduced sales by 2%.

Health Care services sales (dialysis services and care coordination) increased by 7% (9% in constant currency) to US\$6,985 million (H1/2015: US\$6,527 million). Dialysis product sales increased by 1% (4% in constant currency) to US\$1,640 million (H1/2015: US\$1,631 million).

In North America, sales increased by 9% to US\$6,212 million (H1/2015: US\$5,717 million). Health Care services sales grew by 9% to US\$5,770 million (H1/2015: US\$5,293 million). Dialysis product sales increased by 4% to US\$441 million (H1/2015: US\$424 million).

Sales outside North America decreased by 1% (increased by 6% in constant currency) to US\$2,406 million (H1/2015: US\$2,427 million). Health Care services sales decreased by 2% (increased by 7% in constant currency) to US\$1,215 million (H1/2015: US\$1,234 million). Dialysis product sales remained nearly unchanged (increased by 5% in constant currency) at US\$1,191 million (H1/2015: US\$1,193 million).

EBIT increased by 12% (13% in constant currency) to US\$1,181 million (H1/2015: US\$1,051 million). The EBIT margin was 13.7% (H1/2015: 12.9%).

Net income<sup>1</sup> increased by 16% (16% in constant currency) to US\$522 million (H1/2015: US\$450 million).

Operating cash flow increased by 3% to US\$857 million (H1/2015: US\$832 million). The cash flow margin was 9.9% (H1/2015: 10.2%).

#### SECOND QUARTER OF 2016

Fresenius Medical Care increased sales by 5% (7% in constant currency) to US\$4,420 million (Q2/2015: US\$4,199 million). Organic sales growth was 6%. Acquisitions contributed 1%, while divestitures had no impact on sales.

Adverse currency translation effects reduced sales by -2%.

<sup>1</sup> Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

EBIT increased by 17% (17% in constant currency) to US\$641 million (Q2/2015: US\$547 million). The EBIT margin was 14.5% (Q2/2015: 13.0%)

Net income<sup>1</sup> grew by 22% (22% in constant currency) to US\$294 million (Q2/2015: US\$241 million).

Operating cash flow increased to US\$678 million (Q2/2015: US\$385 million) with a cash flow margin of 15.3% (Q2/2015: 9.2%). The sequential improvement is mainly driven by the anticipated catch-up effect after the adjustment in invoicing in Q1/2016.

Please see page 18 of the Management Report for the 2016 outlook of Fresenius Medical Care.

For further information, please see Fresenius Medical Care's Investor News at [www.freseniusmedicalcare.com](http://www.freseniusmedicalcare.com).

<sup>1</sup> Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

## FRESENIUS KABI

Fresenius Kabi offers infusion therapies, intravenously administered generic drugs and clinical nutrition 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 millions	Q2/2016	Q2/2015	Change	H1/2016	H1/2015	Change
Sales	1,476	1,538	-4%	2,946	2,932	0%
EBITDA <sup>1</sup>	369	376	-2%	740	691	7%
EBIT <sup>1</sup>	307	314	-2%	616	571	8%
Net income <sup>2</sup>	180	169	7%	359	309	16%
Employees (June 30 / December 31)				33,915	33,195	2%

- ▶ **3% organic sales growth in Q2**
- ▶ **1% constant currency EBIT<sup>1</sup> growth in Q2**
- ▶ **2016 outlook raised: both, organic sales growth and EBIT<sup>1</sup> growth in constant currency of 3% to 5% expected**

### FIRST HALF OF 2016

Sales increased slightly (by 4% in constant currency) to €2,946 million (H1/2015: €2,932 million). Organic sales growth was 6%. Divestitures reduced sales by 2%.

Sales in Europe remained nearly unchanged at €1,048 million (H1/2015: €1,052 million). Organic sales growth was 2%. Divestitures reduced sales by 1%. Sales in North America increased by 6% (organic growth: 6%) to €1,086 million (H1/2015: €1,026 million), driven by persisting drug shortages as well as new product launches in Q1/2016. Sales in Asia-Pacific decreased by 6% (organic growth: 7%) to €531 million (H1/2015: €564 million). Adverse currency translation effects reduced sales by 5%, divestitures by another 8%. Given adverse currency translation effects, sales in Latin America/Africa decreased by 3% (organic growth: 21%, in

particular due to inflation driven price increases) to €281 million (H1/2015: €290 million).

EBIT<sup>1</sup> increased by 8% (10% in constant currency) to €616 million (H1/2015: €571 million). The EBIT margin<sup>1</sup> improved to 20.9% (H1/2015: 19.5%).

Net income<sup>2</sup> increased by 16% (37% in constant currency) to €359 million (H1/2015: €309 million).

Operating cash flow decreased by 5% to €335 million (H1/2015: €354 million), given adverse currency translation effects. The cash flow margin was 11.4% (H1/2015: 12.1%).

### SECOND QUARTER OF 2016

In the second quarter 2016, sales decreased by 4% (increased by 1% in constant currency) to €1,476 million (Q2/2015: €1,538 million). Negative currency translation effects (-5%) were mainly driven by the devaluation of the Chinese yuan, the U.S. dollar and the Argentine peso against the Euro. Organic sales growth was 3%. Acquisitions had no impact on sales growth. Divestitures reduced sales by 2%.

<sup>1</sup> 2015 before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius Kabi AG; 2015 before special items

For a detailed overview of special items please see the reconciliation table on page 8.

Sales in Europe were almost unchanged at €536 million (Q2/2015: €534 million). Organic sales growth was 2%. Sales in North America decreased by 8% (organic: 6%) to €510 million (Q2/2015: €553 million), mainly due to the high prior-year basis driven by significant new product launches. Sales in Asia-Pacific decreased by 6% (organic growth: 8%) to €277 million (Q2/2015: €296 million). Sales in Latin America/Africa decreased by 1% (organic growth 22%) to €153 million (Q2/2015: €155 million).

In Q2/2016, EBIT<sup>1</sup> decreased by 2% (increased by 1% in constant currency) to €307 million (Q2/2015: €314 million). The EBIT margin<sup>1</sup> increased to 20.8% (Q2/2015: 20.4%).

In Q2/2016, net income<sup>2</sup> increased by 7% (30% in constant currency) to €180 million (Q2/2015: €169 million).

While operating cash flow reached a very strong €211 million in Q2/2016, it could not match the exceptional prior-year quarter (Q2/2015: €271 million). The same applies to the margin of 14.3% (Q2/2015: 17.6%).

Please see page 18 of the Management Report for the 2016 outlook of Fresenius Kabi.

<sup>1</sup> 2015 before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius Kabi AG; 2015 before special items

For a detailed overview of special items please see the reconciliation table on page 8.

## FRESENIUS HELIOS

Fresenius Helios is Germany's largest hospital operator. HELIOS operates 112 hospitals, thereof 88 acute care clinics (including seven maximum care hospitals in Berlin-Buch, Duisburg, Erfurt, Krefeld, Schwerin, Wiesbaden and Wuppertal) and 24 post-acute care clinics. HELIOS treats more than 4.7 million patients per year, thereof approximately 1.3 million inpatients, and operates more than 34,000 beds.

€ in millions	Q2/2016	Q2/2015	Change	H1/2016	H1/2015	Change
Sales	1,477	1,383	7%	2,912	2,774	5%
EBITDA <sup>1</sup>	221	207	7%	427	399	7%
EBIT <sup>1</sup>	173	160	8%	332	307	8%
Net income <sup>2</sup>	138	119	16%	262	226	16%
Employees (June 30 / December 31)				71,975	69,728	3%

- ▶ 6% organic sales growth in Q2
- ▶ 60 bps sequential EBIT margin increase
- ▶ 2016 outlook confirmed

### FIRST HALF OF 2016

Sales increased by 5% to €2,912 million (H1/2015: €2,774 million). Organic sales growth was 4% (H1/2015: 3%).

Acquisitions and divestitures had no material effect.

EBIT<sup>1</sup> grew by 8% to €332 million (H1/2015: €307 million). The EBIT margin<sup>1</sup> increased to 11.4% (H1/2015: 11.1%).

Net income<sup>2</sup> increased by 16% to €262 million (H1/2015: €226 million).

### SECOND QUARTER OF 2016

In the second quarter of 2016, sales increased by 7% to €1,477 million (Q2/2015: €1,383 million). Organic sales growth was 6% (Q2/2015: 2%).

EBIT<sup>1</sup> increased by 8% to €173 million (Q2/2015: €160 million). Sequentially, the EBIT margin increased by 60 bps to 11.7%.

Net income<sup>2</sup> increased by 16% to €138 million (Q2/2015: €119 million).

Please see page 18 of the Management Report for the 2016 outlook of Fresenius Helios.

<sup>1</sup> 2015 before special items

<sup>2</sup> Net income attributable to shareholders of HELIOS Kliniken GmbH; 2015 before special items

For a detailed overview of special items please see the reconciliation table on page 8.

## 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	Q2/2016	Q2/2015	Change	H1/2016	H1/2015	Change
Sales	254	255	0%	472	463	2%
EBITDA	12	12	0%	21	21	0%
EBIT	9	9	0%	16	16	0%
Net income <sup>1</sup>	6	6	0%	11	10	10%
Employees (June 30/December 31)				7,999	8,262	-3%

- ▶ Sales development reflects typical quarterly fluctuations in the project business
- ▶ Strong order intake of €228 million in Q2
- ▶ 2016 outlook confirmed

### FIRST HALF OF 2016

Sales increased by 2% (2% in constant currency) to €472 million (H1/2015: €463 million). Organic sales growth was 3%. Sales in the project business decreased by 3% to €195 million (H1/2015: €202 million). Sales in the service business grew by 6% to €277 million (H1/2015: €261 million).

EBIT remained unchanged with €16 million (H1/2015: €16 million). The EBIT margin was 3.4% (H1/2015: 3.5%).

Net income<sup>1</sup> grew by 10% to €11 million (H1/2015: €10 million).

Order intake increased by 64% to €465 million (H1/2015: €284 million). As of June 30, 2016, order backlog grew to €1,917 million (December 31, 2015: €1,650 million).

### SECOND QUARTER OF 2016

Sales in the second quarter of 2016 remained nearly unchanged at €254 million (Q2/2015: €255 million). Organic sales growth was 1%.

EBIT remained unchanged at €9 million (Q2/2015: €9 million). The EBIT margin of 3.5% was at prior-year level.

Net income<sup>1</sup> of €6 million was at prior-year's level.

Please see page 18 of the Management Report for the 2016 outlook of Fresenius Vamed.

<sup>1</sup> Net income attributable to shareholders of Vamed AG



## EMPLOYEES

As of June 30, 2016, the number of employees increased by 2% to 227,856 (Dec. 31, 2015: 222,305).

### EMPLOYEES BY BUSINESS SEGMENT

Number of employees	June 30, 2016	Dec. 31, 2015	Change
Fresenius Medical Care	113,089	110,242	3%
Fresenius Kabi	33,915	33,195	2%
Fresenius Helios	71,975	69,728	3%
Fresenius Vamed	7,999	8,262	-3%
Corporate/Other	878	878	0%
<b>Total</b>	<b>227,856</b>	<b>222,305</b>	<b>2%</b>

## RESEARCH AND DEVELOPMENT

Product and process development as well as the improvement of therapies are at the core of our growth strategy. Fresenius focuses its R & D efforts on its core competencies in the following areas:

- ▶ Dialysis
- ▶ Generic IV drugs
- ▶ Infusion and nutrition therapies
- ▶ Medical devices

Apart from new products, we are concentrating on developing optimized or completely new therapies, treatment methods, and services.

### RESEARCH AND DEVELOPMENT EXPENSES BY BUSINESS SEGMENT

€ in millions	H1/2016	H1/2015	Change
Fresenius Medical Care	68	59	15%
Fresenius Kabi	161	161	0%
Fresenius Helios	–	–	--
Fresenius Vamed	0	0	--
Corporate/Other	0	3	-100%
IFRS Reconciliation	28	1	--
<b>Total</b>	<b>257</b>	<b>224</b>	<b>15%</b>

All segment data according to U.S. GAAP

Research and development expenses of €257 million (H1/2015: €224 million) included expenditures for research and non-capitalizable development costs as well as regular depreciation and amortization expenses relating to capitalized development costs of €8 million (H1/2015: €8 million).

Furthermore, in the first half of 2016, research and development expenses included impairments on capitalized development expenses of €25 million (H1/2015: €0 million). These related to in-process R & D of product approval projects, which were acquired through the acquisition of Fresenius Kabi USA, Inc.

## DIALYSIS

The complex interactions and side effects that lead to kidney failure are better explored today than ever before. Technological advances develop in parallel with medical insights to improve the possibilities for treating patients. Our R & D activities at Fresenius Medical Care aim to translate new insights into novel or improved developments and to bring them to market as quickly as possible, and thus make an important contribution towards rendering the treatment of patients increasingly comfortable, safe, and individualized.

## INFUSION THERAPIES, CLINICAL NUTRITION, GENERIC IV DRUGS, AND MEDICAL DEVICES

Fresenius Kabi's research and development activities concentrate on products for the therapy and care of critically and chronically ill patients. Our focus is on areas with high medical needs, such as in the treatment of oncology patients. Our products help to support medical advancements in acute and post-acute care and improve the patients' quality of life. We develop new products in areas such as clinical nutrition. In addition, we develop generic drug formulations ready to launch at the time of market formation as well as new formulations for non-patented drugs. Our medical devices significantly contribute to a safe and effective application of infusion solutions and clinical nutrition. In transfusion technology our R & D focus is on medical devices and disposables to support the secure, user-friendly, and efficient production of blood products.

## OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the 2015 annual report, there have been no material changes in Fresenius' overall opportunities and risk situation in the first half of 2016.

In the ordinary course of Fresenius Group's operations, the Fresenius Group is subject to litigation, arbitration and investigations relating to various aspects of its business. The Fresenius Group regularly analyzes current information about such claims for probable losses and provides accruals for such matters, including estimated expenses for legal services, as appropriate.

In addition, we report on legal proceedings, currency and interest risks on pages 42 to 47 in the Notes of this report.

## SUBSEQUENT EVENTS

On July 29, 2016, Fitch upgraded the corporate credit rating of Fresenius from BB + to BBB - with a stable outlook. The upgrade reflects Fitch's view that Fresenius' business profile has improved over the last years driven by increasing scale and diversification as well as strong profitability and cash generation. In addition, Fitch considers the underlying operations to be mature and defensive with low cyclicity and low volatility of earnings.

There were no further significant changes in the Fresenius Group's operating environment following the end of the first half of 2016. No other events of material importance on the assets and liabilities, financial position, and result of operations of the Group have occurred after the close of the first half of 2016.

## RATING

Fresenius is covered by the rating agencies Moody's, Standard & Poor's and Fitch.

The following table shows the company rating of Fresenius SE & Co. KGaA:

	Standard & Poor's	Moody's	Fitch <sup>1</sup>
Company rating	BBB -	Baa3	BBB -
Outlook	stable	stable	stable

<sup>1</sup> Rating change as of July 29, 2016; previously „BB+“ and outlook „stable“

## OUTLOOK 2016

(all data according to U.S. GAAP)

### FRESENIUS GROUP

Based on the Group's excellent financial results in the first half of 2016 and strong prospects for the remainder of the year, Fresenius raises its 2016 Group earnings guidance. Net income<sup>1</sup> is now expected to grow by 11% to 14% in constant currency. Previously, Fresenius expected net income<sup>1</sup> growth of 8% to 12% in constant currency. The company confirms its Group sales guidance. Sales are expected to increase by 6% to 8% in constant currency.

The net debt/EBITDA<sup>2</sup> ratio is expected to be approximately 2.5 at the end of 2016.

### FRESENIUS MEDICAL CARE

Fresenius Medical Care confirms its outlook for 2016. The company expects sales to grow by 7% to 10% in constant currency and net income<sup>3</sup> is expected to increase by 15% to 20%<sup>4</sup> in 2016.

### FRESENIUS KABI

Fresenius Kabi raises its outlook for 2016 and now expects organic sales growth of 3% to 5% and EBIT<sup>5</sup> growth in constant currency of 3% to 5%. Previously, Fresenius Kabi projected low single-digit organic sales growth and EBIT<sup>5</sup> in constant currency to be roughly flat compared with 2015.

### FRESENIUS HELIOS

Fresenius Helios confirms its outlook for 2016 and projects organic sales growth of 3% to 5%. EBIT is expected to increase to €670 to €700 million.

### FRESENIUS VAMED

Fresenius Vamed confirms its outlook for 2016 and expects organic sales growth in the range of 5% to 10% and EBIT growth of 5% to 10%.

## INVESTMENTS

The Group plans to invest around 6% of sales in property, plant and equipment.

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before special items

<sup>2</sup> Calculated at FY average exchange rates for both net debt and EBITDA; excluding potential acquisitions

<sup>3</sup> Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

<sup>4</sup> 2015 before GranuFlo®/NaturaLyte® settlement costs (-US\$37 million after tax) and before acquisitions (US\$9 million after tax); hence the basis for expected net income growth is US\$1,057 million.

<sup>5</sup> 2015 before special items

## GROUP FINANCIAL OUTLOOK 2016

	Previous guidance	New guidance
Sales, growth (in constant currency)	6% – 8%	confirmed
Net income <sup>1</sup> , growth (in constant currency)	8% – 12%	11% – 14%

All data according to U.S. GAAP

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before integration costs (€12 million before tax for hospitals acquired from Rhön-Klinikum AG), before costs for the efficiency program at Fresenius Kabi (€105 million before tax), and before gain from the divestment of two HELIOS hospitals (€34 million before tax)

## OUTLOOK 2016 BY BUSINESS SEGMENT

		Previous guidance	New guidance
Fresenius Medical Care	Sales growth <sup>1</sup> (in constant currency)	7% – 10%	confirmed
	Net income <sup>1,2</sup> growth	15% – 20%	confirmed
Fresenius Kabi	Sales growth (organic)	low single-digit %	3% – 5%
	EBIT <sup>3</sup> (in constant currency)	roughly flat	3% – 5%
Fresenius Helios	Sales growth (organic)	3% – 5%	confirmed
Fresenius Vamed	EBIT	€670 – 700 m	confirmed
	Sales growth (organic)	5% – 10%	confirmed
	EBIT, growth	5% – 10%	confirmed

All data according to U.S. GAAP

<sup>1</sup> Savings from the global efficiency program are included, while acquisitions 2015/2016 are not taken into account. Before settlement costs for the agreement in principle for the GranuFlo®/NaturaLyte® case (-US\$37 million after tax) and before acquisitions (US\$9 million after tax); hence the basis for net income outlook 2016 are US\$1,057 million.

<sup>2</sup> Net income attributable to the shareholders of Fresenius Medical Care AG & Co. KGaA, the outlook is based on current exchange rates

<sup>3</sup> 2015 before costs for the efficiency program at Fresenius Kabi (€105 million before tax)

## EMPLOYEES

The number of employees in the Group will continue to rise in the future as a result of the expected expansion. We expect the number of employees to increase to approximately 230,000 in 2016 (December 31, 2015: 222,305). The number of employees is expected to increase in all business segments.

## RESEARCH AND DEVELOPMENT

Our R & D activities will continue to play a key role in securing the Group's long-term growth through innovations and new therapies. We plan to increase the Group's R & D spending in 2016. About 4% to 5% of our product sales will be reinvested in research and development.

Market-oriented research and development with strict time-to-market management processes is crucial for the success of new products. We continually review our R & D results using clearly defined milestones. Innovative ideas, product development, and therapies with a high level of quality will continue to be the basis for future market-leading positions. Given the continued cost-containment efforts in the health care sector, cost efficiency combined with a strong quality focus is acquiring ever-greater importance in product development, and in the improvement of treatment concepts and therapies.

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

€ in millions	Q2/2016	Q2/2015	H1/2016	H1/2015
Sales	7,203	7,044	14,218	13,622
Cost of sales	-4,886	-4,811	-9,662	-9,375
<b>Gross profit</b>	<b>2,317</b>	<b>2,233</b>	<b>4,556</b>	<b>4,247</b>
Selling, general and administrative expenses	-1,147	-1,177	-2,312	-2,211
Research and development expenses	-142	-116	-257	-224
<b>Operating income (EBIT)</b>	<b>1,028</b>	<b>940</b>	<b>1,987</b>	<b>1,812</b>
Net interest	-139	-165	-291	-330
<b>Income before income taxes</b>	<b>889</b>	<b>775</b>	<b>1,696</b>	<b>1,482</b>
Income taxes	-251	-230	-480	-434
<b>Net income</b>	<b>638</b>	<b>545</b>	<b>1,216</b>	<b>1,048</b>
Noncontrolling interest	260	225	480	414
<b>Net income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>	<b>378</b>	<b>320</b>	<b>736</b>	<b>634</b>
<b>Earnings per share in €</b>	<b>0.70</b>	<b>0.59</b>	<b>1.35</b>	<b>1.17</b>
Fully diluted earnings per share in €	0.69	0.58	1.34	1.16

The following notes are an integral part of the unaudited condensed interim financial statements.

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

€ in millions	Q2/2016	Q2/2015	H1/2016	H1/2015
<b>Net income</b>	<b>638</b>	<b>545</b>	<b>1,216</b>	<b>1,048</b>
<b>Other comprehensive income (loss)</b>				
<b>Positions which will be reclassified into net income in subsequent years</b>				
Foreign currency translation	381	-558	-173	867
Cash flow hedges	-	55	7	25
Change of fair value of available for sale financial assets	-	-	-	-
Income taxes on positions which will be reclassified	-7	-3	2	-28
<b>Positions which will not be reclassified into net income in subsequent years</b>				
Actuarial gains/losses on defined benefit pension plans	-4	14	13	-35
Income taxes on positions which will not be reclassified	3	-5	-3	12
<b>Other comprehensive income (loss), net</b>	<b>373</b>	<b>-497</b>	<b>-154</b>	<b>841</b>
<b>Total comprehensive income</b>	<b>1,011</b>	<b>48</b>	<b>1,062</b>	<b>1,889</b>
<b>Comprehensive income (loss) attributable to noncontrolling interest</b>	<b>445</b>	<b>-35</b>	<b>400</b>	<b>864</b>
<b>Comprehensive income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>	<b>566</b>	<b>83</b>	<b>662</b>	<b>1,025</b>

The following notes are an integral part of the unaudited condensed interim financial statements.

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

#### ASSETS

€ in millions	June 30, 2016	December 31, 2015
Cash and cash equivalents	1,098	1,044
Trade accounts receivable, less allowance for doubtful accounts	4,821	4,597
Accounts receivable from and loans to related parties	21	78
Inventories	2,986	2,860
Other current assets	2,027	1,854
<b>I. Total current assets</b>	<b>10,953</b>	<b>10,433</b>
Property, plant and equipment	7,646	7,429
Goodwill	21,759	21,646
Other intangible assets	1,675	1,727
Other non-current assets	1,415	1,399
Deferred taxes	619	599
<b>II. Total non-current assets</b>	<b>33,114</b>	<b>32,800</b>
<b>Total assets</b>	<b>44,067</b>	<b>43,233</b>

#### LIABILITIES AND SHAREHOLDERS' EQUITY

€ in millions	June 30, 2016	December 31, 2015
Trade accounts payable	1,084	1,291
Short-term accounts payable to related parties	32	9
Short-term accrued expenses and other short-term liabilities	5,279	5,008
Short-term debt	1,000	202
Short-term debt from related parties	–	4
Current portion of long-term debt and capital lease obligations	491	607
Current portion of Senior Notes	350	349
Short-term accruals for income taxes	210	195
<b>A. Total short-term liabilities</b>	<b>8,446</b>	<b>7,665</b>
Long-term debt and capital lease obligations, less current portion	5,084	5,502
Senior Notes, less current portion	7,189	7,267
Convertible bonds	846	838
Long-term accrued expenses and other long-term liabilities	1,441	1,334
Pension liabilities	1,103	1,077
Long-term accruals for income taxes	226	221
Deferred taxes	845	876
<b>B. Total long-term liabilities</b>	<b>16,734</b>	<b>17,115</b>
<b>I. Total liabilities</b>	<b>25,180</b>	<b>24,780</b>
<b>A. Noncontrolling interest</b>	<b>7,398</b>	<b>7,300</b>
Subscribed capital	546	546
Capital reserve	3,333	3,309
Other reserves	7,350	6,964
Accumulated other comprehensive income	260	334
<b>B. Total Fresenius SE &amp; Co. KGaA shareholders' equity</b>	<b>11,489</b>	<b>11,153</b>
<b>II. Total shareholders' equity</b>	<b>18,887</b>	<b>18,453</b>
<b>Total liabilities and shareholders' equity</b>	<b>44,067</b>	<b>43,233</b>

The following notes are an integral part of the unaudited condensed interim financial statements.

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

€ in millions	H1/2016	H1/2015
<b>Operating activities</b>		
Net income	1,216	1,048
<b>Adjustments to reconcile net income to cash and cash equivalents provided by operating activities</b>		
Depreciation and amortization	599	550
Gain on sale of investments and divestitures	-5	-33
Change in deferred taxes	-33	-58
Gain on sale of fixed assets	-	-1
<b>Changes in assets and liabilities, net of amounts from businesses acquired or disposed of</b>		
Trade accounts receivable, net	-218	-264
Inventories	-137	-215
Other current and non-current assets	-171	-15
Accounts receivable from/payable to related parties	17	56
Trade accounts payable, accrued expenses and other short-term and long-term liabilities	46	222
Accruals for income taxes	19	-33
<b>Net cash provided by operating activities</b>	<b>1,333</b>	<b>1,257</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	-697	-621
Proceeds from sales of property, plant and equipment	13	10
Acquisitions and investments, net of cash acquired and net purchases of intangible assets	-397	-174
Proceeds from sale of investments and divestitures	133	158
<b>Net cash used in investing activities</b>	<b>-948</b>	<b>-627</b>
<b>Financing activities</b>		
Proceeds from short-term debt	941	301
Repayments of short-term debt	-153	-177
Proceeds from long-term debt and capital lease obligations	372	169
Repayments of long-term debt and capital lease obligations	-882	-794
Changes of accounts receivable securitization program	-46	13
Proceeds from the exercise of stock options	29	84
Dividends paid	-592	-523
Change in noncontrolling interest	-	-2
Exchange rate effect due to corporate financing	2	1
<b>Net cash provided by in financing activities</b>	<b>-329</b>	<b>-928</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>-2</b>	<b>40</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>54</b>	<b>-258</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>1,044</b>	<b>1,175</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,098</b>	<b>917</b>

#### ADDITIONAL INFORMATION ON PAYMENTS THAT ARE INCLUDED IN NET CASH PROVIDED BY OPERATING ACTIVITIES

€ in millions	H1/2016	H1/2015
Received interest	20	27
Paid interest	-260	-265
Income taxes paid	-457	-369

The following notes are an integral part of the unaudited condensed interim financial statements.

## FRESENIUS SE &amp; CO. KGAA

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Subscribed Capital			Reserves	
	Number of ordinary shares in thousand	Amount € in thousands	Amount € in millions	Capital reserve € in millions	Other reserves € in millions
<b>As of December 31, 2014</b>	541,533	541,533	542	3,183	5,871
Proceeds from the exercise of stock options	1,946	1,946	2	49	
Compensation expense related to stock options				8	
Dividends paid					-283
Purchase of noncontrolling interest					
Noncontrolling interest subject to put provisions					-13
Comprehensive income (loss)					
Net income					634
Other comprehensive income (loss)					
Cash flow hedges					
Change of fair value of available for sale financial assets					
Foreign currency translation					
Actuarial losses on defined benefit pension plans					
Comprehensive income					634
<b>As of June 30, 2015</b>	543,479	543,479	544	3,240	6,254
<b>As of December 31, 2015</b>	545,728	545,728	546	3,309	6,964
Proceeds from the exercise of stock options	551	551	-	15	
Compensation expense related to stock options				9	
Dividends paid					-300
Purchase of noncontrolling interest					
Noncontrolling interest subject to put provisions					-50
Comprehensive income (loss)					
Net income					736
Other comprehensive income (loss)					
Cash flow hedges					
Change of fair value of available for sale financial assets					
Foreign currency translation					
Actuarial gains on defined benefit pension plans					
Comprehensive income (loss)					736
<b>As of June 30, 2016</b>	546,279	546,279	546	3,333	7,350

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Accumulated other com- prehensive income (loss) € in millions	Total Fresenius SE & Co. KGaA shareholders' equity € in millions	Noncontrolling interest € in millions	Total shareholders' equity € in millions
<b>As of December 31, 2014</b>	-73	9,523	6,337	15,860
Proceeds from the exercise of stock options		51	33	84
Compensation expense related to stock options		8	1	9
Dividends paid		-238	-285	-523
Purchase of noncontrolling interest		0	25	25
Noncontrolling interest subject to put provisions		-13	-30	-43
Comprehensive income (loss)				
Net income		634	414	1,048
Other comprehensive income (loss)				
Cash flow hedges	12	12	7	19
Change of fair value of available for sale financial assets	-	-	-	-
Foreign currency translation	388	388	457	845
Actuarial losses on defined benefit pension plans	-9	-9	-14	-23
Comprehensive income	391	1,025	864	1,889
<b>As of June 30, 2015</b>	318	10,356	6,945	17,301
<b>As of December 31, 2015</b>	334	11,153	7,300	18,453
Proceeds from the exercise of stock options		15	14	29
Compensation expense related to stock options		9	4	13
Dividends paid		-300	-292	-592
Purchase of noncontrolling interest		0	84	84
Noncontrolling interest subject to put provisions		-50	-112	-162
Comprehensive income (loss)				
Net income		736	480	1,216
Other comprehensive income (loss)				
Cash flow hedges	-2	-2	6	4
Change of fair value of available for sale financial assets	-	-	-	-
Foreign currency translation	-79	-79	-89	-168
Actuarial gains on defined benefit pension plans	7	7	3	10
Comprehensive income (loss)	-74	662	400	1,062
<b>As of June 30, 2016</b>	260	11,489	7,398	18,887

The following notes are an integral part of the unaudited condensed interim financial statements.



## FRESENIUS SE & CO, KGAA CONSOLIDATED SEGMENT REPORTING FIRST HALF (UNAUDITED)

by business segment, € in millions	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed		
	2016	2015	Change	2016	2015 <sup>2</sup>	Change	2016	2015 <sup>3</sup>	Change	2016	2015	Change
Sales	7,730	7,312	6%	2,946	2,932	0%	2,912	2,774	5%	472	463	2%
thereof contribution to consolidated sales	7,718	7,300	6%	2,921	2,909	0%	2,912	2,774	5%	453	443	2%
thereof intercompany sales	12	12	0%	25	23	9%	0	0		19	20	-5%
contribution to consolidated sales	55%	54%		21%	22%		21%	21%		3%	3%	
EBITDA	1,396	1,262	11%	740	691	7%	427	399	7%	21	21	0%
Depreciation and amortization	337	320	5%	124	120	3%	95	92	3%	5	5	0%
EBIT	1,059	942	12%	616	571	8%	332	307	8%	16	16	0%
Net interest	-186	-183	-2%	-77	-102	25%	-20	-25	20%	0	-2	100%
Income taxes	-275	-245	-12%	-163	-146	-12%	-49	-52	6%	-4	-4	0%
Net income attributable to shareholders of Fresenius SE & Co, KGaA	468	404	16%	359	309	16%	262	226	16%	11	10	10%
Operating cash flow	768	746	3%	335	354	-5%	230	231	0%	1	-44	102%
Cash flow before acquisitions and dividends	322	377	-15%	210	210	0%	128	150	-15%	-3	-51	94%
Total assets <sup>1</sup>	23,917	23,298	3%	10,550	10,395	1%	8,692	8,430	3%	923	988	-7%
Debt <sup>1</sup>	8,183	7,942	3%	5,251	5,234	0%	1,363	1,282	6%	182	161	13%
Other operating liabilities <sup>1</sup>	4,341	4,198	3%	1,982	1,931	3%	1,509	1,479	2%	399	488	-18%
Capital expenditure, gross	454	374	21%	105	141	-26%	105	84	25%	4	7	-43%
Acquisitions, gross/investments	365	137	166%	111	36	--	28	28	0%	--	--	--
Research and development expenses	68	59	15%	161	161	0%	--	--	--	0	0	
Employees (per capita on balance sheet date) <sup>1</sup>	113,089	110,242	3%	33,915	33,195	2%	71,975	69,728	3%	7,999	8,262	-3%
Key figures												
EBITDA margin	18.1%	17.3%		25.1%	23.6%		14.7%	14.4%		4.4%	4.5%	
EBIT margin	13.7%	12.9%		20.9%	19.5%		11.4%	11.1%		3.4%	3.5%	
Depreciation and amortization in % of sales	4.4%	4.4%		4.2%	4.1%		3.3%	3.3%		1.1%	1.1%	
Operating cash flow in % of sales	9.9%	10.2%		11.4%	12.1%		7.9%	8.3%		0.2%	-9.5%	
ROOA <sup>1</sup>	9.9%	9.6%		13.0%	13.2%		8.3%	8.1%		10.2%	11.1%	

## FRESENIUS SE & CO. KGAA CONSOLIDATED SEGMENT REPORTING FIRST HALF (UNAUDITED)

by business segment, € in millions	Corporate/Other			IFRS-Reconciliation			Fresenius Group		
	2016	2015 <sup>4</sup>	Change	2016	2015	Change	2016	2015	Change
Sales	-54	-52	-4%	212	193	10%	14,218	13,622	4%
thereof contribution to consolidated sales	2	3	-33%	212	193	10%	14,218	13,622	4%
thereof intercompany sales	-56	-55	-2%	0	0		0	0	
contribution to consolidated sales	0%	0%		0%	0%		100%	100%	
EBITDA	-8	-23	65%	10	12	-17%	2,586	2,362	9%
Depreciation and amortization	5	5	0%	33	8		599	550	9%
EBIT	-13	-28	54%	-23	4	--	1,987	1,812	10%
Net interest	-8	-18	56%	0	0		-291	-330	12%
Income taxes	0	20	-100%	11	-7	--	-480	-434	-11%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	-345	-307	-12%	-19	-8	-138%	736	634	16%
Operating cash flow	-4	-36	89%	3	6	-50%	1,333	1,257	6%
Cash flow before acquisitions and dividends	-7	-40	83%	-1	0		649	646	0%
Total assets <sup>1</sup>	-261	-152	-72%	246	274	-10%	44,067	43,233	2%
Debt <sup>1</sup>	-19	150	-113%	0	0		14,960	14,769	1%
Other operating liabilities <sup>1</sup>	289	344	-16%	855	695	23%	9,375	9,135	3%
Capital expenditure, gross	2	5	-60%	4	6	-33%	674	617	9%
Acquisitions, gross/investments	1	-7	114%	0	0		505	194	160%
Research and development expenses	0	3	-100%	28	1	--	257	224	15%
Employees (per capita on balance sheet date) <sup>1</sup>	878	878	0%	0	0		227,856	222,305	2%
Key figures									
EBITDA margin							18.2%	17.4% <sup>2,3</sup>	
EBIT margin							14.0%	13.4% <sup>2,3</sup>	
Depreciation and amortization in % of sales							4.2%	4.0%	
Operating cash flow in % of sales							9.4%	9.2%	
ROOA <sup>1</sup>							10.2% <sup>5</sup>	10.2% <sup>6</sup>	

<sup>1</sup> 2015: December 31

<sup>2</sup> Before costs for the efficiency program

<sup>3</sup> Before integration costs and disposal gains (two HELIOS hospitals)

<sup>4</sup> After costs for the efficiency program, integration costs and disposal gains (two HELIOS hospitals)

<sup>5</sup> The underlying pro forma EBIT does not include costs for the efficiency program and integration costs.

<sup>6</sup> The underlying EBIT does not include costs for the efficiency program, integration costs and disposal gains (two HELIOS hospitals).

The consolidated segment reporting is an integral part of the notes.  
The following notes are an integral part of the unaudited condensed interim financial statements.

## FRESENIUS SE & CO. KGAA CONSOLIDATED SEGMENT REPORTING SECOND QUARTER (UNAUDITED)

by business segment, € in millions	Fresenius Medical Care			Fresenius Kabli			Fresenius Helios			Fresenius Vamed		
	2016	2015	Change	2016	2015 <sup>1</sup>	Change	2016	2015 <sup>2</sup>	Change	2016	2015	Change
Sales	3,914	3,796	3%	1,476	1,538	-4%	1,477	1,383	7%	254	255	0%
thereof contribution to consolidated sales	3,907	3,789	3%	1,463	1,527	-4%	1,477	1,383	7%	243	245	-1%
thereof intercompany sales	7	7	0%	13	11	18%	0	0		11	10	10%
contribution to consolidated sales	55%	54%		21%	22%		21%	20%		3%	4%	
EBITDA	741	658	13%	369	376	-2%	221	207	7%	12	12	0%
Depreciation and amortization	172	164	5%	62	62	0%	48	47	2%	3	3	0%
EBIT	569	494	15%	307	314	-2%	173	160	8%	9	9	0%
Net interest	-90	-92	2%	-36	-52	31%	-9	-12	25%	0	-1	100%
Income taxes	-150	-123	-22%	-83	-84	1%	-25	-27	7%	-2	-2	0%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	261	218	20%	180	169	7%	138	119	16%	6	6	0%
Operating cash flow	605	349	73%	211	271	-22%	164	117	40%	19	-7	--
Cash flow before acquisitions and dividends	382	155	146%	153	192	-20%	99	66	50%	17	-13	--
Capital expenditure, gross	227	195	16%	61	83	-27%	67	52	29%	2	6	-67%
Acquisitions, gross/investments	275	76	--	6	2	200%	19	11	73%	--	--	--
Research and development expenses	34	32	6%	82	83	-1%	--	--	--	0	0	
Key figures												
EBITDA margin	18.9%	17.3%		25.0%	24.4%		15.0%	15.0%		4.7%	4.7%	
EBIT margin	14.5%	13.0%		20.8%	20.4%		11.7%	11.6%		3.5%	3.5%	
Depreciation and amortization in % of sales	4.4%	4.3%		4.2%	4.0%		3.2%	3.4%		1.2%	1.2%	
Operating cash flow in % of sales	15.3%	9.2%		14.3%	17.6%		11.1%	8.5%		7.5%	-2.7%	

## FRESENIUS SE & CO. KGAA CONSOLIDATED SEGMENT REPORTING SECOND QUARTER (UNAUDITED)

by business segment, € in millions	Corporate/Other			IFRS-Reconciliation			Fresenius Group		
	2016	2015 <sup>3</sup>	Change	2016	2015	Change	2016	2015	Change
Sales	-29	-26	-12%	111	98	13%	7,203	7,044	2%
thereof contribution to consolidated sales	2	2	0%	111	98	13%	7,203	7,044	2%
thereof intercompany sales	-31	-28	-11%	0	0		0	0	
contribution to consolidated sales	0%	0%		0%	0%		100%	100%	
EBITDA	-4	-40	90%	6	9	-33%	1,345	1,222	10%
Depreciation and amortization	3	2	50%	29	4	--	317	282	12%
EBIT	-7	-42	83%	-23	5	--	1,028	940	9%
Net interest	-4	-8	50%	0	0		-139	-165	16%
Income taxes	-2	13	-115%	11	-7	--	-251	-230	-9%
Net income attributable to shareholders of Fresenius SE & Co, KGaA	-192	-187	-3%	-15	-5	-200%	378	320	18%
Operating cash flow	-3	-10	70%	1	3	-67%	997	723	38%
Cash flow before acquisitions and dividends	-3	-12	75%	-1	0		647	388	67%
Capital expenditure, gross	0	2	-100%	2	4	-50%	359	342	5%
Acquisitions, gross/investments	1	1	0%	0	0		301	90	--
Research and development expenses	0	2	-100%	26	-1	--	142	116	22%
Key figures									
EBITDA margin							18.7%	17.7%	<sup>1,2</sup>
EBIT margin							14.3%	13.7%	<sup>1,2</sup>
Depreciation and amortization in % of sales							4.4%	4.0%	
Operating cash flow in % of sales							13.8%	10.3%	

<sup>1</sup> Before costs for the efficiency program

<sup>2</sup> Before integration costs

<sup>3</sup> After costs for the efficiency program and integration costs

The consolidated segment reporting is an integral part of the notes.  
The following notes are an integral part of the unaudited condensed interim financial statements.

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## GENERAL NOTES

### 1. PRINCIPLES

#### I. GROUP STRUCTURE

Fresenius is a global healthcare group with products and services for dialysis, hospitals and outpatient medical care. In addition, the Fresenius Group focuses on hospital operations and also manages projects and provides services for hospitals and other healthcare facilities worldwide. Besides the activities of the parent company Fresenius SE & Co. KGaA, Bad Homburg v. d. H., the operating activities were split into the following legally independent business segments as of June 30, 2016:

- ▶ Fresenius Medical Care
- ▶ Fresenius Kabi
- ▶ Fresenius Helios
- ▶ Fresenius Vamed

The reporting currency in the Fresenius Group is the euro. In order to make the presentation clearer, amounts are mostly shown in million euros. Amounts under €1 million after rounding are marked with “-”.

#### II. BASIS OF PRESENTATION

Fresenius SE & Co. KGaA, as a stock exchange listed company with a domicile in a member state of the European Union, fulfills its obligation to prepare and publish the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) applying Section 315a of the German Commercial Code (HGB). Simultaneously, the Fresenius Group voluntarily prepares and publishes the consolidated financial statements in accordance with the United States Generally Accepted Accounting Principles (U.S. GAAP).

The accompanying condensed interim financial statements comply with the International Accounting Standard (IAS) 34. They have been prepared in accordance with the IFRS in force on the reporting date and adopted by the European Union.

The accounting policies underlying these interim financial statements are mainly the same as those applied in the consolidated financial statements as of December 31, 2015.

### III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Principles of consolidation

The condensed consolidated financial statements and management report for the first half and the second quarter ended June 30, 2016 have not been audited nor reviewed and should be read in conjunction with the notes included and published in the consolidated financial statements as of December 31, 2015 applying Section 315a HGB in accordance with IFRS.

Except for the reported acquisitions (see note 2, Acquisitions and investments), there have been no other major changes in the entities consolidated.

The consolidated financial statements for the first half and the second quarter ended June 30, 2016 include all adjustments that, in the opinion of the Management Board, are of a normal and recurring nature and are necessary to provide an appropriate view of the assets and liabilities, financial position and results of operations of the Fresenius Group.

The results of operations for the first half ended June 30, 2016 are not necessarily indicative of the results of operations for the fiscal year 2016.

#### Classifications

In the prior year's comparative consolidated financial statements, deferred taxes in the amount of €154 million, which relate to further netting in the field of deferred taxes, were adjusted to conform to the current year's presentation.

#### Use of estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

### IV. RECENT PRONOUNCEMENTS, APPLIED

The Fresenius Group has prepared its consolidated financial statements at June 30, 2016 in conformity with IFRS in force for interim periods on January 1, 2016.

In the first half of 2016, the Fresenius Group did not apply any new standard relevant for its business for the first time.

## V. RECENT PRONOUNCEMENTS, NOT YET APPLIED

The International Accounting Standards Board (IASB) issued the following relevant new standards for the Fresenius Group:

In January 2016, the IASB issued **IFRS 16, Leases**, which supersedes the current standard on lease accounting, IAS 17, as well as the interpretations IFRIC 4, SIC-15 and SIC-27.

IFRS 16 significantly improves lessee accounting. For all leases, a lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Depreciation of the right-of-use asset and interest on the lease liability must be recognized in the income statement for every lease contract. Therefore, straight-line rental expenses will no longer be shown. The lessor accounting requirements in IAS 17 are substantially carried forward. The standard is effective for fiscal years beginning on or after January 1, 2019. Earlier application is permitted for entities that have also adopted IFRS 15, Revenue from Contracts with Customers. The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

In January 2016, the IASB issued **Amendments to IAS 7, Statement of Cash Flows**. The amendments are intended to improve the information related to the change in a company's debt by providing additional disclosures. The standard is effective for fiscal years beginning on or after January 1, 2017. Earlier application is permitted. The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

In May 2014, the IASB issued **IFRS 15, Revenue from Contracts with Customers**. Simultaneously, the Financial Accounting Standards Board (FASB) published its equivalent revenue standard, Accounting Standards Update 2014-09 (ASU 2014-09), FASB Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers. The standards are the result of a convergence project between the FASB and the IASB. This new standard specifies how and when companies reporting under IFRS will recognize revenue as well as providing users of financial statements with more informative and relevant disclosures. IFRS 15 supersedes IAS 18, Revenue, IAS 11, Construction Contracts and a number of revenue-related interpretations. This standard applies to nearly all contracts with customers, the main

exceptions are leases, financial instruments and insurance contracts. In September 2015, the IASB issued the amendment **Effective Date of IFRS 15**, which defers the effective date of IFRS 15 by one year to fiscal years beginning on or after January 1, 2018. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact of IFRS 15, in conjunction with all amendments to the standard, on its consolidated financial statements.

In July 2014, the IASB issued a new version of **IFRS 9, Financial Instruments**. This IFRS 9 version is considered the final and complete version, thus, mainly replacing IAS 39 as soon as IFRS 9 is applied. It includes all prior guidance on the classification and measurement of financial assets and financial liabilities as well as hedge accounting and introduces requirements for impairment of financial instruments as well as modified requirements for the measurement categories of financial assets. The impairment provisions reflect a model that relies on expected losses (expected loss model). This model comprises a two stage approach: Upon recognition an entity shall recognize losses that are expected within the next 12 months. If credit risk deteriorates significantly, from that point in time impairment losses shall amount to lifetime expected losses. The provisions for classification and measurement are amended by introducing an additional third measurement category for certain debt instruments. Such instruments shall be measured at fair value with changes recognized in other comprehensive income (fair value through other comprehensive income). The standard is accompanied by additional disclosure requirements and is effective for fiscal years beginning on or after January 1, 2018. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact on its consolidated financial statements.

The EU Commission's endorsements of IFRS 9, IFRS 15, IFRS 16 and of the amendments to IAS 7 and to IFRS 15 are still outstanding.

In the Fresenius Group's view, all other pronouncements issued by the IASB do not have a material impact on the consolidated financial statements, as expected.

## 2. ACQUISITIONS AND INVESTMENTS

The Fresenius Group made acquisitions, investments and purchases of intangible assets of €505 million and €194 million in the first half of 2016 and 2015, respectively. Of this amount, €397 million was paid in cash and €108 million was assumed obligations in the first half of 2016.

### FRESENIUS MEDICAL CARE

In the first half of 2016, Fresenius Medical Care spent €365 million on acquisitions, mainly on acquisitions of dialysis clinics as well as in care coordination.

### FRESENIUS KABI

In the first half of 2016, Fresenius Kabi spent €111 million on acquisitions including the acquisition of a U.S. pharmaceutical manufacturing plant and a line of seven drugs.

### FRESENIUS HELIOS

In the first half of 2016, Fresenius Helios spent €28 million on acquisitions for the purchase of 100% of the shares in Klinikum Niederberg gGmbH, Germany and for the purchase of outpatient clinics.

## NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

### 3. SALES

Sales by activity were as follows:

€ in millions	H1/2016	H1/2015
Sales of services	9,660	9,074
Sales of products and related goods	4,360	4,338
Sales from long-term production contracts	196	204
Other sales	2	6
<b>Sales</b>	<b>14,218</b>	<b>13,622</b>

### 4. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of €257 million (H1/2015: €224 million) included expenditures for research and non-capitalizable development costs as well as regular depreciation and amortization expenses relating to capitalized development costs of €8 million (H1/2015: €8 million). Furthermore, in the first half of 2016, research and development expenses included impairments on capitalized development expenses of €25 million (H1/2015: €0 million). These related to in-process R&D of product approval projects, which were acquired through the acquisition of Fresenius Kabi USA, Inc.

### 5. TAXES

During the first half of 2016, there were no material changes relating to tax audits, accruals for income taxes as well as recognized and accrued payments for interest and penalties. Explanations regarding the tax audits and further information can be found in the consolidated financial statements as of December 31, 2015 applying Section 315a HGB in accordance with IFRS.



## 6. EARNINGS PER SHARE

The following table shows the earnings per share including and excluding the dilutive effect from stock options issued:

	H1/2016	H1/2015
<b>Numerators, € in millions</b>		
Net income attributable to shareholders of Fresenius SE & Co. KGaA	736	634
less effect from dilution due to Fresenius Medical Care shares	–	–
Income available to all ordinary shares	736	634
<b>Denominators in number of shares</b>		
Weighted-average number of ordinary shares outstanding	545,945,575	542,708,040
Potentially dilutive ordinary shares	4,102,887	4,491,252
Weighted-average number of ordinary shares outstanding assuming dilution	550,048,462	547,199,292
<b>Basic earnings per share in €</b>	1.35	1.17
<b>Fully diluted earnings per share in €</b>	1.34	1.16

## NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 7. CASH AND CASH EQUIVALENTS

As of June 30, 2016 and December 31, 2015, cash and cash equivalents were as follows:

€ in millions	June 30, 2016	Dec. 31, 2015
Cash	1,076	992
Time deposits and securities (with a maturity of up to 90 days)	22	52
<b>Total cash and cash equivalents</b>	<b>1,098</b>	<b>1,044</b>

As of June 30, 2016 and December 31, 2015, earmarked funds of €70 million and €57 million, respectively, were included in cash and cash equivalents.

### 8. TRADE ACCOUNTS RECEIVABLE

As of June 30, 2016 and December 31, 2015, trade accounts receivable were as follows:

€ in millions	June 30, 2016	Dec. 31, 2015
Trade accounts receivable	5,557	5,247
less allowance for doubtful accounts	736	650
<b>Trade accounts receivable, net</b>	<b>4,821</b>	<b>4,597</b>

### 9. INVENTORIES

As of June 30, 2016 and December 31, 2015, inventories consisted of the following:

€ in millions	June 30, 2016	Dec. 31, 2015
Raw materials and purchased components	647	602
Work in process	544	526
Finished goods	1,925	1,839
less reserves	130	107
<b>Inventories, net</b>	<b>2,986</b>	<b>2,860</b>

## 10. OTHER CURRENT AND NON-CURRENT ASSETS

As of June 30, 2016, investments were comprised of investments of €565 million (December 31, 2015: €546 million), mainly regarding the joint venture between Fresenius Medical Care and Galenica Ltd., that were accounted for under the equity method. In the first half of 2016, income of €29 million (H1/2015: €12 million) resulting from this valuation was included in selling, general and administrative expenses in

the consolidated statement of income. Securities and long-term loans included €268 million financial assets available for sale as of June 30, 2016 (December 31, 2015: €257 million) mainly relating to shares in funds.

## 11. GOODWILL AND OTHER INTANGIBLE ASSETS

As of June 30, 2016 and December 31, 2015, intangible assets, split into amortizable and non-amortizable intangible assets, consisted of the following:

### AMORTIZABLE INTANGIBLE ASSETS

€ in millions	June 30, 2016			December 31, 2015		
	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Patents, product and distribution rights	714	362	352	713	356	357
Capitalized development costs	487	301	186	492	273	219
Technology	376	122	254	383	111	272
Customer relationships	332	76	256	323	61	262
Software	437	271	166	406	248	158
Non-compete agreements	326	254	72	321	251	70
Other	434	267	167	420	258	162
<b>Total</b>	<b>3,106</b>	<b>1,653</b>	<b>1,453</b>	<b>3,058</b>	<b>1,558</b>	<b>1,500</b>

Estimated regular amortization expenses of intangible assets for the next five years are shown in the following table:

€ in millions	Q3-4/2016	2017	2018	2019	2020	Q1-2/2021
Estimated amortization expenses	101	196	190	185	177	88

### NON-AMORTIZABLE INTANGIBLE ASSETS

€ in millions	June 30, 2016			December 31, 2015		
	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Tradenames	218	0	218	221	0	221
Management contracts	4	0	4	6	0	6
Goodwill	21,759	0	21,759	21,646	0	21,646
<b>Total</b>	<b>21,981</b>	<b>0</b>	<b>21,981</b>	<b>21,873</b>	<b>0</b>	<b>21,873</b>

The carrying amount of goodwill has developed as follows:

€ in millions	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate/ Other	Fresenius Group
<b>Carrying amount as of January 1, 2015</b>	<b>10,767</b>	<b>4,725</b>	<b>4,380</b>	<b>99</b>	<b>6</b>	<b>19,977</b>
Additions	105	27	57	–	0	189
Disposals	0	-1	0	0	0	-1
Reclassifications	0	2	0	0	0	2
Foreign currency translation	1,090	389	0	0	0	1,479
<b>Carrying amount as of December 31, 2015</b>	<b>11,962</b>	<b>5,142</b>	<b>4,437</b>	<b>99</b>	<b>6</b>	<b>21,646</b>
Additions	292	7	49	0	0	348
Reclassifications	3	0	0	0	0	3
Foreign currency translation	-173	-65	0	0	0	-238
<b>Carrying amount as of June 30, 2016</b>	<b>12,084</b>	<b>5,084</b>	<b>4,486</b>	<b>99</b>	<b>6</b>	<b>21,759</b>

As of June 30, 2016 and December 31, 2015, the carrying amounts of the other non-amortizable intangible assets were €193 million and €198 million, respectively, for Fresenius Medical Care as well as €29 million for Fresenius Kabi.

## 12. DEBT AND CAPITAL LEASE OBLIGATIONS

### SHORT-TERM DEBT

As of June 30, 2016 and December 31, 2015, short-term debt consisted of the following:

€ in millions	Book value	
	June 30, 2016	December 31, 2015
Fresenius SE & Co. KGaA Commercial Paper	190	0
Fresenius Medical Care AG & Co. KGaA Commercial Paper	550	0
Other short-term debt	260	202
<b>Short-term debt</b>	<b>1,000</b>	<b>202</b>

### LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

As of June 30, 2016 and December 31, 2015, long-term debt and capital lease obligations net of debt issuance costs consisted of the following:

€ in millions	Book value	
	June 30, 2016	December 31, 2015
Fresenius Medical Care 2012 Credit Agreement	2,235	2,399
2013 Senior Credit Agreement	1,641	2,203
Schuldschein Loans	1,166	914
Accounts Receivable Facility of Fresenius Medical Care	0	46
Capital lease obligations	155	151
Other	378	396
Subtotal	5,575	6,109
less current portion	491	607
<b>Long-term debt and capital lease obligations, less current portion</b>	<b>5,084</b>	<b>5,502</b>

### Fresenius Medical Care 2012 Credit Agreement

Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) originally entered into a syndicated credit facility (Fresenius Medical Care 2012 Credit Agreement) of US\$3,850 million and a 5-year period with a large group of banks and institutional investors on October 30, 2012.

On November 26, 2014, the Fresenius Medical Care 2012 Credit Agreement was amended to increase the total credit facility to approximately US\$4,400 million and extend the term for an additional two years until October 30, 2019.

The following tables show the available and outstanding amounts under the Fresenius Medical Care 2012 Credit Agreement after scheduled amortization payments at June 30, 2016 and at December 31, 2015:

	June 30, 2016			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit (in US\$)	US\$1,000 million	900	US\$0 million	0
Revolving Credit (in €)	€400 million	400	€0 million	0
US\$ Term Loan	US\$2,200 million	1,982	US\$2,200 million	1,982
€ Term Loan	€264 million	264	€264 million	264
<b>Total</b>		3,546		2,246
less financing cost				11
<b>Total</b>				2,235

	December 31, 2015			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit (in US\$)	US\$1,000 million	918	US\$25 million	23
Revolving Credit (in €)	€400 million	400	€0 million	0
US\$ Term Loan	US\$2,300 million	2,113	US\$2,300 million	2,113
€ Term Loan	€276 million	276	€276 million	276
<b>Total</b>		3,707		2,412
less financing cost				13
<b>Total</b>				2,399

At June 30, 2016 and December 31, 2015, Fresenius Medical Care had letters of credit outstanding in the amount of US\$4 million under the U.S. dollar revolving credit facility, which were not included above as part of the balance outstanding at those dates but which reduce available borrowings under the applicable revolving credit facility.

As of June 30, 2016, FMC-AG & Co. KGaA and its subsidiaries were in compliance with all covenants under the Fresenius Medical Care 2012 Credit Agreement.

### 2013 Senior Credit Agreement

On December 20, 2012, Fresenius SE & Co. KGaA and various subsidiaries entered into a delayed draw syndicated credit agreement (2013 Senior Credit Agreement) in the original amount of US\$1,300 million and €1,250 million. Since the initial funding of the 2013 Senior Credit Agreement in June 2013, additional tranches were added. Furthermore, scheduled amortization payments as well as voluntary repayments have been made. On February 29, 2016, a Term Loan B of US\$489 million was voluntarily prepaid.

The following tables show the available and outstanding amounts under the 2013 Senior Credit Agreement at June 30, 2016 and at December 31, 2015:

	June 30, 2016			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facilities (in €)	€900 million	900	€0 million	0
Revolving Credit Facilities (in US\$)	US\$300 million	270	US\$0 million	0
Term Loan A (in €)	€995 million	995	€995 million	995
Term Loan A (in US\$)	US\$735 million	662	US\$735 million	662
<b>Total</b>		2,827		1,657
less financing cost				16
<b>Total</b>				1,641

	December 31, 2015			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facilities (in €)	€900 million	900	€0 million	0
Revolving Credit Facilities (in US\$)	US\$300 million	276	US\$0 million	0
Term Loan A (in €)	€1,057 million	1,057	€1,057 million	1,057
Term Loan A (in US\$)	US\$781 million	717	US\$781 million	717
Term Loan B (in US\$)	US\$489 million	449	US\$489 million	449
<b>Total</b>		3,399		2,223
less financing cost				20
<b>Total</b>				2,203

As of June 30, 2016, the Fresenius Group was in compliance with all covenants under the 2013 Senior Credit Agreement.

### Schuldschein Loans

As of June 30, 2016 and December 31, 2015, Schuldschein Loans of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Interest rate	Book value € in millions	
				June 30, 2016	Dec. 31, 2015
				Fresenius SE & Co. KGaA 2012/2016	€108 million
Fresenius SE & Co. KGaA 2013/2017	€51 million	Aug. 22, 2017	2.65%	51	51
Fresenius SE & Co. KGaA 2013/2017	€74 million	Aug. 22, 2017	variable	74	74
Fresenius SE & Co. KGaA 2014/2018	€97 million	April 2, 2018	2.09%	97	96
Fresenius SE & Co. KGaA 2014/2018	€76 million	April 2, 2018	variable	76	76
Fresenius SE & Co. KGaA 2014/2018	€65 million	April 2, 2018	variable	65	65
Fresenius SE & Co. KGaA 2012/2018	€72 million	April 4, 2018	4.09%	72	72
Fresenius SE & Co. KGaA 2015/2018	€36 million	October 8, 2018	1.07%	36	36
Fresenius SE & Co. KGaA 2015/2018	€55 million	October 8, 2018	variable	55	55
Fresenius SE & Co. KGaA 2014/2020	€106 million	April 2, 2020	2.67%	105	105
Fresenius SE & Co. KGaA 2014/2020	€55 million	April 2, 2020	variable	55	55
Fresenius SE & Co. KGaA 2014/2020	€101 million	April 2, 2020	variable	100	100
Fresenius SE & Co. KGaA 2015/2022	€21 million	April 7, 2022	variable	21	21
Fresenius US Finance II, Inc. 2016/2021	US\$309 million	March 10, 2021	variable	277	0
Fresenius US Finance II, Inc. 2016/2021	US\$33 million	March 10, 2021	2.66%	29	0
Fresenius US Finance II, Inc. 2016/2023	US\$15 million	March 10, 2023	variable	14	0
Fresenius US Finance II, Inc. 2016/2023	US\$43 million	March 10, 2023	3.12%	39	0
<b>Schuldschein Loans</b>				1,166	914

The Schuldschein Loans issued by Fresenius SE & Co. KGaA in the amount of €108 million, which were due on April 4, 2016, were repaid as scheduled.

On March 10, 2016, Fresenius US Finance II, Inc. issued Schuldschein Loans in a total amount of US\$400 million which consist of fixed and floating rate tranches and terms of five and seven years. These Schuldschein Loans are guaranteed by Fresenius SE & Co. KGaA, Fresenius Kabi AG and Fresenius ProServe GmbH.

As of June 30, 2016, the Fresenius Group was in compliance with all of its covenants under the Schuldschein Loans.

### CREDIT LINES

In addition to the financial liabilities described before, the Fresenius Group maintains additional credit facilities which have not been utilized, or have only been utilized in part, as of the reporting date. At June 30, 2016, the additional financial cushion resulting from unutilized credit facilities was approximately €3.3 billion. Thereof €2.4 billion accounted for syndicated credit facilities.

### 13. SENIOR NOTES

As of June 30, 2016 and December 31, 2015, Senior Notes of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Interest rate	Book value € in millions	
				June 30, 2016	Dec. 31, 2015
Fresenius Finance B.V. 2014/2019	€300 million	Feb. 1, 2019	2.375%	298	297
Fresenius Finance B.V. 2012/2019	€500 million	Apr. 15, 2019	4.25%	497	497
Fresenius Finance B.V. 2013/2020	€500 million	July 15, 2020	2.875%	497	496
Fresenius Finance B.V. 2014/2021	€450 million	Feb. 1, 2021	3.00%	444	443
Fresenius Finance B.V. 2014/2024	€450 million	Feb. 1, 2024	4.00%	449	450
Fresenius US Finance II, Inc. 2014/2021	US\$300 million	Feb. 1, 2021	4.25%	268	275
Fresenius US Finance II, Inc. 2015/2023	US\$300 million	Jan. 15, 2023	4.50%	267	273
FMC Finance VI S.A. 2010/2016	€250 million	July 15, 2016	5.50%	250	249
FMC Finance VII S.A. 2011/2021	€300 million	Feb. 15, 2021	5.25%	295	295
FMC Finance VIII S.A. 2011/2016	€100 million	Oct. 15, 2016	variable	100	100
FMC Finance VIII S.A. 2011/2018	€400 million	Sept. 15, 2018	6.50%	396	396
FMC Finance VIII S.A. 2012/2019	€250 million	July 31, 2019	5.25%	244	244
Fresenius Medical Care US Finance, Inc. 2007/2017	US\$500 million	July 15, 2017	6.875%	449	457
Fresenius Medical Care US Finance, Inc. 2011/2021	US\$650 million	Feb. 15, 2021	5.75%	579	590
Fresenius Medical Care US Finance II, Inc. 2011/2018	US\$400 million	Sept. 15, 2018	6.50%	357	363
Fresenius Medical Care US Finance II, Inc. 2012/2019	US\$800 million	July 31, 2019	5.625%	718	732
Fresenius Medical Care US Finance II, Inc. 2014/2020	US\$500 million	Oct. 15, 2020	4.125%	447	456
Fresenius Medical Care US Finance II, Inc. 2012/2022	US\$700 million	Jan. 31, 2022	5.875%	627	639
Fresenius Medical Care US Finance II, Inc. 2014/2024	US\$400 million	Oct. 15, 2024	4.75%	357	364
<b>Senior Notes</b>				<b>7,539</b>	<b>7,616</b>

All Senior Notes included in the table are unsecured.

The Senior Notes issued by FMC Finance VI S.A. which were due on July 15, 2016 and the Senior Notes issued by FMC Finance VIII S.A. which are due on October 15, 2016 have been reclassified as short-term debt and are shown as

current portion of Senior Notes in the consolidated statement of financial position.

As of June 30, 2016, the Fresenius Group was in compliance with all of its covenants under the Senior Notes.

## 14. CONVERTIBLE BONDS

As of June 30, 2016 and December 31, 2015, the convertible bonds of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Coupon	Current conversion price	Book value € in millions	
					June 30, 2016	Dec. 31, 2015
Fresenius SE & Co. KGaA 2014/2019	€500 million	Sept. 24, 2019	0.000%	€49.5184	469	464
Fresenius Medical Care AG & Co. KGaA 2014/2020	€400 million	Jan. 31, 2020	1.125%	€73.6054	377	374
<b>Convertible bonds</b>					<b>846</b>	<b>838</b>

The fair value of the derivative embedded in the convertible bonds of Fresenius SE & Co. KGaA was €207 million at June 30, 2016. The derivative embedded in the convertible bonds of Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) was recognized with a fair value of €97 million at June 30, 2016. Fresenius SE & Co. KGaA and FMC-AG & Co. KGaA have purchased stock options (call options) to secure against future fair value fluctuations of these derivatives. The call options also had an aggregate fair value of €207 million and €97 million, respectively, at June 30, 2016.

The conversions will be cash-settled. Any increase of Fresenius' share price and of Fresenius Medical Care's share price above the conversion price would be offset by a corresponding value increase of the call options.

The derivatives embedded in the convertible bonds and the call options are recognized in other non-current liabilities/assets in the consolidated statement of financial position.

## 15. PENSIONS AND SIMILAR OBLIGATIONS

### DEFINED BENEFIT PENSION PLANS

At June 30, 2016, the pension liability of the Fresenius Group was €1,122 million. The current portion of the pension liability of €19 million is recognized in the consolidated statement of financial position within short-term accrued expenses and other short-term liabilities. The non-current portion of €1,103 million is recorded as pension liability.

Contributions to Fresenius Group's pension fund were €9 million in the first half of 2016. The Fresenius Group expects approximately €23 million contributions to the pension fund during 2016.

Defined benefit pension plans' net periodic benefit costs of €43 million (H1/2015: €38 million) were comprised of the following components:

€ in millions	H1/2016	H1/2015
Service cost	28	23
Net interest cost	15	15
<b>Net periodic benefit cost</b>	<b>43</b>	<b>38</b>

## 16. NONCONTROLLING INTEREST

As of June 30, 2016 and December 31, 2015, noncontrolling interest in the Fresenius Group was as follows:

€ in millions	June 30, 2016	Dec. 31, 2015
Noncontrolling interest in Fresenius Medical Care AG & Co. KGaA	6,164	6,128
Noncontrolling interest in VAMED AG	50	49
Noncontrolling interest in the business segments		
Fresenius Medical Care	1,009	936
Fresenius Kabi	108	121
Fresenius Helios	60	59
Fresenius Vamed	7	7
<b>Total noncontrolling interest</b>	<b>7,398</b>	<b>7,300</b>

Noncontrolling interest changed as follows:

€ in millions	H1/2016
<b>Noncontrolling interest as of January 1, 2016</b>	<b>7,300</b>
Noncontrolling interest in profit	480
Stock options	18
Purchase of noncontrolling interest	84
Dividend payments	-292
Currency effects and other changes	-192
<b>Noncontrolling interest as of June 30, 2016</b>	<b>7,398</b>

## 17. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

### SUBSCRIBED CAPITAL

As of January 1, 2016, the subscribed capital of Fresenius SE & Co. KGaA consisted of 545,727,950 bearer ordinary shares.

During the first half of 2016, 550,630 stock options were exercised. Consequently, as of June 30, 2016, the subscribed capital of Fresenius SE & Co. KGaA consisted of 546,278,580 bearer ordinary shares. The shares are issued as non-par

value shares. The proportionate amount of the subscribed capital is €1.00 per share.

### CONDITIONAL CAPITAL

The following Conditional Capitals exist in order to fulfill the subscription rights under the stock option plans of Fresenius SE & Co. KGaA: Conditional Capital I (Stock Option Plan 2003), Conditional Capital II (Stock Option Plan 2008) and Conditional Capital IV (Stock Option Plan 2013) (see note 24, Stock options). Another Conditional Capital III exists for the authorization to issue option bearer bonds and/or convertible bonds.

The following table shows the development of the Conditional Capital:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003	5,261,987
Conditional Capital II Fresenius SE Stock Option Plan 2008	7,216,907
Conditional Capital III option bearer bonds and/or convertible bonds	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	25,200,000
<b>Total Conditional Capital as of January 1, 2016</b>	<b>86,650,096</b>
Fresenius AG Stock Option Plan 2003 – options exercised	-147,286
Fresenius SE Stock Option Plan 2008 – options exercised	-403,344
<b>Total Conditional Capital as of June 30, 2016</b>	<b>86,099,466</b>

As of June 30, 2016, the Conditional Capital was composed as follows:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003	5,114,701
Conditional Capital II Fresenius SE Stock Option Plan 2008	6,813,563
Conditional Capital III option bearer bonds and/or convertible bonds	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	25,200,000
<b>Total Conditional Capital as of June 30, 2016</b>	<b>86,099,466</b>

### DIVIDENDS

Under the German Stock Corporation Act (AktG), the amount of dividends available for distribution to shareholders is based upon the unconsolidated retained earnings of Fresenius SE & Co. KGaA as reported in its statement of financial position determined in accordance with the German Commercial Code (HGB).

In May 2016, a dividend of €0.55 per bearer ordinary share was approved by Fresenius SE & Co KGaA's shareholders at the Annual General Meeting and paid. The total dividend payment was €300 million.



**18. OTHER COMPREHENSIVE INCOME (LOSS)**

Other comprehensive income (loss) is comprised of all amounts recognized directly in equity (net of tax) resulting from the currency translation of foreign subsidiaries' financial

statements and the effects of measuring financial instruments at their fair value as well as the change in benefit obligation.

Changes in accumulated other comprehensive income (loss) net of tax by component were as follows:

€ in millions	Cash flow hedges	Change of fair value of available for sale financial assets	Foreign currency translation	Actuarial gains/losses on defined benefit pension plans	Total, before non-controlling interest	Non-controlling interest	Total, after non-controlling interest
<b>Balance as of December 31, 2014</b>	-107	1	314	-281	-73	148	75
Other comprehensive income (loss) before reclassifications	6	-	388	-9	385	438	823
Amounts reclassified from accumulated other comprehensive income (loss)	6	0	-	0	6	12	18
Other comprehensive income (loss), net	12	-	388	-9	391	450	841
<b>Balance as of June 30, 2015</b>	<b>-95</b>	<b>1</b>	<b>702</b>	<b>-290</b>	<b>318</b>	<b>598</b>	<b>916</b>
<b>Balance as of December 31, 2015</b>	-82	1	659	-244	334	638	972
Other comprehensive income (loss) before reclassifications	-10	-	-79	7	-82	-85	-167
Amounts reclassified from accumulated other comprehensive income (loss)	8	0	-	0	8	5	13
Other comprehensive income (loss), net	-2	-	-79	7	-74	-80	-154
<b>Balance as of June 30, 2016</b>	<b>-84</b>	<b>1</b>	<b>580</b>	<b>-237</b>	<b>260</b>	<b>558</b>	<b>818</b>

Reclassifications out of accumulated other comprehensive income (loss) into net income were as follows:

€ in millions	Amount of gain or loss reclassified from accumulated other comprehensive income (loss) <sup>1</sup>		Affected line item in the consolidated statement of income
	H1/2016	H1/2015	
<b>Details about accumulated other comprehensive income (loss) components</b>			
Cash flow hedges			
Interest rate contracts	15	19	Interest income/expense
Foreign exchange contracts	-	12	Cost of sales
Foreign exchange contracts	1	-6	Selling, general and administrative expenses
Other comprehensive income (loss)	16	25	
Tax expense or benefit	-3	-7	
Other comprehensive income (loss), net	13	18	
<b>Total reclassifications for the period</b>	<b>13</b>	<b>18</b>	

<sup>1</sup> Gains are shown with a negative sign, losses with a positive sign.

## OTHER NOTES

### 19. LEGAL AND REGULATORY MATTERS

The Fresenius Group is routinely involved in numerous claims, lawsuits, regulatory and tax audits, investigations and other legal matters arising, for the most part, in the ordinary course of its business of providing healthcare services and products. Legal matters that the Fresenius Group currently deems to be material or noteworthy are described below. For the matters described below in which the Fresenius Group believes a loss is both reasonably possible and estimable, an estimate of the loss or range of loss exposure is provided. For the other matters described below, the Fresenius Group believes that the loss probability is remote and/or the loss or range of possible losses cannot be reasonably estimated at this time. The outcome of litigation and other legal matters is always difficult to predict accurately and outcomes that are not consistent with Fresenius Group's view of the merits can occur. The Fresenius Group believes that it has valid defenses to the legal matters pending against it and is defending itself vigorously. Nevertheless, it is possible that the resolution of one or more of the legal matters currently pending or threatened could have a material adverse effect on its business, results of operations and financial condition.

Further information regarding legal disputes, court proceedings and investigations can be found in detail in the consolidated financial statements as of December 31, 2015 applying Section 315a HGB in accordance with IFRS. In the following, only the changes during the first half ended June 30, 2016 compared to the information provided in the consolidated financial statements are described. These changes should be read in conjunction with the overall information in the consolidated financial statements as of December 31, 2015 applying Section 315a HGB in accordance with IFRS; defined terms or abbreviations having the same meaning as in the consolidated financial statements as of December 31, 2015 applying Section 315a HGB in accordance with IFRS.

### SUBPOENAS "MASSACHUSETTS AND LOUISIANA"

On March 29, 2016, the Court dismissed the relator's companion claims for retaliatory termination of employment, finding that the retaliation claims were barred under principles of res judicata by a January 2015 jury verdict in the United States District Court for the Central District of California. The California verdict remains on appeal in the Ninth Circuit Court of Appeals.

### PRODUCT LIABILITY LITIGATION

As subsequently amended with the courts' approval as to the applicable timetable, plaintiffs must accept or reject the settlement by September 15, 2016; FMCH has until October 1, 2016 to exercise any rights to void the settlement; and payment of the settlement amount must be made in October 2016 if the settlement is confirmed.

Subsequent to the agreement in principle, FMCH's insurers in the AIG group initiated an action for declaratory judgment in New York state court advancing various arguments for reducing the amount of their coverage obligations. FMCH filed an action in Massachusetts state court seeking to compel the AIG group carriers to honor their obligations under applicable policies, including reimbursement to FMCH of litigation defense costs incurred before the agreement in principle was reached. The affected carriers have confirmed that the coverage litigation does not impact their commitment to fund US\$220 million of the settlement with plaintiffs in October.

Three institutional plaintiffs have filed complaints against FMCH or its affiliates under state deceptive practices statutes resting on certain background allegations common to the Granuflo®/Naturalyte® personal injury litigation, but seeking as remedy the repayment of sums paid to FMCH attributable to the Granuflo®/Naturalyte® products. These cases implicate different legal standards, theories of liability and forms

of potential recovery from those in the personal injury litigation and their claims will not be extinguished by the personal injury litigation settlement described above. The three plaintiffs are the Attorneys General for the States of Louisiana and Mississippi and Blue Cross Blue Shield of Louisiana. See, *State of Mississippi ex rel. Hood, v. Fresenius Medical Care Holdings, Inc.*, No. 14-cv-152 (Chancery Court, DeSoto County); *State of Louisiana ex re. Caldwell and Louisiana Health Service & Indemnity Company v. Fresenius Medical Care Airline*, 2016 Civ. 11035 (U.S.D.C. D. Mass.).

#### **SUBPOENA "AMERICAN ACCESS CARE, LLC"**

The United States Attorney for the Eastern District of Virginia pursued a grand jury investigation against an individual surgeon employed by Fresenius Medical Care. As of July 15, 2016, the United States Attorney advised that the grand jury investigation was being closed without charges being asserted.

#### **SUBPOENA "TEXAS (DALLAS)"**

On June 30, 2016, FMCH received a subpoena from the United States Attorney for the Northern District of Texas (Dallas) seeking information about the use and management of the pharmaceutical Velporo<sup>®</sup>, and FMCH's interactions with DaVita Healthcare Partners, Inc. FMCH understands that the subpoena relates to the investigation previously disclosed by DaVita, and is cooperating in the investigation.

#### **SUBPOENA "NEVADA"**

Through a further ancillary subpoena of June 2016, the DOJ has requested further information from Fresenius Kabi USA without changing the focus of the investigation.

The Fresenius Group regularly analyzes current information including, as applicable, the Fresenius Group's defenses and insurance coverage and, as necessary, provides accruals for probable liabilities for the eventual disposition of these matters.

The Fresenius Group, like other healthcare providers, conducts its operations under intense government regulation and scrutiny. It must comply with regulations which relate to or govern the safety and efficacy of medical products and supplies, the marketing and distribution of such products, the operation of manufacturing facilities, laboratories and dialysis clinics, and environmental and occupational health and safety. With respect to its development, manufacture, marketing and distribution of medical products, if such compliance is not maintained, the Fresenius Group could be subject to significant adverse regulatory actions by the U.S. Food and Drug Administration (FDA) and comparable regulatory authorities outside the United States. These regulatory actions could include warning letters or other enforcement notices from the FDA, and/or comparable foreign regulatory authority, which may require the Fresenius Group to expend significant time and resources in order to implement appropriate corrective actions. If the Fresenius Group does not address matters raised in warning letters or other enforcement notices to the satisfaction of the FDA and/or comparable regulatory authorities outside the United States, these regulatory authorities could take additional actions, including product recalls, injunctions against the distribution of products or operation of manufacturing plants, civil penalties, seizures of Fresenius Group's products and/or criminal prosecution. FMCH is currently engaged in remediation efforts with respect to three pending FDA warning letters, Fresenius Kabi with respect to two pending FDA warning letters. The Fresenius Group must also comply with the laws of the United States, including the federal Anti-Kickback Statute, the federal False Claims Act, the federal Stark Law and the federal Foreign Corrupt Practices Act as well as other federal and

state fraud and abuse laws. Applicable laws or regulations may be amended, or enforcement agencies or courts may make interpretations that differ from Fresenius Group's interpretations or the manner in which it conducts its business. Enforcement has become a high priority for the federal government and some states. In addition, the provisions of the False Claims Act authorizing payment of a portion of any recovery to the party bringing the suit encourage private plaintiffs to commence whistleblower actions. By virtue of this regulatory environment, Fresenius Group's business activities and practices are subject to extensive review by regulatory authorities and private parties, and continuing

audits, subpoenas, other inquiries, claims and litigation relating to Fresenius Group's compliance with applicable laws and regulations. The Fresenius Group may not always be aware that an inquiry or action has begun, particularly in the case of whistleblower actions, which are initially filed under court seal.

Other than those individual contingent liabilities mentioned in the consolidated financial statements as of December 31, 2015 applying Section 315a HGB in accordance with IFRS, the current estimated amount of Fresenius Group's other known individual contingent liabilities is immaterial.

## 20. FINANCIAL INSTRUMENTS

### VALUATION OF FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and fair values as well as the fair value hierarchy levels of Fresenius Group's financial instruments as of June 30, 2016 and December 31, 2015, classified into classes:

€ in millions	Fair value hierarchy level	June 30, 2016		December 31, 2015	
		Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	1	1,098	1,098	1,044	1,044
Assets recognized at carrying amount	2	4,842	4,842	4,675	4,675
Assets recognized at fair value	1	268	268	257	257
Liabilities recognized at carrying amount	2	16,077	17,127	16,069	17,171
Liabilities recognized at fair value	2	305	305	338	338
Noncontrolling interest subject to put provisions recognized at fair value	3	956	956	808	808
Derivatives for hedging purposes	2	294	294	358	358

Explanations regarding the significant methods and assumptions used to estimate the fair values of financial instruments and classification of fair value measurements according to the three-tier fair value hierarchy as well as explanations

with regard to existing and expected risks from financial instruments and hedging can be found in the consolidated financial statements as of December 31, 2015 applying Section 315a HGB in accordance with IFRS.

Following is a roll forward of noncontrolling interest subject to put provisions:

€ in millions	H1/2016
<b>Noncontrolling interest subject to put provisions as of January 1, 2016</b>	<b>808</b>
Noncontrolling interest subject to put provisions in profit	80
Purchase of noncontrolling interest subject to put provisions	52
Dividend payments	-74
Currency effects and other changes	90
<b>Noncontrolling interest subject to put provisions as of June 30, 2016</b>	<b>956</b>

As of June 30, 2016, there was no indication for further possible significant risks from financial instruments or that a decrease in the value of Fresenius Group's financing receivables (other current and non-current assets) was probable and the allowances on credit losses of financing receivables are immaterial.

#### FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

€ in millions	June 30, 2016		December 31, 2015	
	Assets	Liabilities	Assets	Liabilities
Interest rate contracts (current)	0	1	0	2
Interest rate contracts (non-current)	0	3	0	1
Foreign exchange contracts (current)	12	16	16	6
Foreign exchange contracts (non-current)	1	-	1	1
<b>Derivatives designated as hedging instruments<sup>1</sup></b>	<b>13</b>	<b>20</b>	<b>17</b>	<b>10</b>
Interest rate contracts (non-current)	-	1	0	3
Foreign exchange contracts (current) <sup>1</sup>	17	20	23	7
Foreign exchange contracts (non-current) <sup>1</sup>	-	-	-	-
Derivatives embedded in the convertible bonds	0	304	0	335
Stock options to secure the convertible bonds <sup>1</sup>	304	0	335	0
<b>Derivatives not designated as hedging instruments</b>	<b>321</b>	<b>325</b>	<b>358</b>	<b>345</b>

<sup>1</sup> Derivatives designated as hedging instruments, foreign exchange contracts and call options to secure the convertible bonds not designated as hedging instruments are classified as derivatives for hedging purposes.

Derivative financial instruments are marked to market each reporting period, resulting in carrying amounts equal to fair values at the reporting date.

Derivatives not designated as hedging instruments, which are derivatives that do not qualify for hedge accounting, are also solely entered into to hedge economic business transactions and not for speculative purposes.

Derivatives for hedging purposes as well as the derivatives embedded in the convertible bonds were recognized at gross value within other assets in an amount of €334 million and other liabilities in an amount of €344 million.

The current portion of derivatives indicated as assets in the preceding table is recognized within other current assets in the consolidated statement of financial position, while the current portion of those indicated as liabilities is included in short-term accrued expenses and other short-term liabilities. The non-current portions indicated as assets or liabilities are recognized in other non-current assets or in long-term accrued expenses and other long-term liabilities, respectively. The derivatives embedded in the convertible bonds and the call options to secure the convertible bonds are recognized in other non-current liabilities/assets in the consolidated statement of financial position.

EFFECT OF DERIVATIVES DESIGNATED AS HEDGING INSTRUMENTS ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ in millions	H1/2016		
	Gain or loss recognized in other comprehensive income (loss) (effective portion)	Gain or loss reclassified from accumulated other comprehensive income (loss) (effective portion)	Gain or loss recognized in the consolidated statement of income
Interest rate contracts	-	16	0
Foreign exchange contracts	-9	-	0
<b>Derivatives in cash flow hedging relationships<sup>1</sup></b>	<b>-9</b>	<b>16</b>	<b>0</b>
Foreign exchange contracts			0
<b>Derivatives in fair value hedging relationships</b>			<b>0</b>
<b>Derivatives designated as hedging instruments</b>	<b>-9</b>	<b>16</b>	<b>0</b>

€ in millions	H1/2015		
	Gain or loss recognized in other comprehensive income (loss) (effective portion)	Gain or loss reclassified from accumulated other comprehensive income (loss) (effective portion)	Gain or loss recognized in the consolidated statement of income
Interest rate contracts	2	19	0
Foreign exchange contracts	-2	6	0
<b>Derivatives in cash flow hedging relationships<sup>1</sup></b>	<b>-</b>	<b>25</b>	<b>0</b>
Foreign exchange contracts			-10
<b>Derivatives in fair value hedging relationships</b>			<b>-10</b>
<b>Derivatives designated as hedging instruments</b>	<b>-</b>	<b>25</b>	<b>-10</b>

<sup>1</sup> The amount of gain or loss recognized in the consolidated statement of income solely relates to the ineffective portion.

EFFECT OF DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ in millions	Gain or loss recognized in the consolidated statement of income	
	H1/2016	H1/2015
Interest rate contracts	-	-
Foreign exchange contracts	-22	-12
Derivatives embedded in the convertible bonds	-31	-136
Call options to secure the convertible bonds	31	136
<b>Derivatives not designated as hedging instruments</b>	<b>-22</b>	<b>-12</b>

Losses from foreign exchange contracts not designated as hedging instruments recognized in the consolidated statement of income are faced by gains from the underlying transactions in the corresponding amount. Losses from derivatives in fair value hedging relationships recognized in the consolidated statement of income in the first half of 2015 are faced by gains from the underlying transactions in the corresponding amount.

The Fresenius Group expects to recognize a net amount of €1 million of the existing losses for foreign exchange contracts deferred in accumulated other comprehensive income (loss) in the consolidated statement of income within the next

12 months. For interest rate contracts, the Fresenius Group expects to recognize €28 million of losses in the course of normal business during the next 12 months in interest expense.

Gains and losses from foreign exchange contracts and the corresponding underlying transactions are accounted for as cost of sales, selling, general and administrative expenses and net interest. Gains and losses resulting from interest rate contracts are recognized as net interest in the consolidated statement of income.

In the first half of 2016 and 2015, losses in an immaterial amount for available for sale financial assets were recognized in other comprehensive income (loss).

## MARKET RISK

### Derivative financial instruments

#### Classification

The existing master netting agreements do not provide a basis for offsetting the fair values of derivative financial instruments in the consolidated statement of financial position as the offsetting criteria under International Financial Reporting Standards are not satisfied.

At June 30, 2016 and December 31, 2015, the Fresenius Group had €29 million and €37 million of derivative financial assets subject to netting arrangements and €41 million and €19 million of derivative financial liabilities subject to netting arrangements. Offsetting these derivative financial instruments would have resulted in net assets of €20 million and €28 million as well as net liabilities of €32 million and €10 million at June 30, 2016 and December 31, 2015, respectively.

#### Foreign exchange risk management

As of June 30, 2016, the notional amounts of foreign exchange contracts totaled €1,894 million. These foreign exchange contracts have been entered into to hedge risks from operational business and in connection with loans in foreign currency. Foreign exchange forward contracts to hedge risks from operational business were exclusively recognized as cash flow hedges as of June 30, 2016. The fair value of cash flow hedges was -€3 million.

As of June 30, 2016, the Fresenius Group was party to foreign exchange contracts with a maximum maturity of 24 months.

#### Interest rate risk management

As of June 30, 2016, the U.S. dollar denominated interest rate hedges had a notional volume of US\$200 million (€180 million) as well as a fair value of -US\$1 million (-€1 million) and expire in 2021. As of June 30, 2016, the euro denominated interest rate hedges had a notional volume of €574 million and a fair value of -€3 million. These interest rate hedges expire in the years 2016 to 2022.

At June 30, 2016 and December 31, 2015, the Fresenius Group had €57 million and €68 million, respectively, related to settlements of pre-hedges deferred in accumulated other comprehensive income (loss), net of tax.

## 21. SUPPLEMENTARY INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of June 30, 2016, the equity ratio was 42.9% and the debt ratio (debt/total assets) was 33.9%. As of June 30, 2016, the leverage ratio on the basis of net debt/EBITDA, which is measured on the basis of U.S. GAAP figures and LTM average exchange rates was 2.6.

The aims of the capital management and further information can be found in the consolidated financial statements as of December 31, 2015 applying Section 315a HGB in accordance with IFRS.

The Fresenius Group is covered by the rating agencies Moody's, Standard & Poor's and Fitch.

The following table shows the company rating of Fresenius SE & Co. KGaA:

	Aug. 9, 2016	June 30, 2016	Dec. 31, 2015
Standard & Poor's			
Corporate Credit Rating	BBB-	BBB-	BBB-
Outlook	stable	stable	stable
Moody's			
Corporate Credit Rating	Baa3	Baa3	Baa3
Outlook	stable	stable	stable
Fitch			
Corporate Credit Rating	BBB-	BB+	BB+
Outlook	stable	stable	stable

On July 29, 2016, Fitch has upgraded the credit rating from BB+ to BBB- with a stable outlook.

## 22. SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

Cash paid for acquisitions (without investments in licenses) consisted of the following:

€ in millions	H1/2016	H1/2015
Assets acquired	536	185
Liabilities assumed	-53	-11
Noncontrolling interest	-52	-8
Notes assumed in connection with acquisitions	-108	-20
Cash paid	323	146
Cash acquired	-23	-4
<b>Cash paid for acquisitions, net</b>	<b>300</b>	<b>142</b>
Cash paid for investments, net of cash acquired	92	13
Cash paid for intangible assets, net	5	19
<b>Total cash paid for acquisitions and investments, net of cash acquired, and net purchases of intangible assets</b>	<b>397</b>	<b>174</b>

## 23. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

### GENERAL

The consolidated segment reporting shown on pages 25 to 28 of this interim report is an integral part of the notes.

The Fresenius Group has identified the business segments Fresenius Medical Care, Fresenius Kabi, Fresenius Helios and Fresenius Vamed, which corresponds to the internal organizational and reporting structures (Management Approach) at June 30, 2016.

The business segments were identified in accordance with IFRS 8, Operating Segments, which defines the segment reporting requirements in the annual financial statements and interim reports with regard to the operating business, product and service businesses and regions. Further explanations with regard to the business segments can be found in the consolidated financial statements as of December 31, 2015 applying Section 315a HGB in accordance with IFRS.

The key data used by the Management Board of Fresenius Management SE (the general partner of Fresenius SE & Co. KGaA) to control the segments are based on U.S. GAAP. Therefore, the segment information is given in accordance with U.S. GAAP. The column IFRS-Reconciliation provides a reconciliation from the U.S. GAAP segment data to the IFRS key data. The differences between the U.S. GAAP and the IFRS key data are mainly due to the differing recognition of in-process R & D, the different measuring of certain accruals and the different classification of certain bad debt expenses. Furthermore, gains from sale and leaseback transactions with an operating lease agreement, development costs, cumulative actuarial gains and losses for pensions and contingent considerations lead to differences between the U.S. GAAP and the IFRS key data.

### NOTES ON THE BUSINESS SEGMENTS

Explanations regarding the notes on the business segments can be found in the consolidated financial statements as of December 31, 2015 applying Section 315a HGB in accordance with IFRS.

### RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS

€ in millions	H1/2016	H1/2015
Total EBIT of reporting segments	1,998	1,832
Special items	0	-13
General corporate expenses Corporate/Other (EBIT)	-11	-7
<b>Group EBIT</b>	<b>1,987</b>	<b>1,812</b>
Net interest	-291	-330
<b>Income before income taxes</b>	<b>1,696</b>	<b>1,482</b>

### RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	June 30, 2016	Dec. 31, 2015
Short-term debt	1,000	202
Short-term debt from related parties	-	4
Current portion of long-term debt and capital lease obligations	491	607
Current portion of Senior Notes	350	349
Long-term debt and capital lease obligations, less current portion	5,084	5,502
Senior Notes, less current portion	7,189	7,267
Convertible bonds	846	838
<b>Debt</b>	<b>14,960</b>	<b>14,769</b>
less cash and cash equivalents	1,098	1,044
<b>Net debt</b>	<b>13,862</b>	<b>13,725</b>

## 24. STOCK OPTIONS

### FRESENIUS SE & CO. KGAA STOCK OPTION PLANS

As of June 30, 2016, Fresenius SE & Co. KGaA had three stock option plans in place: the Fresenius AG Stock Option Plan 2003 (2003 Plan) which is based on convertible bonds, the stock option based Fresenius SE Stock Option Plan 2008 (2008 Plan) and the Fresenius SE & Co. KGaA Long Term Incentive Program 2013 (2013 LTIP) which is based on stock options and phantom stocks. The 2013 LTIP is the only program under which stock options can be granted.



### Transactions during the first half of 2016

During the first half of 2016, Fresenius SE & Co. KGaA received cash of €9.1 million from the exercise of 550,630 stock options.

385,786 convertible bonds were outstanding and exercisable under the 2003 Plan at June 30, 2016. The members of the Fresenius Management SE Management Board held no more convertible bonds. At June 30, 2016, out of 3,395,876 outstanding stock options issued under the 2008 Plan, 560,460 were held by the members of the Fresenius Management SE Management Board. 6,132,850 stock options issued under the 2013 LTIP were outstanding at June 30, 2016. The members of the Fresenius Management SE Management Board held 967,500 stock options. 900,975 phantom stocks issued under the 2013 LTIP were outstanding at June 30, 2016. The members of the Fresenius Management SE Management Board held 236,729 phantom stocks.

As of June 30, 2016, 3,781,662 options for ordinary shares were outstanding and exercisable. On June 30, 2016, total unrecognized compensation cost related to non-vested options granted under the 2008 Plan and the 2013 LTIP was €37 million. This cost is expected to be recognized over a weighted-average period of 2.6 years.

### FRESENIUS MEDICAL CARE AG & CO. KGAA STOCK OPTION PLANS

During the first half of 2016, 435,469 stock options were exercised. Fresenius Medical Care AG & Co. KGaA received cash of €15.5 million upon exercise of these stock options and €4.3 million from a related tax benefit.

### 25. RELATED PARTY TRANSACTIONS

In 2015, Fresenius Medical Care provided unsecured loans to an associated company under customary conditions, which have been fully repaid as of June 30, 2016.

### 26. SUBSEQUENT EVENTS

There have been no significant changes in the Fresenius Group's operating environment following the end of the first half of 2016. No other events of material importance on the assets and liabilities, financial position, and results of operations of the Group have occurred following the end of the first half of 2016.

### 27. CORPORATE GOVERNANCE

For each consolidated stock exchange listed entity, the declaration pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz) has been issued and made available to shareholders on the website of Fresenius SE & Co. KGaA ([www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance)), and of Fresenius Medical Care AG & Co. KGaA ([www.freseniusmedicalcare.com](http://www.freseniusmedicalcare.com)).

## 28. RESPONSIBILITY STATEMENT

“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and

profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.”

Bad Homburg v. d. H., August 9, 2016

Fresenius SE Co. KGaA,  
represented by:  
Fresenius Management SE, its General Partner

The Management Board



S. Sturm



Dr. F. De Meo



Dr. J. Götz



M. Henriksson



R. Powell



Dr. E. Wastler

# FINANCIAL CALENDAR

Report on 1<sup>st</sup>–3<sup>rd</sup> quarter 2016

Conference call, Live webcast

October 27, 2016

Annual General Meeting, Frankfurt am Main

Live webcast of the speech of the Chairman  
of the Management Board

May 12, 2017

Subject to change

# FRESENIUS SHARE / ADR

	Ordinary share		ADR
Securities identification no.	578 560	CUSIP	35804M105
Ticker symbol	FRE	Ticker symbol	FSNUY
ISIN	DE0005785604	ISIN	US35804M1053
Bloomberg symbol	FRE GR	Structure	Sponsored Level 1 ADR
Reuters symbol	FREG.de	Ratio	4 ADR = 1 Share
Main trading location	Frankfurt/Xetra	Trading platform	OTCQX

## Corporate Headquarters

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Bad Homburg v. d. H.  
Germany

## Postal address

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E-mail: [pr-fre@fresenius.com](mailto:pr-fre@fresenius.com)

Commercial Register: Bad Homburg v. d. H.; HRB 11852  
Chairman of the Supervisory Board: Dr. Gerd Krick

General Partner: Fresenius Management SE

Registered Office and Commercial Register: Bad Homburg v. d. H.; HRB 11673

Management Board: Stephan Sturm (President and CEO), Dr. Francesco De Meo, Dr. Jürgen Götz, Mats Henriksson, Rice Powell, Dr. Ernst Wastler  
Chairman of the Supervisory Board: Dr. Gerd Krick

For additional information on the performance indicators used please refer to pages 25, 40, 56f., 100f. and 194 of the Annual Report 2015 of Fresenius SE & Co. KGaA. Constant currencies for income and expenses are calculated using prior year average rates; constant currencies for assets and liabilities are calculated using the mid-closing rate on the date of the respective statement of financial position (cf. Annual Report 2015, page 111 in the PDF [https://www.fresenius.com/financial\\_reporting/Fresenius\\_GB\\_US\\_GAAP\\_2015\\_english.pdf](https://www.fresenius.com/financial_reporting/Fresenius_GB_US_GAAP_2015_english.pdf)).

## Forward-looking statements:

This Quarterly Financial Report contains forward-looking statements. These statements represent assessments which we have made on the basis of the information available to us at the time. Should the assumptions on which the statements are based on not occur, or if risks should arise – as mentioned in the consolidated financial statements and the management report as of December 31, 2015 applying Section 315a HBG in accordance with IFRS – and the SEC filings of Fresenius Medical Care AG & Co. KGaA – the actual results could differ materially from the results currently expected.