

Quarterly Financial Report of Fresenius Group

applying International Financial Reporting Standards (IFRS)

1st – 3rd Quarter and 3rd Quarter 2019

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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 2018, Group sales were €33.5 billion. As of September 30, 2019, more than 292,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

SALES, EARNINGS, AND CASH FLOW

€ in millions	Q3/2019	Q3/2018	Growth	Growth in constant currency	Q1-3/2019	Q1-3/2018	Growth	Growth in constant currency
Sales ¹	8,877	8,185	8%	6%	26,173	24,179	8%	6%
EBIT ² on a comparable basis	1,130	1,112	2%	-1%	3,322	3,297	1%	-2%
Net income reported ^{3,4}	444	419	6%	4%	1,368	1,511	-9%	-12%
Net income on a comparable basis ^{2,3}	453	444	2%	0%	1,398	1,368	2%	0%
Earnings per share in € reported ^{3,4}	0.80	0.75	7%	4%	2.46	2.72	-10%	-12%
Earnings per share in € on a comparable basis ^{2,3}	0.81	0.80	1%	0%	2.51	2.46	2%	0%
Operating cash flow ⁵	1,298	1,293	0%		2,439	2,549	-4%	

BALANCE SHEET AND INVESTMENTS

€ in millions	Sept. 30, 2019 ⁵	Dec. 31, 2018	Change
Total assets	61,092	56,703	8%
Non-current assets	45,912	41,913	10%
Equity	26,928	25,008	8%
Net debt	19,515	16,275	20%
Investments (Q1-3 2019/Q1-3 2018)	3,884	2,246	73%

RATIOS

	Q3/2019	Q3/2018	Q1-3/2019	Q1-3/2018
EBITDA margin ²	17.2%	17.9%	17.1%	18.0%
EBIT margin ²	12.7%	13.6%	12.7%	13.6%
Depreciation and amortization in % of sales ^{1,7}	4.5%	4.3%	4.4%	4.4%
Operating cash flow in % of sales ⁵	14.6%	15.8%	9.3%	10.3%
Equity ratio ⁵ (September 30/December 31)			44.1%	44.1%
Net debt/EBITDA ^{5,6,7,8} (September 30/December 31)			3.13	2.71

¹ On a comparable basis: Q3/18 and Q1-3/18 adjusted for divestitures of Care Coordination activities at FMC; Q3/19 and Q1-3/19 adjusted for IFRS 16 effect

² On a comparable basis: Q3/18 and Q1-3/18 adjusted for divestitures of Care Coordination activities at FMC, before special items; Q3/19 and Q1-3/19 before special items and adjusted for IFRS 16 effect

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

⁴ After special items and including IFRS 16 effect

⁵ Adjusted for IFRS 16 effect

⁶ At LTM average exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestitures

⁷ Before special items

⁸ Including acquisition of NxStage

INFORMATION BY BUSINESS SEGMENT

FRESENIUS MEDICAL CARE – Dialysis products, Dialysis services

€ in millions	Q3/2019 ¹	Q3/2018 ²	Growth	Growth in constant currency	Q1–3/2019 ¹	Q1–3/2018 ²	Growth	Growth in constant currency
Sales	4,375	4,051	8%	5%	12,784	11,731	9%	5%
EBIT	599	592	1%	-3%	1,641	1,656	-1%	-5%
Net income ³	363	343	6%	2%	961	946	2%	-3%
Operating cash flow ⁶	715	753	-5%		1,350	1,364	-1%	
Investments/Acquisitions	394	734	-46%		2,856	1,552	84%	
R & D expenses	62	25	148%		137	95	44%	
Employees (Sept. 30/Dec. 31)					128,114	120,328	6%	

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

€ in millions	Q3/2019	Q3/2018	Growth	Growth in constant currency	Q1–3/2019	Q1–3/2018	Growth	Growth in constant currency
Sales	1,761	1,650	7%	5%	5,153	4,857	6%	5%
EBIT ⁴	306	297	3%	1%	917	854	7%	4%
Net income ^{4,5}	204	199	3%	0%	618	554	12%	8%
Operating cash flow ⁶	362	366	-1%		695	820	-15%	
Investments/Acquisitions	189	164	15%		558	338	65%	
R & D expenses	140	133	5%		353	389	-9%	
Employees (Sept. 30/Dec. 31)					39,780	37,843	5%	

FRESENIUS HELIOS – Hospital operations

€ in millions	Q3/2019	Q3/2018	Growth	Q1–3/2019	Q1–3/2018	Growth	Growth adjusted ⁷
Sales	2,230	2,088	7%	6,890	6,762	2%	5%
EBIT ⁶	183	204	-10%	723	775	-7%	-5%
Net income ^{5,6}	113	128	-12%	472	516	-9%	
Operating cash flow ⁶	183	128	43%	471	387	22%	
Investments/Acquisitions	116	105	10%	382	286	34%	
Employees (Sept. 30/Dec. 31)				105,309	100,144	5%	

FRESENIUS VAMED – Projects and services for hospitals and other health care facilities, post-acute care provider

€ in millions	Q3/2019	Q3/2018	Growth	Q1–3/2019	Q1–3/2018	Growth	Growth adjusted ⁷
Sales	562	476	18%	1,469	991	48%	28%
EBIT ⁶	34	31	10%	65	49	33%	0%
Net income ^{6,8}	22	22	0%	41	33	24%	
Operating cash flow ⁶	27	54	-50%	-38	-2	--	
Investments/Acquisitions	10	476	-98%	35	513	-93%	
Order intake	240	112	114%	738	567	30%	
Employees (Sept. 30/Dec. 31)				18,189	17,299	5%	

¹ On an adjusted basis: before special items (transaction-related expenses, gain related to divestitures of Care Coordination activities, expenses associated with the cost optimization program), adjusted for IFRS 16 effect, excluding effects from NxStage transaction

² Q3/18 and Q1–3/18 before special items and adjusted for divestitures of Care Coordination activities

³ Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

⁴ On a comparable basis: before special items and adjusted for IFRS 16 effect

⁵ Net income attributable to shareholders of Fresenius SE & Co. KGaA

⁶ Q3/19 and Q1–3/19 adjusted for IFRS 16 effect

⁷ Adjusted for the German post-acute care business transferred from Fresenius Helios to Fresenius Vamed as of July 1, 2018

⁸ Net income attributable to shareholders of VAMED AG

FRESENIUS SHARE

Since the beginning of the year, the Fresenius share moved sideways and closed after the first nine months at €42.90.

FIRST TO THIRD QUARTER 2019

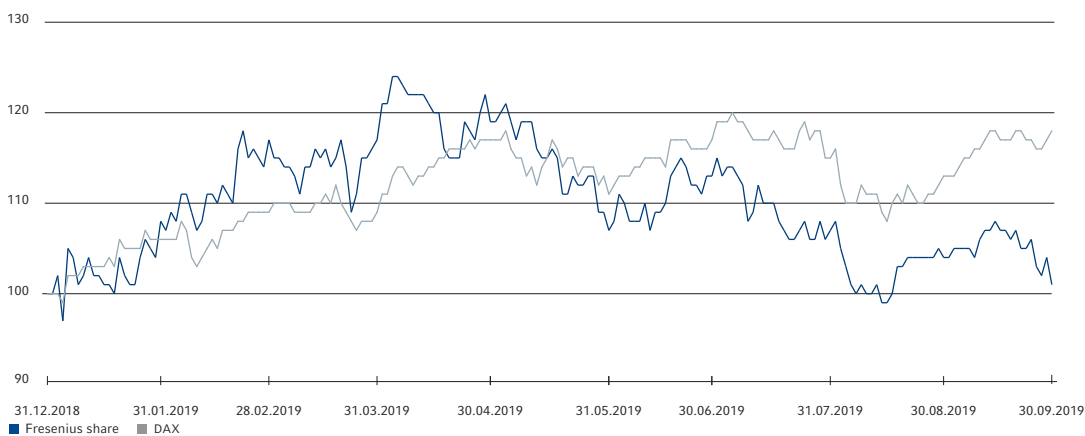
In the first nine months of 2019, the global economy showed a gradual slowdown in economic growth overall. Among the unfavorable factors are geopolitical and economic risks, such as the continuing uncertainty about the Brexit and the renewed trade conflicts between the U.S. and China. According to the ECB's current forecast, the economy in the euro zone will grow by 1.1% this year. The ECB left its key interest rate unchanged at 0.00% post its September meeting.

The Federal Reserve's latest forecast projects the U.S. economy to grow by 2.2% in 2019. The U.S. Federal Reserve lowered the existing interest rates corridor by 25bps to 1.75% to 2.00% at its September meeting.

Within this economic environment, the DAX increased by 18% in the first nine months of 2019 to 12,428 points. The Fresenius share closed at €42.90 on September 30, 2019. This represents an increase of 1% over the same period.

RELATIVE SHARE PRICE PERFORMANCE VS. DAX

31.12.2018 = 100



KEY DATA OF THE FRESENIUS SHARE

	Q1-3/2019	2018	Growth
Number of shares (September 30/December 31)	557,201,495	556,225,154	0%
Quarter-end quotation in €	42.90	42.38	1%
High in €	52.42	70.94	-26%
Low in €	41.20	38.99	6%
Ø Trading volume (number of shares per trading day)	1,700,700	1,648,837	3%
Market capitalization, € in millions (September 30/December 31)	23,901	23,573	1%

MANAGEMENT REPORT

FRESENIUS CONFIRMS GUIDANCE AFTER SOLID THIRD QUARTER

- ▶ Strong organic sales growth across all business segments
- ▶ Growth investments proceeding according to plan
- ▶ Fresenius Kabi's excellent Emerging Markets growth partially offsets softer development in North America
- ▶ Fresenius Helios showing excellent organic sales growth across all regions
- ▶ Fresenius Medical Care with record growth in home dialysis in North America

	Q3/2019 ¹				Q1-3/2019 ¹			
	On a comparable basis ²	Including IFRS 16 effect	Growth ^{2,3}	Growth ^{2,3} in constant currency	On a comparable basis ²	Including IFRS 16 effect	Growth ^{2,3}	Growth ^{2,3} in constant currency
Sales	€8.9 bn	€8.8 bn	8%	6%	€26.2 bn	€26.1 bn	8%	6%
EBIT	€1,130 m	€1,153 m	2%	-1%	€3,322 m	€3,401 m	1%	-2%
Net income ⁴	€453 m	€445 m	2%	0%	€1,398 m	€1,373 m	2%	0%

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.

¹ Before special items

² Adjusted for IFRS 16 effect

³ Q3/18 and Q1-3/18 adjusted for divestitures of Care Coordination activities at Fresenius Medical Care (FMC)

⁴ Net income attributable to shareholders of Fresenius SE & Co. KGaA

EARNINGS

€ in millions	Q3/2019	Q3/2018	Q1-3/2019	Q1-3/2018
EBIT ¹	1,130	1,112	3,322	3,297
Net income ^{1,2}	453	444	1,398	1,368
Net income (before special items) ²	445	445	1,373	1,367
Earnings per share ^{1,2}	0.81	0.80	2.51	2.46
Earnings per share (before special items) ²	0.80	0.80	2.47	2.46

RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

SALES

Group sales were €8,842 million including an IFRS 16 effect of -€35 million. Group sales³ on a comparable basis increased by 8% (6% in constant currency) to €8,877 million (Q3/18: €8,185 million). Organic sales growth was 5%. Acquisitions/divestitures contributed net 1% to growth.

In Q1-3/19, Group sales were €26,098 million including an IFRS 16 effect of -€75 million. Group sales³ on a comparable basis increased by 8% (6% in constant currency) to

€26,173 million (Q1-3/18: €24,179 million). Organic sales growth was 5%. Acquisitions/divestitures contributed net 1% to growth. Positive currency translation effects of 2% were mainly driven by the U.S. dollar strengthening against the euro.

EARNINGS

Group EBITDA before special items was €1,763 million including an IFRS 16 effect of €237 million.

Group EBITDA¹ on a comparable basis increased by 4% (2% in constant currency) to €1,526 million (Q3/18: €1,463 million).

SALES BY REGION

€ in millions	Q1-3/2019 ⁴	Q1-3/2018	Growth at actual rates	Currency translations effects	Growth in constant currency	Organic growth	Acquisitions/divestitures	% of total sales
North America	10,855	9,780 ⁵	11%	6%	5%	3%	2%	42%
Europe	11,251	10,692	5%	0%	5%	5%	0%	43%
Asia-Pacific	2,668	2,394	11%	2%	9%	9%	0%	10%
Latin America	1,113	1,004	11%	-12%	23%	19%	4%	4%
Africa	286	309	-7%	-1%	-6%	-5%	-1%	1%
Total	26,173	24,179⁵	8%	2%	6%	5%	1%	100%

SALES BY BUSINESS SEGMENT

€ in millions	Q1-3/2019 ⁴	Q1-3/2018	Growth at actual rates	Currency translations effects	Growth in constant currency	Organic growth	Acquisitions/divestitures	% of total sales
Fresenius Medical Care	12,972	11,731 ⁵	11%	4%	7%	5%	2%	49%
Fresenius Kabi	5,153	4,857	6%	1%	5%	4%	1%	20%
Fresenius Helios	6,890	6,762	2%	0%	2%	5%	-3%	26%
Fresenius Vamed	1,469	991	48%	0%	48%	24%	24%	5%
Total	26,173	24,179⁵	8%	2%	6%	5%	1%	100%

¹ On a comparable basis: Q3/18 and Q1-3/18 adjusted for divestitures of Care Coordination activities at FMC, before special items; Q3/19 and Q1-3/19 before special items and adjusted for IFRS 16 effect

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

³ On a comparable basis: Q3/18 and Q1-3/18 adjusted for divestitures of Care Coordination activities at FMC; Q3/19 and Q1-3/19 adjusted for IFRS 16 effect

⁴ Adjusted for IFRS 16 effect

⁵ Adjusted for divestitures of Care Coordination activities at FMC

In Q1–3/19, Group EBITDA before special items was €5,167 million including an IFRS 16 effect of €699 million. Group EBITDA¹ on a comparable basis increased by 3% (0% in constant currency) to €4,468 million (Q1–3/18: €4,352 million).

Group **EBIT** before special items was €1,153 million including an IFRS 16 effect of €23 million. Group EBIT¹ on a comparable basis increased by 2% (-1% in constant currency) to €1,130 million (Q3/18: €1,112 million). The EBIT margin¹ on a comparable basis was 12.7% (Q3/18: 13.6%). Reported Group EBIT² was €1,129 million. Group EBIT was impacted by a negative effect from adjustments on accounts receivable in legal dispute of €84 million³ at Fresenius Medical Care, the reduction in patient attribution and a decreasing savings rate for ESCOs, based on recent reports under discussion for current and prior plan years as well as a softer development in North America at Fresenius Kabi. Moreover, investments to counter the regulatory headwinds at Helios Germany continued to weigh on the Group's EBIT. These effects were partially offset by the remeasurement effect on the fair value of an investment in Humacyte, Inc. at Fresenius Medical Care.

In Q1–3/19, Group EBIT before special items was €3,401 million including an IFRS 16 effect of €79 million. Group EBIT¹ on a comparable basis increased by 1% (-2% in constant currency) to €3,322 million (Q1–3/18: €3,297 million). The EBIT margin¹ on a comparable basis was 12.7% (Q1–3/18: 13.6%). Reported Group EBIT² was €3,362 million.

Group **net interest** before special items was -€171 million including an IFRS 16 effect of -€47 million. On a comparable basis, net interest¹ improved to -€124 million (Q3/18: -€141 million) mainly due to successful refinancing activities and lower interest rates. Reported Group net interest² was -€172 million.

In Q1–3/19, Group net interest before special items was -€532 million including an IFRS 16 effect of -€153 million. On a comparable basis, net interest¹ improved to -€379 million (Q1–3/18: -€420 million). Reported Group net interest² was -€535 million.

The Group **tax rate** before special items and adopting IFRS 16 was 23.1% in both Q3/19 and Q1–3/19. Group tax rate¹ on a comparable basis was also 23.1% in both Q3/19 and Q1–3/19 (Q3/18: 21.3%; Q1–3/18: 21.9%)

Noncontrolling interest before special items was €310 million including an IFRS 16 effect of €11 million. Noncontrolling interest¹ on a comparable basis was €321 million (Q3/18: €320 million).

In Q1–3/19, noncontrolling interest before special items was €834 million including an IFRS 16 effect of €31 million. Noncontrolling interest¹ on a comparable basis was €865 million (Q1–3/18: €880 million), of which 93% was attributable to the noncontrolling interest in Fresenius Medical Care.

Group **net income**⁴ before special items was €445 million including an IFRS 16 effect of -€8 million. Group net income^{1,4} on a comparable basis increased by 2% (0% in constant currency) to €453 million (Q3/18: €444 million). Reported Group net income^{2,4} was €444 million.

Earnings per share⁴ before special items were €0.80 including an IFRS 16 effect of -€0.01. Earnings per share^{1,4} on a comparable basis increased by 1% (0% in constant currency) to €0.81 (Q3/18: €0.80). Reported Earnings per share^{2,4} were €0.80.

In Q1–3/19, Group net income⁴ before special items was €1,373 million including an IFRS 16 effect of -€25 million. Group net income^{1,4} on a comparable basis increased by 2% (0% in constant currency) to €1,398 million (Q1–3/18: €1,368 million). Reported Group net income^{2,4} was €1,368 million. In Q1–3/19, Earnings per share⁴ before special items were €2.47 including an IFRS 16 effect of -€0.04. Earnings per share^{1,4} on a comparable basis increased by 2% (0% in constant currency) to €2.51 (Q1–3/18: €2.46). Reported Earnings per share^{2,4} were €2.46.

¹ On a comparable basis Q3/19 and Q1–3/19 before special items and adjusted for IFRS 16 effect; Q3/18 and Q1–3/18 before special items and adjusted for divestitures of Care Coordination activities at FMC

² After special items and including IFRS 16 effect

³ Please see footnote 5 on page 11 in the FMC section

⁴ Net income attributable to shareholders of Fresenius SE & Co. KGaA

INVESTMENTS BY BUSINESS SEGMENT

€ in millions	Q1–3/2019	Q1–3/2018	Thereof property, plant and equipment	Thereof acquisitions	Growth	% of total
Fresenius Medical Care	2,856	1,552	788	2,068	84%	74%
Fresenius Kabi	558	338	473	85	65%	14%
Fresenius Helios	382	286	255	127	34%	10%
Fresenius Vamed	35	513	23	12	-93%	1%
Corporate/Other	53	-443	53	0	--	1%
Total	3,884	2,246	1,592	2,292	73%	100%

RECONCILIATION

Consolidated results for Q3/19 and Q1–3/19 include special items relating to the acquisition of NxStage, divestitures of Care Coordination activities and the cost optimization program of Fresenius Medical Care. Furthermore, special items due to revaluations of biosimilars contingent liabilities as well as the terminated merger agreement with Akorn, Inc. are included in net income. With regard to the latter, these mainly comprise transaction costs in the form of legal and consulting expenses. For a detailed overview of special items and adjustments please see the reconciliation tables on pages 19 to 28.

INVESTMENTS

2019 is an investment year for the Fresenius Group. Fresenius is making good progress in all of its investment initiatives to secure long-term sustainable growth. Spending on **property, plant and equipment** was €586 million (Q3/18: €539 million). This corresponds to 7% of sales. In Q1–3/19, spending on property, plant and equipment was €1,592 million (Q1–3/18: €1,370 million), primarily for the modernization and expansion of dialysis clinics, production facilities as well as hospitals and day clinics. This corresponds to 6% of sales.

Total **acquisition spending** was €135 million (Q3/18: €490 million). In Q1–3/19, total acquisition spending was €2,292 million (Q1–3/18: €876 million), mainly for the acquisition of NxStage by Fresenius Medical Care.

CASH FLOW STATEMENT (Summary adjusted for IFRS 16 effect)

€ in millions	Q1–3/2019	Q1–3/2018	Growth
Net income	2,251	2,813	-20%
Depreciation and amortization	1,164	1,064	9%
Change working capital	-976	-1,328	27%
Operating cash flow	2,439	2,549	-4%
Capital expenditure, net	-1,589	-1,356	-17%
Cash flow before acquisitions and dividends	850	1,193	-29%
Cash used for acquisitions, net	-2,142	811	--
Dividends paid	-880	-832	-6%
Free cash flow after acquisitions and dividends	-2,172	1,172	--
Cash provided by/used for financing activities	995	-378	--
Effect of exchange rates on change in cash and cash equivalents	67	26	158%
Net change in cash and cash equivalents	-1,110	820	--

CASH FLOW

Group **operating cash flow** was €1,483 million including an IFRS 16 effect of €185 million. Adjusted for IFRS 16, Group operating cash flow was €1,298 million (Q3/18: €1,293 million) with a margin of 14.6% (Q3/18: 15.8%). **Free cash flow before acquisitions and dividends** adjusted for IFRS 16 was €722 million (Q3/18: €768 million). **Free cash flow after acquisitions and dividends** adjusted for IFRS 16 was €547 million (Q3/18: €230 million). The IFRS 16 effect amounts to €185 million respectively. Correspondingly, cash flow from financing activities decreased by €185 million.

In Q1–3/19, Group operating cash flow was €2,977 million including an IFRS 16 effect of €538 million. Adjusted for IFRS 16, Group operating cash flow was €2,439 million (Q1–3/18: €2,549 million) with a margin of 9.3% (Q1–3/18: 10.3%). With €850 million, free cash flow before acquisitions and dividends adjusted for IFRS 16 was below the previous year (Q1–3/18: €1,193 million) mainly due to increasing investments. Free cash flow after acquisitions and dividends adjusted for IFRS 16 was -€2,172 million (Q1–3/18: €1,172 million). The IFRS 16 effect amounts to €538 million, respectively. Correspondingly, cash flow from financing activities decreased by €538 million.

ASSET AND LIABILITY STRUCTURE

The Group's **total assets** were €66,759 million including an IFRS 16 effect of €5,667 million. Adjusted for IFRS 16, Group total assets increased by 8% (5% in constant currency) to €61,092 million (Dec. 31, 2018: €56,703 million). Current assets increased by 3% (1% in constant currency) to €15,180 million (Dec. 31, 2018: €14,790 million). Non-current assets¹ increased by 10% (7% in constant currency) to €45,912 million (Dec. 31, 2018: €41,913 million).

Total shareholders' equity was €26,696 million including an IFRS 16 effect of -€232 million. Adjusted for IFRS 16, total shareholders' equity increased by 8% (4% in constant currency) to €26,928 million (Dec. 31, 2018: €25,008 million). The equity ratio was 40.0%. Adjusted for IFRS 16, the equity ratio was 44.1% (Dec. 31, 2018: 44.1%).

Group **debt** was €27,013 million including an IFRS 16 effect of €5,899 million. Adjusted for IFRS 16, Group debt increased by 11% to €21,114 million (10% in constant currency) (Dec. 31, 2018: €18,984 million). Group **net debt** was €25,414 million including an IFRS 16 effect of €5,899 million. Adjusted for IFRS 16, Group net debt increased by 20% (18% in constant currency) to €19,515 million (Dec. 31, 2018: €16,275 million) mainly due to the acquisition of NxStage by Fresenius Medical Care.

As of September 30, 2019, the **net debt/EBITDA** ratio was 3.13x^{1,2,3,4} (Dec. 31, 2018: 2.71x^{2,4}). Including the IFRS 16 effect, the reported net debt/EBITDA ratio was to 3.55x^{2,3,4}.

¹ Adjusted for IFRS 16 effect

² At LTM average exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestitures

³ Including acquisition of NxStage

⁴ Before special items

BUSINESS SEGMENTS

FRESENIUS MEDICAL CARE

Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases. As of September 30, 2019, Fresenius Medical Care was treating 342,488 patients in 4,003 dialysis clinics. Along with its core business, the company provides related medical services in the field of Care Coordination.

€ in millions	Q3/2019 ¹	Q3/2018 ²	Growth	Growth in constant currency	Q1-3/2019 ¹	Q1-3/2018 ²	Growth	Growth in constant currency
Sales	4,375	4,051	8%	5%	12,784	11,731	9%	5%
EBITDA	792	770	3%	-1%	2,219	2,181	2%	-3%
EBIT	599	592	1%	-3%	1,641	1,656	-1%	-5%
Net income ³	363	343	6%	2%	961	946	2%	-3%
Employees (Sept. 30/Dec. 31)					128,114	120,328	6%	

- ▶ **5% sales^{1,2} growth in constant currency**
- ▶ **Record growth in home dialysis in North America; improved earnings growth despite negative effect from ESCO effect**
- ▶ **FY/19 outlook confirmed**

Adjusted for the contribution from the divested Care Coordination activities, the IFRS 16 effect and the contribution from NxStage, sales of Fresenius Medical Care increased by 8% (5% at constant currency) to €4,375 million (Q3/18: €4,051 million). Organic sales growth was 5%. Positive currency translation effects of 3% were mainly related to the U.S. dollar strengthening against the euro. In Q1-3/19, sales adjusted for the contribution from the divested Care Coordination activities, the IFRS 16 effect and the contribution from NxStage increased by 9% (5% at constant currency) to €12,784 million (Q1-3/18: €11,731 million). Organic sales growth was 5%.

EBIT⁴ increased by 1% (-3% in constant currency) to €599 million (Q3/18: €592 million). The EBIT margin decreased to 13.7% (Q3/18: 14.6%). EBIT development was impacted by a negative effect from adjustments on accounts receivable in legal dispute of € 84 million⁵ paired with the reduction in patient attribution and a decreasing savings rate for ESCOs, based on recent reports under discussion for current and prior plan years. These effects were partially offset by the remeasurement effect on the fair value of an investment in Humacyte, Inc.

In Q1-3/19, EBIT⁴ decreased by 1% (-5% in constant currency) to €1,641 million (Q1-3/18: €1,656 million). The EBIT margin decreased to 12.8% (Q1-3/18: 14.1%).

Net income^{3,4} increased by 6% (2% in constant currency) to €363 million (Q3/18: €343 million). In Q1-3/19, net income^{3,4} increased by 2% (-3% in constant currency) to €961 million (Q1-3/18: €946 million).

¹ On an adjusted basis: before special items (transaction-related expenses, gain related to divestitures of Care Coordination activities, expenses associated with the cost optimization program), adjusted for IFRS 16 effect, excluding effects from NxStage transaction

² Q3/18 and Q1-3/18 before special items and adjusted for divestitures of Care Coordination activities

³ Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

⁴ Q3/18 and Q1-3/18 before special items and after adjustments, Q3/19 and Q1-3/19 before special items (transaction-related expenses, gain related to divestitures of Care Coordination activities, expenses associated with the cost optimization program), adjusted for IFRS 16 effect, excluding effects from NxStage transaction

⁵ This adjustment results from a material weakness in FMC's internal controls over financial reporting regarding accounts receivable and revenue recognition specific to fee-for-service in legal dispute. FMC does not expect a restatement of its financial statements previously filed with the SEC. FMC is taking steps to remediate the control weakness.

Operating cash flow was €715 million¹ (Q3/18: €753 million) with a margin of 16.3% (Q3/18: 18.6%). In Q1–3/19, operating cash flow was €1,350 million² (Q1–3/18: €1,364 million) with a margin of 10.6% (Q1–3/18: 11.1%).

For FY/19, Fresenius Medical Care expects adjusted sales to grow by 3% to 7%^{3,4} in constant currency. Adjusted net income⁵ is expected to develop in the range of -2% to +2%^{3,6} in constant currency.

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

¹ €868 million including an IFRS 16 effect of €153 million

² €1,796 million including an IFRS 16 effect of €446 million

³ FY/18 before special items, adjusted for divestitures of Care Coordination activities;

FY/19 before special items (transaction-related expenses, gain related to divestitures of care coordination activities, expenses associated with the cost optimization program), adjusted for IFRS 16 effects, excluding effects from NxStage transaction

⁴ FY/18 base: €16,026 million

⁵ Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

⁶ FY/18 base: €1,341 million

FRESENIUS KABI

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

€ in millions	Q3/2019	Q3/2018	Growth	Growth in constant currency	Q1-3/2019	Q1-3/2018	Growth	Growth in constant currency
Sales	1,761	1,650	7%	5%	5,153	4,857	6%	5%
EBITDA ¹	382	377	1%	-1%	1,129	1,076	5%	2%
EBIT ¹	306	297	3%	1%	917	854	7%	4%
Net income ^{1,2}	204	199	3%	0%	618	554	12%	8%
Employees (Sept. 30/Dec. 31)					39,780	37,843	5%	

- ▶ **5% organic sales growth and 1% EBIT¹ growth in constant currency**
- ▶ **Excellent Emerging Markets growth partially offsets softer development in North America**
- ▶ **FY/19 outlook confirmed**

Sales of Fresenius Kabi increased by 7% (5% in constant currency) to €1,761 million (Q3/18: €1,650 million). Organic sales growth was 5%. In Q1-3/19, sales increased by 6% (5% in constant currency) to €5,153 million (Q1-3/18: €4,857 million). Organic sales growth was 4%. Positive currency translation effects of 1% were mainly related to the U.S. dollar strengthening against the euro.

Sales in **North America** of €619 million remained at previous year's level (organic growth: -4%; Q3/18: €620 million). In Q1-3/19, sales in North America increased by 3% (organic growth: -3%) to €1,815 million (Q1-3/18: €1,760 million). Intensifying competition on selected molecules, a further easing of tailwinds from drug shortages as well as a shift in clinical practice towards non-opioids in the hospital-based pain management weighed on the sales development.

Sales in **Europe** grew by 5% (organic growth: 4%) to €564 million (Q3/18: €538 million). In Q1-3/19, sales in Europe increased by 3% (organic growth: 3%) to €1,709 million (Q1-3/18: €1,658 million).

Sales in **Asia-Pacific** increased by 20% (organic growth: 18%) to €406 million (Q3/18: €337 million). In Q1-3/19, sales in Asia-Pacific increased by 16% (organic growth: 15%) to €1,121 million (Q1-3/18: €964 million).

Sales in **Latin America/Africa** increased by 11% (organic growth: 16%) to €172 million (Q3/18: €155 million). In Q1-3/19, sales in Latin America/Africa increased by 7% (organic growth: 16%) to €508 million (Q1-3/18: €475 million).

EBIT¹ increased by 3% (1% in constant currency) to €306 million (Q3/18: €297 million) with an EBIT margin of 17.4% (Q3/18: 18.0%). In Q1-3/19, EBIT¹ increased by 7% (4% in constant currency) to €917 million (Q1-3/18: €854 million) with an EBIT margin of 17.8% (Q1-3/18: 17.6%).

Net income^{1,2} increased by 3% (0% in constant currency) to €204 million (Q3/18: €199 million). In Q1-3/19, net income^{1,2} increased by 12% (8% in constant currency) to €618 million (Q1-3/18: €554 million).

Operating cash flow³ was €362 million (Q3/18: €366 million). The cash flow margin was 20.6% (Q3/18: 22.2%). In Q1-3/19, operating cash flow³ was €695 million (Q1-3/18: €820 million). The cash flow margin was 13.5% (Q1-3/18: 16.9%).

Fresenius Kabi confirms its outlook for FY/19 and expects organic sales growth⁴ of 3% to 6% and EBIT growth⁵ in constant currency of 3% to 6%.

¹ On a comparable basis; before special items and adjusted for IFRS 16 effect

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

³ Adjusted for IFRS 16 effect (operating cash flow after special items)

⁴ On a comparable basis; FY/18 base: €6,544 million; FY/19 before special items (transaction-related expenses, revaluations of biosimilars contingent liabilities) and adjusted for IFRS 16 effect

⁵ On a comparable basis; FY/18 base: €1,139 million; FY/18 before special items; FY/19 before special items (transaction-related expenses, revaluations of biosimilars contingent liabilities) and adjusted for IFRS 16 effect.

FRESENIUS HELIOS

Fresenius Helios is Europe's leading private hospital operator. The company comprises Helios Germany and Helios Spain (Quirónsalud). Helios Germany operates 86 hospitals, ~125 outpatient centers and treats approximately 5.3 million patients annually. Quirónsalud operates 50 hospitals, 62 outpatient centers and around 300 occupational risk prevention centers, and treats approximately 13.3 million patients annually.

€ in millions	Q3/2019	Q3/2018	Growth	Q1-3/2019	Q1-3/2018	Growth	Growth adjusted ¹
Sales	2,230	2,088	7%	6,890	6,762	2%	5%
EBITDA ²	274	285	-4%	992	1,061	-7%	
EBIT ²	183	204	-10%	723	775	-7%	-5%
Net income ^{2,3}	113	128	-12%	472	516	-9%	
Employees (Sept. 30/Dec. 31)				105,309	100,144	5%	

- ▶ **Strong organic sales growth of 6%**
- ▶ **Helios Spain with excellent organic sales growth of 9%; effect from summer break not as pronounced as last year**
- ▶ **FY/19 outlook confirmed**

Sales of Fresenius Helios increased by 7% (organic growth: 6%) to €2,230 million (Q3/18: €2,088 million). In Q1-3/19, sales increased by 2% (5%¹; organic growth: 5%) to €6,890 million (Q1-3/18: €6,762 million).

Sales of **Helios Germany** increased by 5% (organic growth: 5%) to €1,474 million (Q3/18: €1,410 million). Organic sales growth was positively influenced by pricing effects and admissions growth. The reclassification of nursing staff funding from other income to sales contributed about 1% to growth. In Q1-3/19, sales of Helios Germany decreased by 1% (increased by 4%¹; organic growth: 4%) to €4,465 million (Q1-3/18: €4,531 million).

Sales of **Helios Spain** increased by 12% (organic growth: 9%) to €757 million (Q3/18: €678 million). In Q1-3/19, sales of Helios Spain increased by 9% (organic growth: 7%) to €2,425 million (Q1-3/18: €2,231 million).

EBIT² of Fresenius Helios decreased by 10% to €183 million (Q3/18: €204 million) with an EBIT margin of 8.2% (Q3/18: 9.8%). In Q1-3/19, EBIT² of Fresenius Helios

decreased by 7% (-5%¹) to €723 million (Q1-3/18: €775 million) with an EBIT margin of 10.5% (Q1-3/18: 11.5%).

EBIT² of **Helios Germany** decreased by 9% to €130 million (Q3/18: €143 million) with an EBIT margin of 8.8% (Q3/18: 10.1%). Ongoing investments to counter regulatory headwinds continued to weigh on Helios Germany's financial performance. In Q1-3/19, EBIT² of Helios Germany decreased by 11% (-9%¹) to €433 million (Q1-3/18: €488 million) with an EBIT margin of 9.7% (Q1-3/18: 10.8%).

EBIT² of **Helios Spain** decreased by 5% to €56 million (Q3/18: €59 million) with an EBIT margin of 7.4% (Q3/18: 8.7%). EBIT was impacted by costs for temporary workers in order to cope with the higher than anticipated number of admissions. In Q1-3/19, EBIT² of Helios Spain increased by 5% to €300 million (Q1-3/18: €286 million) with an EBIT margin of 12.4% (Q1-3/18: 12.8%).

Net income^{2,3} decreased by 12% to €113 million (Q3/18: €128 million). In Q1-3/19, net income^{2,3} decreased by 9% to €472 million (Q1-3/18: €516 million).

Operating cash flow² increased to €183 million (Q3/18: €128 million) with a margin of 8.2% (Q3/18: 6.1%). In Q1-3/19, operating cash flow² increased to €471 million (Q1-3/18: €387 million) with a margin of 6.8% (Q1-3/18: 5.7%).

Fresenius Helios confirms its outlook for FY/19 and expects organic sales growth of 2% to 5% and negative EBIT² growth of -5% to -2%.

¹ Adjusted for the post-acute care business transferred to Fresenius Vamed as of July 1, 2018

² Adjusted for IFRS 16 effect

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

FRESENIUS VAMED

Fresenius Vamed manages projects and provides services for hospitals and other health care facilities worldwide and is a post-acute care provider in Central Europe. 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	Q3/2019	Q3/2018	Growth	Q1-3/2019	Q1-3/2018	Growth	Growth adjusted ¹
Sales	562	476	18%	1,469	991	48%	28%
EBITDA ²	44	40	10%	94	64	47%	
EBIT ²	34	31	10%	65	49	33%	0%
Net income ^{2,3}	22	22	0%	41	33	24%	
Employees (Sept. 30/Dec. 31)				18,189	17,299	5%	

- ▶ **Very strong organic sales growth of 17%**
- ▶ **Integration of post-acute care business from Helios completed**
- ▶ **FY/19 outlook confirmed**

Sales of Fresenius Vamed increased by 18% to €562 million (Q3/18: €476 million). Organic sales growth was 17%, acquisitions contributed 1% to growth.

Sales in the service business grew by 11% to €349 million (Q3/18: €315 million). Sales of the project business increased by 32% to €213 million (Q3/18: €161 million). In Q1-3/19, sales increased by 48% (28%¹) to €1,469 million (Q1-3/18: €991 million). Organic sales growth was 24%, acquisitions contributed 24% to growth. Both the service and the project business showed strong growth momentum.

EBIT² increased by 10% to €34 million (Q3/18: €31 million) with an EBIT margin of 6.0% (Q3/18: 6.5%). In Q1-3/19, EBIT² increased by 33% (0%¹) to €65 million (Q1-3/18: €49 million) with an EBIT margin of 4.4% (Q1-3/18: 4.9%).

Net income^{2,3} of €22 million remained at previous year's level (Q3/18: €22 million). In Q1-3/19, net income^{2,3} increased by 24% to €41 million (Q1-3/18: €33 million).

Order intake increased by 114% to €240 million (Q3/18: €112 million) and in Q1-3/19 by 30% to €738 million (Q1-3/18: €567 million). As of September 30, 2019, order backlog reached an all-time high at €2,711 million (Dec. 31, 2018: €2,420 million).

Operating cash flow² decreased to €27 million (Q3/18: €54 million) with a margin of 4.8% (Q3/18: 11.3%). In Q1-3/19, Operating cash flow² decreased to -€38 million (Q1-3/18: -€2 million) with a margin of -2.6% (Q1-3/18: -0.2%) given timing of payments in the project business.

Fresenius Vamed confirms its outlook for FY/19 and expects organic sales growth of ~10% and EBIT growth² of 15% to 20%.

¹ Adjusted for German post-acute care business acquired from Fresenius Helios as of July 1, 2018

² Adjusted for IFRS 16 effect

³ Net income attributable to shareholders of VAMED AG

EMPLOYEES

As of September 30, 2019, the number of employees was 292,635 (Dec. 31, 2018: 276,750).

EMPLOYEES BY BUSINESS SEGMENT

Number of employees	September 30, 2019	December 31, 2018	Growth
Fresenius Medical Care	128,114	120,328	6%
Fresenius Kabi	39,780	37,843	5%
Fresenius Helios	105,309	100,144	5%
Fresenius Vamed	18,189	17,299	5%
Corporate/Other	1,243	1,136	9%
Total	292,635	276,750	6%

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
- ▶ Biosimilars
- ▶ 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	Q1-3/2019	Q1-3/2018	Growth
Fresenius Medical Care	137	95	44%
Fresenius Kabi ¹	353	389	-9%
Fresenius Helios	1	-	--
Fresenius Vamed	0	0	
Corporate/Other	0	0	
Total¹	491	484	1%

¹ Before revaluations of biosimilars contingent liabilities

OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the consolidated financial statements and the management report as of December 31, 2018 applying Section 315e HGB in accordance with IFRS, there have been the following important developments in Fresenius' overall opportunities and risk situation until October 31, 2019.

Fresenius Medical Care's operating result was impacted by a negative effect from adjustments on accounts receivable in legal dispute of €84 million, the reduction in patient attribution and a decreasing savings rate for ESCOs, based on recent reports under discussion for current and prior plan years. This adjustment on accounts receivable results from a material weakness in FMC's internal controls over financial reporting regarding accounts receivable and revenue recognition specific to fee-for-service in legal dispute. FMC does not expect a restatement of its financial statements previously filed with the SEC. FMC is taking steps to remediate the control weakness.

In the ordinary course of Fresenius Group's operations, the Fresenius Group is subject to litigation, arbitration as well as external and internal investigations relating to various aspects of its business.

The Fresenius Group regularly analyzes current information about such matters for probable losses and provides accruals for such matters, including estimated expenses for legal services, as appropriate.

We report on legal proceedings, currency and interest risks on pages 53 and 57 to 60 in the Notes of this report.

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 ¹
Company rating	BBB	Baa3	BBB -
Outlook	stable	stable	stable

In May 2019, Standard & Poor's has upgraded Fresenius' corporate credit rating to BBB with a stable outlook from BBB- with a positive outlook.

OUTLOOK 2019

FRESENIUS GROUP

Based on the Group's solid Q1–3/19 results and good prospects for the remainder of the year, Fresenius confirms its 2019 Group sales and earnings guidance. Fresenius projects sales growth¹ of 4% to 7% in constant currency. The company confirms its earnings guidance. Net income^{2,3} growth is expected to be ~0% in constant currency. The guidance for 2019 includes the related sales and dilutive earnings contributions of the NxStage acquisition.

Fresenius expects net debt/EBITDA⁴ at year-end to be around the upper-end of the original self-imposed target corridor of 2.5x to 3.0x. This includes the NxStage acquisition which is increasing the net debt/EBITDA ratio in 2019 by ~30 basis points and excludes IFRS 16 effects.

Due to the adoption of the IFRS 16 accounting standard ("IFRS 16 effect"), Fresenius' self-imposed target corridor has shifted to 3.0x to 3.5x net debt/EBITDA on a reported basis.

FRESENIUS MEDICAL CARE

For FY/19, Fresenius Medical Care expects adjusted sales to grow by 3% to 7%^{5,6} in constant currency. Adjusted net income⁷ is expected to develop in the range of -2% to +2%^{5,8} in constant currency.

FRESENIUS KABI

Fresenius Kabi confirms its outlook for FY/19 and expects organic sales growth⁹ of 3% to 6% and EBIT growth¹⁰ in constant currency of 3% to 6%.

FRESENIUS HELIOS

Fresenius Helios confirms its outlook for FY/19 and expects organic sales growth of 2% to 5% and an EBIT growth¹¹ of -5% to -2%.

FRESENIUS VAMED

Fresenius Vamed confirms its outlook for FY/19 and expects organic sales growth of ~10% and EBIT growth¹¹ of 15% to 20%.

INVESTMENTS

2019 is an investment year for the Fresenius Group. Fresenius is making good progress in all of its investment initiatives to secure long-term sustainable growth. The Group plans to invest around 7% of sales in property, plant and equipment.

¹ On a comparable basis: FY/18 base: €33,009 million; FY/18 adjusted for divestitures of Care Coordination activities at FMC; FY/19: adjusted for IFRS 16 effect

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

³ On a comparable basis: FY/18 base: €1,872 million; FY/18 before special items and adjusted for divestitures of Care Coordination activities at FMC; FY/19: before special items (transaction-related expenses, revaluations of biosimilars contingent liabilities, gain related to divestitures of Care Coordination activities, expenses associated with the cost optimization program at FMC); adjusted for IFRS 16 effect

⁴ Both net debt and EBITDA calculated at expected annual average exchange rates; excluding further potential acquisitions

⁵ FY/18 before special items, adjusted for divestitures of Care Coordination activities; FY/19 before special items (transaction-related expenses, gain related to divestitures of Care Coordination activities, expenses associated with the cost optimization program), adjusted for IFRS 16 effects, excluding effects from NxStage transaction

⁶ 2018 base: €16,026 million

⁷ Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

⁸ 2018 base: €1,341 million

⁹ On a comparable basis: FY/18 base: €6,544 million

¹⁰ On a comparable basis: FY/18 base: €1,139 million; FY/18 before special items; FY/19 before special items (transaction-related expenses, revaluations of biosimilars contingent liabilities) and adjusted for IFRS 16 effect

¹¹ Adjusted for IFRS 16 effect

GROUP FINANCIAL OUTLOOK 2019

	Targets 2019	Fiscal year 2018	New guidance
Sales growth (in constant currency)	4% – 7% ¹	€33,009 m ¹	confirmed
Net income ³ growth (in constant currency)	~0% ²	€1,872 m ²	confirmed

¹ On a comparable basis: FY/18 adjusted for divestitures of Care Coordination activities at FMC; FY/19: adjusted for IFRS 16 effect

² On a comparable basis: FY/18 before special items and adjusted for divestitures of Care Coordination activities at FMC; FY/19: before special items (transaction-related expenses, expenses associated with the cost optimization program at FMC, gain related to divestitures of Care Coordination activities at FMC, revaluations of biosimilars contingent liabilities); including operating results of NxStage, adjusted for IFRS 16 effect

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

OUTLOOK 2019 BY BUSINESS SEGMENT

	Targets 2019 ¹	Fiscal year 2018	New guidance ¹
Fresenius Medical Care			
Sales growth (in constant currency)	3% – 7% ²	€16,026 m ²	confirmed
Net income ³ growth (in constant currency)	-2% – 2% ⁴	€1,341 m ⁴	confirmed
Fresenius Kabi			
Sales growth (organic)	3% – 6%	€6,544 m	confirmed
EBIT growth (in constant currency)	3% – 6%	€1,139 m ⁵	confirmed
Fresenius Helios			
Sales growth (organic)	2% – 5%	€8,993 m	confirmed
EBIT growth	-5% – -2%	€1,052 m	confirmed
Fresenius Vamed			
Sales growth (organic)	~10%	€1,688 m	confirmed
EBIT growth	15% – 20%	€110 m	confirmed

¹ On a comparable basis: FY/18 before special items and adjusted for divestitures of Care Coordination activities at FMC; FY/19: before special items (transaction-related expenses, expenses associated with the cost optimization program at FMC, gain related to divestitures of Care Coordination activities, revaluations of biosimilars contingent liabilities); adjusted for IFRS 16 effect

² 2018 adjusted for divestitures of Care Coordination activities; 2019 adjusted for IFRS 16 effects, excluding effects from NxStage transaction

³ Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

⁴ 2018 before special items and after adjustments; 2019 before special items (transaction-related expenses, expenses associated with the cost optimization program, gain related to divestitures of Care Coordination activities), adjusted for IFRS 16 effect, excluding effects from NxStage transaction

⁵ Before special items

IFRS 16 RECONCILIATION FRESENIUS GROUP Q3 AND Q1 – 3

PROFIT AND LOSS STATEMENT

in Mio €	Q3/2019			Q1–3/2019		
	Before special items, adjusted for IFRS 16 effect	IFRS 16 effect	Before special items, according to IFRS 16	Before special items, adjusted for IFRS 16	IFRS 16 effect	Before special items, according to IFRS 16
Sales	8,877	-35	8,842	26,173	-75	26,098
EBITDA	1,526	237	1,763	4,468	699	5,167
Depreciation and amortization	-396	-214	-610	-1,146	-620	-1,766
EBIT	1,130	23	1,153	3,322	79	3,401
Net interest	-124	-47	-171	-379	-153	-532
Income taxes	-232	5	-227	-680	18	-662
Noncontrolling interest	-321	11	-310	-865	31	-834
Net income ¹	453	-8	445	1,398	-25	1,373

BALANCE SHEET

in Mio €	September 30, 2019		
	Adjusted for IFRS 16 effect	IFRS 16 effect	According to IFRS 16
Right-of-use-assets	190 ²	5,667	5,857
Lease liabilities	414 ³	5,899	6,313
Equity	26,928	-232	26,696
Total assets	61,092	5,667	66,759

CASH FLOW

in Mio €	Q3/2019			Q1–3/2019		
	Adjusted for IFRS 16 effect	IFRS 16 effect	According to IFRS 16	Adjusted for IFRS 16 effect	IFRS 16 effect	According to IFRS 16
Operating cash flow	1,298	185	1,483	2,439	538	2,977
Cash flow before acquisitions and dividends	722	185	907	850	538	1,388
Free cash flow	547	185	732	-2,172	538	-1,634
Cash provided by/used for financing activities	-461	-185	-646	995	-538	457

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA² Reclassification from machinery, equipment and rental equipment under capital leases as of December 31, 2018³ Reclassification from capital lease obligations and other liabilities as of December 31, 2018

IFRS 16 RECONCILIATION BUSINESS SEGMENTS Q3 AND Q1 – 3

FRESENIUS MEDICAL CARE – Reconciliation according to Fresenius Group

€ in millions	Q3/2019			Q1–3/2019		
	Before special items adjusted for IFRS 16 effect	IFRS 16 effect	Before special items according to IFRS 16	Before special items adjusted for IFRS 16 effect	IFRS 16 effect	Before special items according to IFRS 16
Sales	4,454	-35	4,419	12,972	-75	12,897
EBITDA	813	198	1,011	2,251	583	2,834
EBIT	599	20	619	1,625	68	1,693
Net income ¹	348	-17	331	912	-45	867
Operating cash flow ²	715	153	868	1,350	446	1,796

FRESENIUS KABI

€ in millions	Q3/2019			Q1–3/2019		
	Before special items adjusted for IFRS 16 effect	IFRS 16 effect	Before special items according to IFRS 16	Before special items adjusted for IFRS 16 effect	IFRS 16 effect	Before special items according to IFRS 16
Sales	1,761	0	1,761	5,153	0	5,153
EBITDA	382	16	398	1,129	49	1,178
EBIT	306	1	307	917	3	920
Net income ³	204	-1	203	618	-4	614
Operating cash flow ²	362	15	377	695	42	737

FRESENIUS HELIOS

€ in millions	Q3/2019			Q1–3/2019		
	Adjusted for IFRS 16 effect	IFRS 16 effect	According to IFRS 16	Adjusted for IFRS 16 effect	IFRS 16 effect	According to IFRS 16
Sales	2,230	0	2,230	6,890	0	6,890
EBITDA	274	19	293	992	51	1,043
EBIT	183	4	187	723	8	731
Net income ³	113	-1	112	472	-5	467
Operating cash flow	183	13	196	471	36	507

FRESENIUS VAMED

€ in millions	Q3/2019			Q1–3/2019		
	Adjusted for IFRS 16 effect	IFRS 16 effect	According to IFRS 16	Adjusted for IFRS 16 effect	IFRS 16 effect	According to IFRS 16
Sales	562	0	562	1,469	0	1,469
EBITDA	44	7	51	94	25	119
EBIT	34	-1	33	65	2	67
Net income ⁴	22	-1	21	41	-2	39
Operating cash flow	27	6	33	-38	21	-17

¹ Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA² After special items³ Net income attributable to shareholders of Fresenius SE & Co. KGaA⁴ Net income attributable to shareholders of VAMED AG

RECONCILIATION FRESENIUS GROUP Q3

€ in millions	Q3/2019	Q3/2018	Growth rate	Growth rate in constant currency
Sales reported	8,842	8,192	8%	6%
Divestitures of Care Coordination activities at FMC (Fresenius Medical Care)	-	-7		
IFRS 16 effect	35	-		
Sales on a comparable basis	8,877	8,185	8%	6%
EBIT reported (after special items)	1,129	1,041	8%	6%
Transaction costs Akorn	0	6		
Bridge Financing costs Akorn	-	0		
Revaluations of biosimilars contingent liabilities	0	-		
Gain related to divestitures of Care Coordination activities	-3	-10		
Transaction costs NxStage	2	-		
Expenses associated with the cost optimization program at FMC	25	-		
Impact of FCPA related charge	-	75		
EBIT (before special items)	1,153	1,112	4%	1%
Divestitures of Care Coordination activities at FMC	-	0		
IFRS 16 effect	-23	-		
EBIT on a comparable basis	1,130	1,112	2%	-1%
Net interest reported (after special items)	-172	-146	-18%	-15%
Bridge Financing costs Akorn	-	5		
Revaluations of biosimilars contingent liabilities	1	-		
Net interest (before special items)	-171	-141	-21%	-18%
Divestitures of Care Coordination activities at FMC	-	0		
IFRS 16 effect	47	-		
Net interest on a comparable basis	-124	-141	12%	15%

Reconciliation from the reported figures including IFRS 16 to the figures on a comparable basis.

The special items shown within the reconciliation tables are reported in the Group Corporate/Other segment.

RECONCILIATION FRESENIUS GROUP Q3

€ in millions	Q3/2019	Q3/2018	Growth rate	Growth rate in constant currency
Income taxes reported (after special items)	-202	-196	-3%	-1%
Transaction costs Akorn	0	-1		
Bridge Financing costs Akorn	-	-2		
Revaluations of biosimilars contingent liabilities	0	-		
Gain related to divestitures of Care Coordination activities	-17	-7		
Transaction costs NxStage	-1	-		
Expenses associated with the cost optimization program at FMC	-7	-		
Income taxes (before special items)	-227	-206	-10%	-7%
Divestitures of Care Coordination activities at FMC	-	-1		
IFRS 16 effect	-5	-		
Income taxes on a comparable basis	-232	-207	-12%	-10%
Noncontrolling interest reported (after special items)	-311	-280	-11%	-7%
Gain related to divestitures of Care Coordination activities	14	12		
Transaction costs NxStage	0	-		
Expenses associated with the cost optimization program at FMC	-13	-		
Impact of FCPA related charge	-	-52		
Noncontrolling interest (before special items)	-310	-320	3%	7%
Divestitures of Care Coordination activities at FMC	-	0		
IFRS 16 effect	-11	-		
Noncontrolling interest on a comparable basis	-321	-320	0%	3%
Net income reported (after special items)	444	419	6%	4%
Transaction costs Akorn	0	5		
Bridge Financing costs Akorn	-	3		
Revaluations of biosimilars contingent liabilities	1	-		
Gain related to divestitures of Care Coordination activities	-6	-5		
Transaction costs NxStage	1	-		
Expenses associated with the cost optimization program at FMC	5	-		
Impact of FCPA related charge	-	23		
Net income (before special items)	445	445	0%	-2%
Divestitures of Care Coordination activities at FMC	-	-1		
IFRS 16 effect	8	-		
Net income on a comparable basis	453	444	2%	0%

RECONCILIATION FRESENIUS GROUP Q1 – 3

€ in millions	Q1–3/2019	Q1–3/2018	Growth rate	Growth rate in constant currency
Sales reported	26,098	24,695	6%	3%
Divestitures of Care Coordination activities at FMC (Fresenius Medical Care)	-	-516		
IFRS 16 effect	75	-		
Sales on a comparable basis	26,173	24,179	8%	6%
EBIT reported (after special items)	3,362	4,020	-16%	-19%
Transaction costs Akorn	3	45		
Bridge Financing costs Akorn	-	1		
Revaluations of biosimilars contingent liabilities	-4	-		
Gain related to divestitures of Care Coordination activities	-14	-830		
Transaction costs NxStage	22	-		
Expenses associated with the cost optimization program at FMC	32	-		
Impact of FCPA related charge	-	75		
EBIT (before special items)	3,401	3,311	3%	0%
Divestitures of Care Coordination activities at FMC	-	-14		
IFRS 16 effect	-79	-		
EBIT on a comparable basis	3,322	3,297	1%	-2%
Net interest reported (after special items)	-535	-453	-18%	-15%
Bridge Financing costs Akorn	-	12		
Revaluations of biosimilars contingent liabilities	3	-		
Net interest (before special items)	-532	-441	-21%	-17%
Divestitures of Care Coordination activities at FMC	-	21		
IFRS 16 effect	153	-		
Net interest on a comparable basis	-379	-420	10%	12%

Reconciliation from the reported figures including IFRS 16 to the figures on a comparable basis.

The special items shown within the reconciliation tables are reported in the Group Corporate/Other segment.

RECONCILIATION FRESENIUS GROUP Q1-3

€ in millions	Q1-3/2019	Q1-3/2018	Growth rate	Growth rate in constant currency
Income taxes reported (after special items)	-632	-754	16%	19%
Transaction costs Akorn	0	-9		
Bridge Financing costs Akorn	-	-4		
Revaluations of biosimilars contingent liabilities	0	-		
Gain related to divestitures of Care Coordination activities	-15	140		
Transaction costs NxStage	-6	-		
Expenses associated with the cost optimization program at FMC	-9	-		
Income taxes (before special items)	-662	-627	-6%	-2%
Divestitures of Care Coordination activities at FMC	-	-2		
IFRS 16 effect	-18	-		
Income taxes on a comparable basis	-680	-629	-8%	-5%
Noncontrolling interest reported (after special items)	-827	-1,302	36%	39%
Gain related to divestitures of Care Coordination activities	20	478		
Transaction costs NxStage	-11	-		
Expenses associated with the cost optimization program at FMC	-16	-		
Impact of FCPA related charge	-	-52		
Noncontrolling interest (before special items)	-834	-876	5%	9%
Divestitures of Care Coordination activities at FMC	-	-4		
IFRS 16 effect	-31	-		
Noncontrolling interest on a comparable basis	-865	-880	2%	6%
Net income reported (after special items)	1,368	1,511	-9%	-12%
Transaction costs Akorn	3	36		
Bridge Financing costs Akorn	-	9		
Revaluations of biosimilars contingent liabilities	-1	-		
Gain related to divestitures of Care Coordination activities	-9	-212		
Transaction costs NxStage	5	-		
Expenses associated with the cost optimization program at FMC	7	-		
Impact of FCPA related charge	-	23		
Net income (before special items)	1,373	1,367	0%	-2%
Divestitures of Care Coordination activities at FMC	-	1		
IFRS 16 effect	25	-		
Net income on a comparable basis	1,398	1,368	2%	0%

RECONCILIATION BUSINESS SEGMENTS Q3

FRESENIUS MEDICAL CARE – Reconciliation according to Fresenius Medical Care

€ in millions	Q3/2019	Q3/2018	Growth rate	Growth rate in constant currency
Sales reported	4,419	4,058	9%	6%
Divestitures of Care Coordination activities	-	-7		
IFRS 16 effect	35	-		
NxStage operations	-79	-		
Sales adjusted	4,375	4,051	8%	5%
EBIT reported	595	527	13%	9%
Gain related to divestitures of Care Coordination activities	-2	-10		
Divestitures of Care Coordination activities	-	0		
IFRS 16 effect	-21	-		
NxStage operations	0	-		
Transaction costs NxStage	2	-		
Expenses associated with the cost optimization program	25	-		
Impact of FCPA related charge	-	75		
EBIT adjusted	599	592	1%	-3%
Net income reported	333	285	17%	12%
Gain related to divestitures of Care Coordination activities	-20	-17		
Divestitures of Care Coordination activities	-	0		
IFRS 16 effect	16	-		
NxStage operations	15	-		
Transaction costs NxStage	1	-		
Expenses associated with the cost optimization program	18	-		
Impact of FCPA related charge	-	75		
Net income adjusted	363	343	6%	2%

FRESENIUS MEDICAL CARE – Reconciliation according to the Fresenius Group

in Mio €	Q3/2019	Q3/2018	Growth rate	Growth rate in constant currency
Sales reported	4,419	4,058	9%	6%
Divestitures of Care Coordination activities	-	-7		
IFRS 16 effect	35	-		
Sales on a comparable basis	4,454	4,051	10%	7%
EBIT reported (after special items)	595	527	13%	9%
Gain related to divestitures of Care Coordination activities	-3	-10		
Transaction costs NxStage	2	-		
Expenses associated with the cost optimization program	25	-		
Impact of FCPA related charge	-	75		
EBIT (before special items)	619	592	5%	1%
Divestitures of Care Coordination activities	-	0		
IFRS 16 effect	-20	-		
EBIT on a comparable basis	599	592	1%	-3%
Net income reported (after special items)	332	284	17%	12%
Gain related to divestitures of Care Coordination activities	-20	-16		
Transaction costs NxStage	1	-		
Expenses associated with the cost optimization program	18	-		
Impact of FCPA related charge	-	75		
Net income (before special items)	331	343	-3%	-7%
Divestitures of Care Coordination activities	-	-1		
IFRS 16 effect	17	-		
Net income on a comparable basis	348	342	2%	-2%

RECONCILIATION BUSINESS SEGMENTS Q1 – 3

FRESENIUS MEDICAL CARE – Reconciliation according to Fresenius Medical Care

€ in millions	Q1–3/2019	Q1–3/2018	Growth rate	Growth rate in constant currency
Sales reported	12,897	12,247	5%	1%
Divestitures of Care Coordination activities	-	-516		
IFRS 16 effect	75	-		
NxStage operations	-188	-		
Sales adjusted	12,784	11,731	9%	5%
EBIT reported	1,653	2,425	-32%	-35%
Gain related to divestitures of Care Coordination activities	-14	-830		
Divestitures of Care Coordination activities	-	-14		
IFRS 16 effect	-68	-		
NxStage operations	16	-		
Transaction costs NxStage	22	-		
Expenses associated with the cost optimization program	32	-		
Impact of FCPA related charge	-	75		
EBIT adjusted	1,641	1,656	-1%	-5%
Net income reported	857	1,557	-45%	-47%
Gain related to divestitures of Care Coordination activities	-29	-690		
Divestitures of Care Coordination activities	-	4		
IFRS 16 effect	45	-		
NxStage operations	49	-		
Transaction costs NxStage	16	-		
Expenses associated with the cost optimization program	23	-		
Impact of FCPA related charge	-	75		
Net income adjusted	961	946	2%	-3%

FRESENIUS MEDICAL CARE – Reconciliation according to the Fresenius Group

in Mio €	Q1–3/2019	Q1–3/2018	Growth rate	Growth rate in constant currency
Sales reported	12,897	12,247	5%	1%
Divestitures of Care Coordination activities	-	-516		
IFRS 16 effect	75	-		
Sales on a comparable basis	12,972	11,731	11%	7%
EBIT reported (after special items)	1,653	2,425	-32%	-35%
Gain related to divestitures of Care Coordination activities	-14	-830		
Transaction costs NxStage	22	-		
Expenses associated with the cost optimization program	32	-		
Impact of FCPA related charge	-	75		
EBIT (before special items)	1,693	1,670	1%	-3%
Divestitures of Care Coordination activities	-	-14		
IFRS 16 effect	-68	-		
EBIT on a comparable basis	1,625	1,656	-2%	-6%
Net income reported (after special items)	857	1,557	-45%	-47%
Gain related to divestitures of Care Coordination activities	-29	-690		
Transaction costs NxStage	16	-		
Expenses associated with the cost optimization program	23	-		
Impact of FCPA related charge	-	75		
Net income (before special items)	867	942	-8%	-12%
Divestitures of Care Coordination activities	-	4		
IFRS 16 effect	45	-		
Net income on a comparable basis	912	946	-4%	-8%

RECONCILIATION BUSINESS SEGMENTS Q3

FRESENIUS KABI

€ in millions	Q3/2019	Q3/2018	Growth rate	Growth rate in constant currency
Sales reported	1,761	1,650	7%	5%
Transaction costs Akorn	0	6		
Revaluations of biosimilars contingent liabilities	0	-		
EBIT (before special items)	307	297	3%	1%
IFRS 16 effect	-1	-		
EBIT on a comparable basis	306	297	3%	1%
Transaction costs Akorn	0	5		
Revaluations of biosimilars contingent liabilities	1	-		
Net income (before special items)	203	199	2%	-1%
IFRS 16 effect	1	-		
Net income on a comparable basis	204	199	3%	0%

FRESENIUS HELIOS

€ in millions	Q3/2019	Q3/2018	Growth rate	Growth rate in constant currency
Sales reported	2,230	2,088	7%	7%
German post-acute care business transferred from Fresenius Helios to Fresenius Vamed	-	0		
Sales adjusted for German post-acute care business	2,230	2,088	7%	7%
EBIT reported	187	204	-8%	-8%
IFRS 16 effect	-4	-		
EBIT adjusted for IFRS 16 effect	183	204	-10%	-10%
German post-acute care business transferred from Fresenius Helios to Fresenius Vamed	-	0		
EBIT adjusted for IFRS 16 and German post-acute care business	183	204	-10%	-10%

FRESENIUS VAMED

€ in millions	Q3/2019	Q3/2018	Growth rate	Growth rate in constant currency
Sales reported	562	476	18%	18%
German post-acute care business acquired from Fresenius Helios	-121	-117		
Sales adjusted for German post-acute care business	441	359	23%	23%
EBIT reported	33	31	6%	6%
IFRS 16 effect	1	-		
EBIT adjusted for IFRS 16 effect	34	31	10%	10%
German post-acute care business acquired from Fresenius Helios	-15	-15		
EBIT adjusted for IFRS 16 and German post-acute care business	19	16	19%	19%

RECONCILIATION BUSINESS SEGMENTS Q1 – 3

FRESENIUS KABI

€ in millions	Q1–3/2019	Q1–3/2018	Growth rate	Growth rate in constant currency
Sales reported	5,153	4,857	6%	5%
Transaction costs Akorn	3	45		
Revaluations of biosimilars contingent liabilities	-4	-		
EBIT (before special items)	920	854	8%	4%
IFRS 16 effect	-3	-		
EBIT on a comparable basis	917	854	7%	4%
Transaction costs Akorn	3	36		
Revaluations of biosimilars contingent liabilities	-1	-		
Net income (before special items)	614	554	11%	7%
IFRS 16 effect	4	-		
Net income on a comparable basis	618	554	12%	8%

FRESENIUS HELIOS

€ in millions	Q1–3/2019	Q1–3/2018	Growth rate	Growth rate in constant currency
Sales reported	6,890	6,762	2%	2%
German post-acute care business transferred from Fresenius Helios to Fresenius Vamed	-	-226		
Sales adjusted for German post-acute care business	6,890	6,536	5%	5%
EBIT reported	731	775	-6%	-6%
IFRS 16 effect	-8	-		
EBIT adjusted for IFRS 16 effect	723	775	-7%	-7%
German post-acute care business transferred from Fresenius Helios to Fresenius Vamed	-	-10		
EBIT adjusted for IFRS 16 and German post-acute care business	723	765	-5%	-5%

FRESENIUS VAMED

€ in millions	Q1–3/2019	Q1–3/2018	Growth rate	Growth rate in constant currency
Sales reported	1,469	991	48%	48%
German post-acute care business acquired from Fresenius Helios	-350	-117		
Sales adjusted for German post-acute care business	1,119	874	28%	28%
EBIT reported	67	49	37%	37%
IFRS 16 effect	-2	-		
EBIT adjusted for IFRS 16 effect	65	49	33%	33%
German post-acute care business acquired from Fresenius Helios	-31	-15		
EBIT adjusted for IFRS 16 and German post-acute care business	34	34	0%	0%

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

€ in millions	Q3/2019	Q3/2018	Q1-3/2019	Q1-3/2018
Sales	8,842	8,192	26,098	24,695
Cost of sales	-6,275	-5,798	-18,469	-17,481
Gross profit	2,567	2,394	7,629	7,214
Selling, general and administrative expenses	-1,239	-1,204	-3,789	-3,540
Gain related to divestitures of care coordination activities	3	10	14	830
Research and development expenses	-202	-159	-492	-484
Operating income (EBIT)	1,129	1,041	3,362	4,020
Net interest	-172	-146	-535	-453
Income before income taxes	957	895	2,827	3,567
Income taxes	-202	-196	-632	-754
Net income	755	699	2,195	2,813
Noncontrolling interest	311	280	827	1,302
Net income attributable to shareholders of Fresenius SE & Co. KGaA	444	419	1,368	1,511
Earnings per share in €	0.80	0.75	2.46	2.72
Fully diluted earnings per share in €	0.79	0.75	2.45	2.71

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	Q3/2019	Q3/2018	Q1-3/2019	Q1-3/2018
Net income	755	699	2,195	2,813
Other comprehensive income (loss)				
Positions which will be reclassified into net income in subsequent years				
Foreign currency translation	750	-5	919	79
Cash flow hedges	1	5	-21	15
Change of fair value of available for sale financial assets	0	0	0	0
Income taxes on positions which will be reclassified	3	-1	9	-11
Positions which will not be reclassified into net income in subsequent years				
Actuarial gains on defined benefit pension plans	0	0	0	1
Income taxes on positions which will not be reclassified	-	-	-	-
Other comprehensive income (loss), net	754	-1	907	84
Total comprehensive income	1,509	698	3,102	2,897
Comprehensive income attributable to noncontrolling interest	685	289	1,251	1,387
Comprehensive income attributable to shareholders of Fresenius SE & Co. KGaA	824	409	1,851	1,510

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	September 30, 2019	December 31, 2018
Cash and cash equivalents	1,599	2,709
Trade accounts and other receivables, less allowance for doubtful accounts	7,187	6,540
Accounts receivable from and loans to related parties	35	29
Inventories	3,686	3,218
Other current assets	2,673	2,294
I. Total current assets	15,180	14,790
Property, plant and equipment	10,968	10,366
Right-of-use assets	5,857	0
Goodwill	27,900	25,713
Other intangible assets	3,968	3,130
Other non-current assets	2,068	1,927
Deferred taxes	818	777
II. Total non-current assets	51,579	41,913
Total assets	66,759	56,703

LIABILITIES AND SHAREHOLDERS' EQUITY

€ in millions	September 30, 2019	December 31, 2018
Trade accounts payable	1,665	1,823
Short-term accounts payable to related parties	189	67
Short-term provisions and other short-term liabilities	6,340	6,240
Short-term debt	2,879	2,354
Short-term debt from related parties	3	–
Current portion of long-term debt	753	353
Current portion of long-term lease liabilities	775	0
Current portion of bonds	499	1,744
Current portion of convertible bonds	398	493
Short-term accruals for income taxes	279	201
A. Total short-term liabilities	13,780	13,275
Long-term debt, less current portion	7,382	5,944
Long-term lease liabilities, less current portion	5,538	0
Bonds, less current portion	8,323	7,246
Convertible bonds, less current portion	463	850
Long-term provisions and other long-term liabilities	1,623	1,634
Pension liabilities	1,294	1,235
Long-term accruals for income taxes	219	227
Deferred taxes	1,441	1,284
B. Total long-term liabilities	26,283	18,420
I. Total liabilities	40,063	31,695
A. Noncontrolling interest	10,026	9,597
Subscribed capital	557	556
Capital reserve	3,978	3,933
Other reserves	11,982	11,252
Accumulated other comprehensive income (loss)	153	-330
B. Total Fresenius SE & Co. KGaA shareholders' equity	16,670	15,411
II. Total shareholders' equity	26,696	25,008
Total liabilities and shareholders' equity	66,759	56,703

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	Q1-3/2019	Q1-3/2018
Operating activities		
Net income	2,195	2,813
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities		
Depreciation and amortization	1,784	1,064
Gain on sale of investments and divestitures	-101	-836
Change in deferred taxes	28	69
Gain/loss on sale of fixed assets	-4	2
Changes in assets and liabilities, net of amounts from businesses acquired or disposed of		
Trade accounts and other receivables, net	-484	-609
Inventories	-342	-273
Other current and non-current assets	-362	-198
Accounts receivable from/payable to related parties	155	32
Trade accounts payable, provisions and other short-term and long-term liabilities	49	283
Accruals for income taxes	59	202
Net cash provided by operating activities	2,977	2,549
Investing activities		
Purchase of property, plant and equipment	-1,609	-1,398
Proceeds from sales of property, plant and equipment	20	42
Acquisitions and investments, net of cash acquired and net purchases of intangible assets	-2,199	-856
Proceeds from sale of investments and divestitures	57	1,667
Net cash used in investing activities	-3,731	-545
Financing activities		
Proceeds from short-term debt	898	994
Repayments of short-term debt	-338	-347
Proceeds from long-term debt	2,130	118
Repayments of long-term debt	-1,016	-654
Repayments of lease liabilities	-607	0
Proceeds from the issuance of bonds	1,433	497
Repayments of liabilities from bonds	-1,767	-742
Repayments of convertible bonds	-500	0
Payments for the share buy-back program of Fresenius Medical Care	-464	-37
Proceeds/Payments of the accounts receivable securitization program	649	-296
Proceeds from the exercise of stock options	38	84
Dividends paid	-880	-832
Change in noncontrolling interest	1	5
Net cash used in financing activities	-423	-1,210
Effect of exchange rate changes on cash and cash equivalents	67	26
Net decrease/increase in cash and cash equivalents	-1,110	820
Cash and cash equivalents at the beginning of the reporting period	2,709	1,636
Cash and cash equivalents at the end of the reporting period	1,599	2,456

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

€ in millions	Q1-3/2019	Q1-3/2018
Received interest	40	51
Paid interest	-394	-426
Income taxes paid	-637	-684

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

FRESENIUS SE & 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
As of December 31, 2017	554,710	554,710	555	3,848	9,656
Adjustment due to the initial application of IFRS 9 and IFRS 15	0	0	0	0	-28
As of January 1, 2018, adjusted	554,710	554,710	555	3,848	9,628
Proceeds from the exercise of stock options	1,374	1,374	1	52	
Compensation expense related to stock options				20	
Dividends paid					-416
Purchase of noncontrolling interest					
Noncontrolling interest subject to put provisions					14
Comprehensive income (loss)					
Net income					1,511
Other comprehensive income (loss)					
Cash flow hedges					
Foreign currency translation					
Actuarial gains on defined benefit pension plans					
Comprehensive income (loss)					1,511
As of September 30, 2018	556,084	556,084	556	3,920	10,737
As of December 31, 2018	556,225	556,225	556	3,933	11,252
Adjustment due to the initial application of IFRS 16	0	0	0	0	-46
As of January 1, 2019, adjusted	556,225	556,225	556	3,933	11,206
Proceeds from the exercise of stock options	976	976	1	29	
Compensation expense related to stock options				16	
Dividends paid					-445
Purchase of noncontrolling interest					
Share buy-back program of Fresenius Medical Care AG & Co. KGaA					-146
Noncontrolling interest subject to put provisions					-1
Comprehensive income (loss)					
Net income					
Other comprehensive income (loss)					1,368
Cash flow hedges					
Foreign currency translation					
Actuarial gains on defined benefit pension plans					
Comprehensive income (loss)					1,368
As of September 30, 2019	557,201	557,201	557	3,978	11,982

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Accumulated other comprehensive income (loss) € in millions						
	Foreign currency translation € in millions	Cash flow hedges € in millions	Pensions € in millions	Equity investments	Total Fresenius SE & Co. KGaA shareholders' equity € in millions	Non-controlling interest € in millions	Total shareholders' equity € in millions
As of December 31, 2017	-61	-60	-277	0	13,661	8,059	21,720
Adjustment due to the initial application of IFRS 9 and IFRS 15	0	0	0	0	-28	-2	-30
As of January 1, 2018, adjusted	-61	-60	-277	0	13,633	8,057	21,690
Proceeds from the exercise of stock options					53	31	84
Compensation expense related to stock options					20	4	24
Dividends paid					-416	-416	-832
Purchase of noncontrolling interest					0	87	87
Noncontrolling interest subject to put provisions					14	31	45
Comprehensive income (loss)							
Net income					1,511	1,302	2,813
Other comprehensive income (loss)							
Cash flow hedges		1			1	10	11
Foreign currency translation	3		-6		-3	75	72
Actuarial gains on defined benefit pension plans			1		1	0	1
Comprehensive income (loss)	3	1	-5	0	1,510	1,387	2,897
As of September 30, 2018	-58	-59	-282	0	14,814	9,181	23,995
As of December 31, 2018	38	-61	-311	4	15,411	9,597	25,008
Adjustment due to the initial application of IFRS 16	0	0	0	0	-46	-98	-144
As of January 1, 2019, adjusted	38	-61	-311	4	15,365	9,499	24,864
Proceeds from the exercise of stock options					30	8	38
Compensation expense related to stock options					16	2	18
Dividends paid					-445	-435	-880
Purchase of noncontrolling interest					0	21	21
Share buy-back program of Fresenius Medical Care AG & Co. KGaA					-146	-318	-464
Noncontrolling interest subject to put provisions					-1	-2	-3
Comprehensive income (loss)							
Net income					1,368	827	2,195
Other comprehensive income (loss)							
Cash flow hedges		-8			-8	-7	-15
Foreign currency translation	500		-9		491	431	922
Actuarial gains on defined benefit pension plans			-		-	0	-
Comprehensive income (loss)	500	-8	-9	4	1,851	1,251	3,102
As of September 30, 2019	538	-69	-320	4	16,670	10,026	26,696

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

FRESENIUS SE & CO. KGAA CONSOLIDATED SEGMENT REPORTING FIRST THREE QUARTERS (UNAUDITED)

by business segment, € in millions	Fresenius Medical Care				Fresenius Kabi				Fresenius Helios				
	2019 ²	2019 ²	2018 ³	adj. for IFRS 16 effect	2019 ⁴	2019 ⁴	2018 ⁵	adj. for IFRS 16 effect	2019	2019	2018	adj. for IFRS 16 effect	Growth
	12,972	12,247	12,222	6%	5,153	5,114	4,857	6%	6,890	6,878	6,755	2%	2%
Sales	12,897	12,247	12,222	5%	5,153	5,114	4,857	6%	6,890	6,878	6,755	2%	2%
thereof contribution to consolidated sales	32	25	25	28%	39	39	41	-5%	12	12	7	71%	71%
thereof intercompany sales	49%	49%	49%		20%	20%	20%		26%	26%	27%		
contribution to consolidated sales	2,834	2,204	2,204	29%	1,178	1,129	1,076	9%	1,043	992	1,061	-2%	-7%
EBITDA	1,141	626	534	114%	258	212	222	16%	312	269	286	9%	-6%
Depreciation and amortization	1,693	1,625	1,670	1%	920	917	854	8%	731	723	775	-6%	-7%
EBIT	-327	-199	-244	-34%	-62	-54	-87	29%	-130	-115	-121	-7%	5%
Net interest	-322	-337	-308	-4%	-206	-207	-182	-13%	-124	-126	-129	4%	2%
Income taxes				-9%				-14%					
Net income attributable to shareholders of Fresenius SE & Co. KGaA	867	912	942	-8%	614	618	554	11%	467	472	516	-9%	-9%
Operating cash flow	1,796	1,350	1,364	32%	737	695	820	-10%	507	471	387	31%	22%
Cash flow before acquisitions and dividends	1,019	573	662	54%	253	253	468	-46%	253	217	129	96%	68%
Total assets ¹	33,169	28,850	26,242	26%	13,792	13,420	12,638	9%	17,986	17,133	16,504	9%	4%
Debt ¹	13,669	9,211	7,546	81%	4,503	4,111	3,867	16%	7,294	6,436	6,219	17%	3%
Other operating liabilities ¹	5,202	5,202	5,168	1%	3,148	3,148	3,107	1%	2,171	2,171	2,051	6%	6%
Capital expenditure, gross	788	788	732	8%	473	473	328	44%	255	255	265	-4%	-4%
Acquisitions, gross/investments	2,068	2,068	820	152%	85	85	10	--	127	127	21	--	--
Research and development expenses	137	137	95	44%	353	353	389	-9%	1	1	--	--	--
Employees	128,114	128,114	120,328	6%	39,780	39,780	37,843	5%	105,309	105,309	100,144	5%	5%
(per capita on balance sheet date) ¹													
Key figures													
EBITDA margin	22.0%	17.4%	18.0%		22.9%	21.9%	22.2%		15.1%	14.4%	15.7%		
EBIT margin	13.1%	12.5%	13.6%		17.9%	17.8%	17.6%		10.6%	10.5%	11.5%		
Depreciation and amortization in % of sales	8.8%	4.8%	4.4%		5.0%	4.1%	4.6%		4.5%	3.9%	4.2%		
Operating cash flow in % of sales	13.9%	10.4%	11.1%		14.3%	13.5%	16.9%		7.4%	6.8%	5.7%		
ROOA ¹	7.6%	8.5%	10.0%		10.6%	10.9%	11.1%		6.0%	6.3%	6.8%		

¹ 2018: December 31² Before transaction-related expenses, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program³ Before gain related to divestitures of Care Coordination activities and impact of FCPA related charge⁴ Before transaction-related expenses and revaluations of biosimilars contingent liabilities⁵ Before transaction-related expenses

FRESENIUS SE & CO. KGAA CONSOLIDATED SEGMENT REPORTING FIRST THREE QUARTERS (UNAUDITED)

by business segment, € in millions	Fresenius Vamed				Corporate/Other				Fresenius Group						
	2019	2019	2018	Growth	adj. for IFRS 16 effect	2019 ⁶	2019 ⁶	2018 ⁷	Growth	adj. for IFRS 16 effect	2019	2018	Growth	adj. for IFRS 16 effect	Growth
	1,469	1,469	991	48%	48%	-311	-311	-162	-92%	-92%	26,098	24,695	6%	26,098	6%
Sales	1,469	1,469	991	48%	48%	-311	-311	-162	-92%	-92%	26,098	24,695	6%	26,098	6%
thereof contribution to consolidated sales	1,241	1,241	900	38%	38%	0	0	2	-100%	-100%	26,098	24,695	6%	26,098	6%
thereof intercompany sales	228	228	91	151%	151%	-311	-311	-164	-90%	-90%	0	0	0	0	0
contribution to consolidated sales	5%	5%	4%			0%	0%	0%			100%	100%	100%	100%	100%
EBITDA	119	94	64	86%	47%	-28	-19	679	-104%	-103%	5,146	4,447	1%	5,146	-13%
Depreciation and amortization	52	29	15	--	93%	21	28	7	200%	--	1,784	1,064	68%	1,784	9%
EBIT	67	65	49	37%	33%	-49	-47	672	-107%	-107%	3,362	4,020	-16%	3,362	-18%
Net interest	-13	-9	-4	--	-125%	-3	-5	3	-200%	--	-535	-453	-18%	-535	16%
Income taxes	-14	-14	-11	-27%	-27%	34	34	-124	127%	127%	-632	-754	16%	-632	14%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	39	41	33	18%	24%	-619	-650	-534	-16%	-22%	1,368	1,511	-9%	1,368	-8%
Operating cash flow	-17	-38	-2	--	--	-46	-39	-20	-130%	-95%	2,977	2,549	17%	2,977	-4%
Cash flow before acquisitions and dividends	-38	-59	-16	-138%	--	-99	-92	-50	-98%	-84%	1,388	850	16%	1,388	-29%
Total assets ¹	2,505	2,209	2,160	16%	2%	-693	-520	-529	18%	38%	66,759	56,703	18%	66,759	8%
Debt ¹	848	547	535	59%	2%	699	809	1,102	-14%	-1%	27,013	18,984	42%	27,013	11%
Other operating liabilities ¹	928	928	912	2%	2%	160	160	339	-15%	-15%	11,609	11,427	2%	11,609	2%
Capital expenditure, gross	23	23	24	-4%	-4%	53	53	21	152%	152%	1,592	1,370	16%	1,592	16%
Acquisitions, gross/investments	12	12	489	-98%	-98%	0	0	-464	100%	100%	2,292	876	162%	2,292	162%
Research and development expenses	0	0	0			1	1	0			492	484	2%	492	2%
Employees (per capita on balance sheet date) ¹	18,189	18,189	17,299	5%	5%	1,243	1,243	1,136	9%	9%	292,635	276,750	6%	292,635	6%
Key figures															
EBITDA margin	8.1%	6.4%	6.5%			19.8%	19.8%	17.1%	8	17.7%	9	17.7%	9	19.8%	8
EBIT margin	4.6%	4.4%	4.9%			13.0%	13.0%	12.7%	8	13.4%	9	13.4%	9	13.0%	8
Depreciation and amortization in % of sales	3.5%	2.0%	1.5%			6.8%	6.8%	4.4%		4.3%	4.4%	4.3%	6.8%	4.4%	
Operating cash flow in % of sales	-1.2%	-2.6%	-0.2%			11.4%	11.4%	9.3%		10.3%	9.3%	10.3%	11.4%	9.3%	
ROOA ¹	6.9%	7.9%	9.1%			7.7%	7.7%	8.2%	10	9.0%	8.2%	9.0%	7.7%	8.2%	

¹ 2018: December 31

² Before transaction-related expenses, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program

³ Before gain related to divestitures of Care Coordination activities and impact of FCPA related charge

⁴ Before transaction-related expenses and revaluations of biosimilars contingent liabilities

⁵ Before transaction-related expenses

⁶ After transaction-related expenses, revaluations of biosimilars contingent liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC

⁷ After transaction-related expenses and gain related to divestitures of Care Coordination activities and impact of FCPA related charge

⁸ Before transaction-related expenses, revaluations of biosimilars contingent liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC

⁹ Before transaction-related expenses, gain related to divestitures of Care Coordination activities and impact of FCPA related charge

¹⁰ The underlying pro forma EBIT does not include transaction-related expenses, revaluations of biosimilars contingent liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC

¹¹ The underlying pro forma EBIT does not include transaction-related expenses, revaluations of biosimilars contingent liabilities, gain related to divestitures of Care Coordination activities and the impact of FCPA related charge

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 THIRD QUARTER (UNAUDITED)

	Fresenius Medical Care				Fresenius Kabi				Fresenius Helios							
	2019 ¹	2018 ²	2019 ³	adj. for IFRS 16 effect	2019 ³	2018 ⁴	2019 ³	adj. for IFRS 16 effect	2019	2018	2019	adj. for IFRS 16 effect	2019	2018	2019	adj. for IFRS 16 effect
	4,419	4,058	1,761	10%	1,761	1,650	1,761	7%	2,230	2,088	2,230	7%	2,230	2,088	2,230	7%
by business segment, € in millions																
Sales	4,419	4,058	1,761	10%	1,761	1,650	1,761	7%	2,230	2,088	2,230	7%	2,230	2,088	2,230	7%
thereof contribution to consolidated sales	4,406	4,049	1,747	10%	1,747	1,637	1,747	7%	2,225	2,088	2,225	7%	2,225	2,088	2,225	7%
thereof intercompany sales	13	9	14	44%	14	13	14	8%	5	0	5	8%	5	0	5	8%
contribution to consolidated sales	50%	49%	20%		20%	20%	20%		25%	26%	25%		25%	26%	25%	
EBITDA	1,011	771	398	5%	398	377	398	6%	293	285	293	6%	293	285	293	6%
Depreciation and amortization	392	179	91	20%	91	80	91	14%	106	81	106	14%	106	81	106	14%
EBIT	619	592	307	5%	307	297	307	3%	187	204	187	3%	187	204	187	3%
Net interest	-105	-76	-20	-38%	-20	-27	-20	26%	-44	-41	-44	26%	-44	-41	-44	26%
Income taxes	-124	-109	-69	-14%	-69	-58	-69	-19%	-28	-32	-28	-19%	-28	-32	-28	-19%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	331	343	203	-3%	203	199	203	2%	112	128	112	2%	112	128	112	2%
Operating cash flow	868	753	377	15%	377	366	377	3%	196	128	196	3%	196	128	196	3%
Cash flow before acquisitions and dividends	584	497	198	18%	198	214	198	-7%	106	34	106	-7%	106	34	106	-7%
Capital expenditure, gross	291	266	183	9%	183	155	183	18%	91	95	91	18%	91	95	91	18%
Acquisitions, gross/investments	103	468	6	-78%	6	9	6	-33%	25	10	25	-33%	25	10	25	-33%
Research and development expenses	62	25	140	148%	140	133	140	5%	0	-	0	5%	0	-	0	5%
Key figures																
EBITDA margin	22.9%	19.0%	22.6%		22.6%	21.7%	22.6%		13.1%	13.6%	13.1%		13.1%	13.6%	13.1%	
EBIT margin	14.0%	14.6%	17.4%		17.4%	17.4%	17.4%		8.4%	9.8%	8.4%		8.4%	9.8%	8.4%	
Depreciation and amortization in % of sales	8.9%	4.4%	5.2%		5.2%	4.3%	5.2%		4.8%	3.9%	4.8%		4.8%	3.9%	4.8%	
Operating cash flow in % of sales	19.6%	18.6%	21.4%		21.4%	20.6%	21.4%		8.8%	6.1%	8.8%		8.8%	6.1%	8.8%	

¹ Before transaction-related expenses, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program

² Before gain related to divestitures of Care Coordination activities and impact of FCPA related charge

³ Before transaction-related expenses and revaluations of biosimilars contingent liabilities

⁴ Before transaction-related expenses

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

	Fresenius Vamed				Corporate/Other				Fresenius Group					
	2019		2018		2019 ⁵		2018 ⁶		2019		2018		2019	
	adj. for IFRS 16 effect	Growth	adj. for IFRS 16 effect	Growth	adj. for IFRS 16 effect	Growth	adj. for IFRS 16 effect	Growth	adj. for IFRS 16 effect	Growth	adj. for IFRS 16 effect	Growth	adj. for IFRS 16 effect	Growth
by business segment, € in millions	562	18%	476	18%	-130	18%	-130	-80	8,842	-63%	8,192	-63%	8,877	8%
Sales	562	18%	476	18%	-130	18%	-130	-80	8,842	-63%	8,192	-63%	8,877	8%
thereof contribution to consolidated sales	465	12%	416	12%	-1	12%	-1	2	8,842	-150%	8,192	-150%	8,877	8%
thereof intercompany sales	97	62%	60	62%	-129	62%	-129	-82	0	-57%	0	-57%	0	0
contribution to consolidated sales	5%	5%	5%	5%	0%	5%	0%	0%	100%	100%	100%	100%	100%	100%
EBITDA	51	44	40	28%	4	10%	4	-81	1,757	109%	1,520	109%	1,520	26%
Depreciation and amortization	18	10	9	100%	21	11%	21	2	628	414	351	79%	414	18%
EBIT	33	34	31	6%	-17	10%	-17	-83	1,129	81%	1,106	81%	1,106	8%
Net interest	-4	-4	-3	-33%	1	-33%	1	0	-172	-100%	-146	-100%	-125	-18%
Income taxes	-8	-8	-6	-33%	27	-33%	27	9	-202	200%	-196	200%	-207	-3%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	21	22	22	-5%	-223	0%	-223	-273	444	14%	419	14%	452	6%
Operating cash flow	33	27	54	-39%	9	-50%	9	11	1,483	--	1,293	--	1,298	15%
Cash flow before acquisitions and dividends	23	17	45	-49%	-4	-62%	-4	-2	907	91%	768	91%	722	-6%
Capital expenditure, gross	10	10	9	11%	11	11%	11	14	586	-21%	539	-21%	586	9%
Acquisitions, gross/investments	0	0	467	-100%	1	-100%	1	-464	135	100%	490	100%	135	-72%
Research and development expenses	0	0	0	0	0	0	0	1	202	-100%	159	-100%	202	27%
Key figures														
EBITDA margin	9.1%	7.8%	8.4%						19.9% ⁷		17.2% ⁷		17.9% ⁸	
EBIT margin	5.9%	6.0%	6.5%						13.0% ⁷		12.7% ⁷		13.6% ⁸	
Depreciation and amortization in % of sales	3.2%	1.8%	1.9%						7.1%		4.7%		4.3%	
Operating cash flow in % of sales	5.9%	4.8%	11.3%						16.8%		14.6%		15.8%	

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.

¹ Before transaction-related expenses, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program

² Before gain related to divestitures of Care Coordination activities and impact of FCPA related charge

³ Before transaction-related expenses and revaluations of biosimilars contingent liabilities

⁴ Before transaction-related expenses

⁵ After transaction-related expenses, revaluations of biosimilars contingent liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC

⁶ After transaction-related expenses, gain related to divestitures of Care Coordination activities and impact of FCPA related charge

⁷ Before transaction-related expenses, revaluations of biosimilars contingent liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC

⁸ Before transaction-related expenses, gain related to divestitures of Care Coordination activities and impact of FCPA related charge

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GENERAL NOTES

1. PRINCIPLES

I. GROUP STRUCTURE

Fresenius is a global health care 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 health care 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 September 30, 2019:

- ▶ 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 315e of the German Commercial Code (HGB).

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 Fresenius Group has applied IFRS 16, Leases, since January 1, 2019. As a result of the implementation, the Fresenius Group has updated its accounting policies accordingly. Changes in the accounting policies due to the implementation of IFRS 16 are described in note 1.IV, Recent pronouncements, applied.

For all other issues, the accounting policies applied in the accompanying consolidated financial statements are the same as those applied in the consolidated financial statements as of December 31, 2018.

III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The condensed consolidated financial statements and management report for the first three quarters and the third quarter ended September 30, 2019 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, 2018 applying Section 315e HGB in accordance with IFRS.

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

The consolidated financial statements for the first three quarters and the third quarter ended September 30, 2019 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 three quarters ended September 30, 2019 are not necessarily indicative of the results of operations for the fiscal year 2019.

Classifications

As of December 31, 2018, property, plant and equipment included leased fixed assets of €142 million recognized in accordance with IAS 17. These were transferred to the line item right-of-use assets as of the beginning of fiscal year 2019.

As of December 31, 2018, the item of the statement of financial position current portion of long-term debt included short-term liabilities from capital leases in accordance with IAS 17 of €22 million. From fiscal year 2019, these are included in current portion of long-term lease liabilities.

As of December 31, 2018, the statement of financial position item long-term debt, less current portion included long-term liabilities from capital leases in accordance with IAS 17 of €197 million. From fiscal year 2019, these are included in long-term lease liabilities, less current portion.

In the consolidated statement of cash flows, in the comparative information for the first three quarters of 2018, the line item repayments of long-term debt (in prior year designated as: repayments of long-term debt and capital lease obligations) included repayments of liabilities from capital leases in accordance with IAS 17 of €25 million. From fiscal year 2019, these repayments are included in the line item repayments of lease liabilities in accordance with IFRS 16.

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 September 30, 2019 in conformity with IFRS in force for the interim periods on January 1, 2019.

In the first three quarters of 2019, the Fresenius Group applied the following new standard relevant for its business for the first time:

IFRS 16

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 changes lessee accounting. For almost 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. Only leases with a total maximum term of 12 months (short-term leases) and leases for underlying assets of low value may optionally be exempted from balance sheet recognition by applying an accounting policy choice. Depreciation of the right-of-use asset and interest on the lease liability must be recognized in the consolidated statement of income for every lease contract recognized in the balance sheet. Therefore, straight-line rental expenses will no longer be shown for the vast majority of the leases. The lessor accounting requirements in IAS 17 are substantially carried forward.

The Fresenius Group applies the modified retrospective method in accordance with IFRS 16 as the transition method. Accordingly, the cumulative effect from first-time application was recognized in the opening balance of retained earnings as of January 1, 2019 without adjustments to the comparative information of the previous period.

In the application of the modified retrospective method, the carrying amount of the lease liability at the date of the initial application is determined by discounting the remaining lease payments of lease agreements that were classified as operating leases under IAS 17 using the term-, country- and currency-specific incremental borrowing rate at date of initial application. Furthermore, right-of-use assets are to be recognized. In the application of the modified retrospective method, the carrying amount of the right-of-use asset equals the carrying amount of the lease liability, adjusted for any prepaid or accrued lease payments. For a part of the existing contracts, the Fresenius Group recognizes the right-of-use asset with its carrying amount assuming the new standard had been applied since the commencement date of the lease discounted using its term-, country- and currency-specific incremental borrowing rate at the date of initial application.

Regarding the options and exemptions available upon the initial application of IFRS 16, the Fresenius Group adopted the following approach:

- ▶ IFRS 16 is only applied to contracts that were previously identified as leases under IAS 17 and IFRIC 4.
- ▶ Recognition, valuation and disclosure principles of IFRS 16 are not applied to lease contracts with a lease term ending in less than 12 months from the date of the initial application. The respective lease contracts are accounted for as if they were short-term leases and recognized as an expense accordingly.
- ▶ Material initial direct costs are included in the measurement of a right-of-use asset with the carrying amount assuming the new standard was applied since the commencement date of the lease.
- ▶ Upon initial recognition, no impairment review was performed. The right-of-use assets were adjusted for onerous contract provisions, recognized on the consolidated statement of financial position immediately before the date of initial application.

Right-of-use assets from lease contracts are classified in accordance with the Fresenius Group's classification of property plant and equipment:

- ▶ Right-of-use assets: land
- ▶ Right-of-use assets: buildings and improvements
- ▶ Right-of-use assets: machinery and equipment

In addition to the right-of-use asset categories above, prepayments on right-of-use assets are presented separately. Right-of-use assets from lease contracts and lease liabilities are presented separately from property, plant and equipment and other financial debt in the consolidated statement of financial position.

For lease contracts that include both lease and non-lease components that are not separable from lease components, no allocation is performed. Each lease component and any associated non-lease components are accounted for as a single lease.

For the impacts of IFRS 16, please see note 20, Leases.

V. RECENT PRONOUNCEMENTS, NOT YET APPLIED

The International Accounting Standards Board (IASB) issued the following new standard relevant for the Fresenius Group's business:

In May 2017, the IASB issued **IFRS 17, Insurance Contracts**. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure related to the issuance of insurance contracts. IFRS 17 replaces IFRS 4, Insurance Contracts, which was brought in as an interim standard in 2004. IFRS 4 permitted the use of national accounting standards for the accounting of insurance contracts under IFRS. As a result of the varied application for insurance contracts, there was a lack of comparability among peer groups. IFRS 17 eliminates this diversity in practice by requiring all insurance contracts to be accounted for using current values. The frequent updates to the insurance values are expected to provide more useful information to users of financial statements. IFRS 17 is effective for fiscal years beginning on or after January 1, 2021. Earlier adoption is permitted for entities that have also adopted IFRS 9, Financial Instruments, and IFRS 15, Revenue from Contracts with Customers. The Fresenius Group is currently evaluating the impact of IFRS 17 on the consolidated financial statements.

The EU Commission's endorsement of IFRS 17 is 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, DIVESTITURES AND INVESTMENTS

The Fresenius Group made acquisitions, investments and purchases of intangible assets of €2,292 million and €876 million in the first three quarters of 2019 and 2018, respectively. Of this amount, €2,199 million was paid in cash and €93 million was assumed obligations in the first three quarters of 2019.

FRESENIUS MEDICAL CARE

In the first three quarters of 2019, Fresenius Medical Care spent €2,068 million on acquisitions, mainly on the purchase of NxStage Medical, Inc. (NxStage).

Acquisition of NxStage Medical, Inc., USA

On February 21, 2019, Fresenius Medical Care acquired all of the outstanding shares of NxStage for US\$30.00 per common share. The total acquisition value of this business combination, net of cash acquired, is US\$1,976 million (€1,741 million at date of closing). NxStage is a leading medical technology company that develops, produces and markets an innovative product portfolio of medical devices for use in home dialysis and in the critical care setting. NxStage has been consolidated as of February 21, 2019.

The transaction was accounted for as a business combination. The following table summarizes the current estimated fair values of assets acquired and liabilities assumed at the date of the acquisition. This allocation of the purchase price is based upon the best information available to management at present. Due to the relatively short interval between the closing date of the acquisition and the date of the statement of

financial position, this information may be incomplete. Any adjustments to acquisition accounting, net of related income tax effects, will be recorded with a corresponding adjustment to goodwill.

US\$ in millions	
Cash and cash equivalents	47
Trade accounts and other receivables	34
Inventories	65
Other current assets	19
Property, plant and equipment	94
Right-of-use assets	22
Intangible assets and other assets	826
Goodwill	1,163
Accounts payable, current provisions and other current liabilities	-72
Income tax payable and deferred taxes	-121
Lease liabilities	-22
Other liabilities	-26
Noncontrolling interest	-4
Total acquisition cost	2,023
Less cash acquired	-47
Net cash paid	1,976

As of the acquisition date, it is estimated that amortizable intangible assets acquired in this acquisition will have weighted-average useful lives of 13 years.

Goodwill in the amount of US\$1,163 million was acquired as part of the NxStage acquisition.

NxStage's results have been included in the Fresenius Group's consolidated statement of income since February 21, 2019. Specifically, NxStage has contributed US\$211 million (€188 million) to sales and -US\$26 million (-€24 million) to the operating income (EBIT) of the Fresenius Group for the first three quarters of 2019. This operating loss amount does not include synergies which may have resulted at consolidated entities outside NxStage since the acquisition closed.

FRESENIUS KABI

In the first three quarters of 2019, Fresenius Kabi spent €85 million on acquisitions, mainly for already planned acquisition related milestone payments relating to the acquisition of the biosimilars business.

Termination of the merger agreement with Akorn, Inc.

On April 24, 2017, Fresenius announced that Fresenius Kabi has agreed to acquire Akorn, Inc. (Akorn), a U.S.-based manufacturer and marketer of prescription and over-the-counter pharmaceutical products, for approximately US\$4.3 billion, or US\$34 per share, plus the prevailing net debt at closing of the transaction.

Fresenius conducted an independent investigation, using external experts, into alleged breaches of FDA data integrity requirements relating to product development at Akorn.

Fresenius decided on April 22, 2018 to terminate the merger agreement with Akorn, due to Akorn's failure to fulfill several closing conditions.

Fresenius' decision was based on, among other factors, material breaches of FDA data integrity requirements relating to Akorn's operations found during Fresenius' independent investigation. Fresenius offered to delay its decision in order to allow Akorn additional opportunity to complete its own investigation and present any information it wished Fresenius to consider, but Akorn declined that offer.

Akorn disagreed with Fresenius' position and filed a lawsuit on April 23, 2018 purporting to enforce the merger agreement.

Fresenius filed a counterclaim on April 30, 2018. The trial of the lawsuit took place in the Delaware Court of Chancery from July 9 to 13 and on August 23, 2018.

On October 1, 2018, the Court of Chancery in the U.S. state of Delaware ruled in favor of Fresenius in the lawsuit by Akorn, Inc. against Fresenius for the consummation of the April 2017 merger agreement.

Akorn appealed on October 18, 2018 against this ruling to the Delaware Supreme Court. On December 7, 2018, the Delaware Supreme Court, being the highest court and final instance in Delaware, affirmed the ruling of the Court of Chancery in favor of Fresenius. Fresenius has sued Akorn for damages suffered as a result of lost acquisition expenses.

FRESENIUS HELIOS

In the first three quarters of 2019, Fresenius Helios spent €127 million on acquisitions, mainly for the purchase of Clínica Medellín, S.A. in Colombia as well as Mitteldeutsches Institut für Arbeitsmedizin GmbH and outpatient clinics in Germany.

FRESENIUS VAMED

In the first three quarters of 2019, Fresenius Vamed spent €12 million on acquisitions, mainly for the increased shareholding in a post-acute clinic in Austria.

NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

3. SPECIAL ITEMS

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the first three quarters of 2019 in the amount of €1,368 million includes special items relating to the acquisition of NxStage and the cost optimization program of Fresenius Medical Care. Furthermore, special items due to divestitures of Care Coordination activities, the revaluation of biosimilars contingent liabilities as well as the terminated merger agreement with Akorn, Inc. are included in net income attributable to shareholders of Fresenius SE & Co. KGaA.

The special items had the following impact on the consolidated statement of income:

€ in millions	EBIT	Interest expenses	Net income attributable to shareholders of Fresenius SE & Co. KGaA
Earnings Q1–3/2019, before special items	3,401	-532	1,373
Transaction-related effects of NxStage	-22	0	-5
Cost optimization program Fresenius Medical Care	-32	0	-7
Gain related to divestitures of Care Coordination activities	14	0	9
Transaction-related effects of biosimilars	4	-3	1
Transaction-related effects of Akorn	-3	0	-3
Earnings Q1–3/2019 according to IFRS	3,362	-535	1,368

4. SALES

In the first three quarters of 2019, sales by activity were as follows:

€ in millions	Q1–3/2019	Q1–3/2018
Sales from contracts with customers	25,802	24,456
thereof sales of services	17,825	17,026
thereof sales of products and related services	7,560	7,082
thereof sales from long-term production contracts	410	342
thereof further sales from contracts with customers	7	6
Other sales	296	239
Sales	26,098	24,695

Other sales include sales from insurance and lease contracts.

5. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of €492 million (Q1–3/2018: €484 million) included expenditures for research and non-capitalizable development costs as well as regular depreciation and amortization expenses relating to capitalized development costs of €13 million (Q1–3/2018: €11 million). Furthermore, in the first three quarters of 2019, research and development expenses included reversals of write-downs on capitalized development expenses of €16 million (Q1–3/2018: impairments of €7 million). The expenses for the further development of the biosimilars business included in the research and development expenses amounted to €77 million in the first three quarters of 2019 (Q1–3/2018: €113 million).

6. TAXES

During the first three quarters of 2019, there were no material changes relating to accruals for income taxes as well as recognized and accrued payments for interest and penalties. Further information can be found in the consolidated financial statements as of December 31, 2018 applying Section 315e HGB in accordance with IFRS.

7. EARNINGS PER SHARE

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

	Q1–3/2019	Q1–3/2018
Numerators, € in millions		
Net income attributable to shareholders of Fresenius SE & Co. KGaA	1,368	1,511
less effect from dilution due to Fresenius Medical Care shares	–	1
Income available to all ordinary shares	1,368	1,510
Denominators in number of shares		
Weighted-average number of ordinary shares outstanding	556,665,454	555,320,288
Potentially dilutive ordinary shares	639,211	1,997,961
Weighted-average number of ordinary shares outstanding assuming dilution	557,304,665	557,318,249
Basic earnings per share in €	2.46	2.72
Fully diluted earnings per share in €	2.45	2.71

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8. CASH AND CASH EQUIVALENTS

As of September 30, 2019 and December 31, 2018, cash and cash equivalents were as follows:

€ in millions	Sept. 30, 2019	Dec. 31, 2018
Cash	1,211	1,273
Time deposits and securities (with a maturity of up to 90 days)	388	1,436
Total cash and cash equivalents	1,599	2,709

€ in millions	September 30, 2019	thereof credit impaired	Dec. 31, 2018	thereof credit impaired
Trade accounts and other receivables	7,537	740	6,863	671
less allowance for doubtful accounts	350	272	323	253
Trade accounts and other receivables, net	7,187	468	6,540	418

Within trade accounts and other receivables, net, as of September 30, 2019, €7,438 million relate to revenue from contracts with customers as defined by IFRS 15. This amount includes €350 million of allowance for doubtful accounts. Further trade accounts and other receivables, net relate to lease contracts.

10. INVENTORIES

As of September 30, 2019 and December 31, 2018, inventories consisted of the following:

€ in millions	Sept. 30, 2019	Dec. 31, 2018
Raw materials and purchased components	847	761
Work in process	404	326
Finished goods	2,571	2,245
less reserves	136	114
Inventories, net	3,686	3,218

As of September 30, 2019 and December 31, 2018, earmarked funds of €133 million and €123 million, respectively, were included in cash and cash equivalents.

9. TRADE ACCOUNTS AND OTHER RECEIVABLES

As of September 30, 2019 and December 31, 2018, trade accounts and other receivables were as follows:

September 30, 2019	thereof credit impaired	Dec. 31, 2018	thereof credit impaired
7,537	740	6,863	671
350	272	323	253
7,187	468	6,540	418

11. OTHER CURRENT AND NON-CURRENT ASSETS

At equity investments as of September 30, 2019 in the amount of €683 million (December 31, 2018: €650 million) mainly related to the joint venture named Vifor Fresenius Medical Care Renal Pharma Ltd. between Fresenius Medical Care and Galenica Ltd. In the first three quarters of 2019, income of €63 million (Q1–3/2018: €52 million) resulting from this valuation was included in selling, general and administrative expenses in the consolidated statement of income.

12. GOODWILL AND OTHER INTANGIBLE ASSETS

As of September 30, 2019 and December 31, 2018, intangible assets, split into amortizable and non-amortizable intangible assets, consisted of the following:

AMORTIZABLE INTANGIBLE ASSETS

€ in millions	September 30, 2019			December 31, 2018		
	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Technology	1,001	291	710	428	235	193
Capitalized development costs	958	260	698	895	255	640
Customer relationships	768	158	610	717	122	595
Tradenames	695	119	576	699	90	609
Software	995	505	490	821	433	388
Patents, product and distribution rights	775	473	302	759	432	327
Non-compete agreements	344	302	42	329	282	47
Other	601	308	293	418	289	129
Total	6,137	2,416	3,721	5,066	2,138	2,928

The increase of the position technology mainly relates to the acquisition of NxStage.

NON-AMORTIZABLE INTANGIBLE ASSETS

€ in millions	September 30, 2019			December 31, 2018		
	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Goodwill	27,900	0	27,900	25,713	0	25,713
Tradenames	244	0	244	199	0	199
Management contracts	3	0	3	3	0	3
Total	28,147	0	28,147	25,915	0	25,915

The carrying amount of goodwill has developed as follows:

€ in millions	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate/Other	Fresenius Group
Carrying amount as of January 1, 2018	12,104	5,155	7,902	118	6	25,285
Additions	328	44	102	21	0	495
Disposals	-664	0	-1	-	0	-665
Reclassifications	0	0	-146	146	0	0
Foreign currency translation	442	156	0	0	0	598
Carrying amount as of December 31, 2018	12,210	5,355	7,857	285	6	25,713
Additions	1,315	0	70	4	0	1,389
Disposals	0	0	-3	0	0	-3
Reclassifications	7	0	0	0	0	7
Foreign currency translation	589	205	0	0	0	794
Carrying amount as of September 30, 2019	14,121	5,560	7,924	289	6	27,900

The increase of goodwill mainly relates to the acquisition of NxStage and foreign currency translation.

As of September 30, 2019 and December 31, 2018, the carrying amounts of the other non-amortizable intangible assets were €231 million and €186 million, for Fresenius Medical Care as well as €16 million for Fresenius Kabi.

13. DEBT

SHORT-TERM DEBT

As of September 30, 2019 and December 31, 2018, short-term debt consisted of the following:

€ in millions	Book value	
	September 30, 2019	December 31, 2018
Fresenius SE & Co. KGaA Commercial Paper	1,000	973
Fresenius Medical Care AG & Co. KGaA Commercial Paper	1,000	1,000
Other short-term debt	879	381
Short-term debt	2,879	2,354

LONG-TERM DEBT

As of September 30, 2019 and December 31, 2018, long-term debt net of debt issuance costs consisted of the following:

€ in millions	Book value	
	September 30, 2019	December 31, 2018
Fresenius Medical Care Credit Agreement	2,447	1,887
Fresenius Credit Agreement	2,258	2,116
Schuldschein Loans	2,191	1,629
Accounts Receivable Facility of Fresenius Medical Care	669	0
Capital lease obligations ¹	0	219
Other	570	446
Subtotal	8,135	6,297
less current portion	753	353
Long-term debt, less current portion²	7,382	5,944

¹ The position included liabilities from capital leases in accordance with IAS 17 as of December 31, 2018. From January 1, 2019, these are transferred to current portion of long-term lease liabilities and long-term lease liabilities, less current portion.

² As of December 31, 2018, the item was designated as long-term debt and capital lease obligations, less current portion and included liabilities from capital leases in accordance with IAS 17. From January 1, 2019, these are transferred to long-term lease liabilities, less current portion.

Fresenius Medical Care 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 tenor on October 30, 2012.

In the years 2014 and 2017, various amendments of the Fresenius Medical Care Credit Agreement were made. These related to the amount and structure of the available tranches, among other items. In addition, the terms have been extended.

The following tables show the available and outstanding amounts under the Fresenius Medical Care Credit Agreement at September 30, 2019 and at December 31, 2018:

	September 30, 2019			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facility (in US\$) 2017/2022	US\$900 million	827	US\$300 million	276
Revolving Credit Facility (in €) 2017/2022	€600 million	600	€325 million	325
Term Loan (in US\$) 2017/2022	US\$1,260 million	1,157	US\$1,260 million	1,157
Term Loan (in €) 2017/2020	€400 million	400	€400 million	400
Term Loan (in €) 2017/2022	€294 million	294	€294 million	294
Total		3,278		2,452
less financing cost				5
Total				2,447

	December 31, 2018			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facility (in US\$) 2017/2022	US\$900 million	786	US\$0 million	0
Revolving Credit Facility (in €) 2017/2022	€600 million	600	€0 million	0
Term Loan (in US\$) 2017/2022	US\$1,350 million	1,179	US\$1,350 million	1,179
Term Loan (in €) 2017/2020	€400 million	400	€400 million	400
Term Loan (in €) 2017/2022	€315 million	315	€315 million	315
Total		3,280		1,894
less financing cost				7
Total				1,887

The Term Loan of FMC-AG & Co. KGaA in the amount of €400 million due on July 30, 2020, is shown as current portion of long-term debt in the consolidated statement of financial position at September 30, 2019.

As of September 30, 2019, FMC-AG & Co. KGaA and its subsidiaries were in compliance with all covenants under the Fresenius Medical Care Credit Agreement.

Fresenius Credit Agreement

On December 20, 2012, Fresenius SE & Co. KGaA and various subsidiaries entered into a delayed draw syndicated credit

agreement (2013 Credit Agreement) in the original amount of US\$1,300 million and €1,250 million. Since the initial funding of the Credit Agreement in June 2013, additional tranches were added. Furthermore, scheduled amortization payments as well as voluntary repayments have been made. In August 2017, the Credit Agreement was refinanced and replaced by new tranches with a total amount of approximately €3,800 million.

In August 2019, the Revolving Credit Facility of the Credit Agreement was increased by €100 million to expand the financial cushion.

The following tables show the available and outstanding amounts under the Fresenius Credit Agreement at September 30, 2019 and at December 31, 2018:

	September 30, 2019			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facility (in €) 2017/2022	€1,100 million	1,100	0 million	0
Revolving Credit Facility (in US\$) 2017/2022	US\$500 million	459	US\$250 million	229
Term Loan (in €) 2017/2021	€750 million	750	€750 million	750
Term Loan (in €) 2017/2022	€800 million	800	€800 million	800
Term Loan (in US\$) 2017/2022	US\$530 million	487	US\$530 million	487
Total		3,596		2,266
less financing cost				8
Total				2,258

December 31, 2018

	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facility (in €) 2017/2022	€1,000 million	1,000	€0 million	0
Revolving Credit Facility (in US\$) 2017/2022	US\$500 million	437	US\$0 million	0
Term Loan (in €) 2017/2021	€750 million	750	€750 million	750
Term Loan (in €) 2017/2022	€875 million	875	€875 million	875
Term Loan (in US\$) 2017/2022	US\$575 million	502	US\$575 million	502
Total		3,564		2,127
less financing cost				11
Total				2,116

As of September 30, 2019, the Fresenius Group was in compliance with all covenants under the Fresenius Credit Agreement.

Schuldschein Loans

As of September 30, 2019 and December 31, 2018, Schuldschein Loans of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Interest rate fixed/variable	Book value € in millions	
				Sept. 30, 2019	Dec 31, 2018
Fresenius SE & Co. KGaA 2014/2020	€156 million	April 2, 2020	variable	0	156
Fresenius SE & Co. KGaA 2014/2020	€106 million	April 2, 2020	2.67%	106	106
Fresenius SE & Co. KGaA 2017/2022	€372 million	Jan. 31, 2022	0.93%/variable	371	371
Fresenius SE & Co. KGaA 2015/2022	€21 million	April 7, 2022	1.61%	21	21
Fresenius SE & Co. KGaA 2019/2023	€378 million	Sept. 25, 2023	0.55%/variable	377	0
Fresenius SE & Co. KGaA 2017/2024	€421 million	Jan. 31, 2024	1.40%/variable	420	420
Fresenius SE & Co. KGaA 2019/2026	€238 million	Sept. 23, 2026	0.85%/variable	238	0
Fresenius SE & Co. KGaA 2017/2027	€207 million	Jan. 29, 2027	1.96%/variable	207	207
Fresenius SE & Co. KGaA 2019/2029	€84 million	Sept. 24, 2029	1.10%/variable	84	0
Fresenius US Finance II, Inc. 2016/2021	US\$342 million	March 10, 2021	2.66%/variable	313	297
Fresenius US Finance II, Inc. 2016/2023	US\$58 million	March 10, 2023	3.12%/variable	54	51
Schuldschein Loans				2,191	1,629

On September 23, 2019, Fresenius SE & Co. KGaA issued €700 million of Schuldschein Loans in tranches of 4, 7 and 10 years with fixed and variable interest rates. The proceeds were used for general corporate purposes including refinancing of the convertible bonds issued by Fresenius SE & Co. KGaA in the amount of €500 million due on September 24, 2019.

In order to optimize the capital structure and to further reduce financing costs, two floating rate tranches of Schuldschein Loans due originally on April 2, 2020 in the amount

of €55 million and €101 million have been terminated and prepaid as per April 2, 2019.

As of September 30, 2019, the Schuldschein Loans of Fresenius SE & Co. KGaA with fixed interest rates in the amount of €106 million due on April 2, 2020, are shown as current portion of long-term debt in the consolidated statement of financial position.

As of September 30, 2019, 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 September 30, 2019, the additional

financial cushion resulting from unutilized credit facilities was approximately €2.9 billion. Thereof approximately €2.2 billion accounted for syndicated credit facilities.

14. BONDS

As of September 30, 2019 and December 31, 2018, bonds of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Interest rate	Book value € in millions	
				Sept. 30, 2019	Dec. 31, 2018
Fresenius Finance Ireland PLC 2017/2022	€700 million	Jan. 31, 2022	0.875%	697	697
Fresenius Finance Ireland PLC 2017/2024	€700 million	Jan. 30, 2024	1.50%	697	696
Fresenius Finance Ireland PLC 2017/2027	€700 million	Feb. 1, 2027	2.125%	693	692
Fresenius Finance Ireland PLC 2017/2032	€500 million	Jan. 30, 2032	3.00%	495	494
Fresenius SE & Co. KGaA 2014/2019	€300 million	Feb. 1, 2019	2.375%	0	300
Fresenius SE & Co. KGaA 2012/2019	€500 million	Apr. 15, 2019	4.25%	0	500
Fresenius SE & Co. KGaA 2013/2020	€500 million	July 15, 2020	2.875%	499	499
Fresenius SE & Co. KGaA 2014/2021	€450 million	Feb. 1, 2021	3.00%	448	447
Fresenius SE & Co. KGaA 2014/2024	€450 million	Feb. 1, 2024	4.00%	450	450
Fresenius SE & Co. KGaA 2019/2025	€500 million	Feb. 15, 2025	1.875%	495	0
Fresenius SE & Co. KGaA 2019/2029	€500 million	Feb. 15, 2029	2.875%	494	0
Fresenius US Finance II, Inc. 2014/2021	US\$300 million	Feb. 1, 2021	4.25%	275	261
Fresenius US Finance II, Inc. 2015/2023	US\$300 million	Jan. 15, 2023	4.50%	274	260
FMC Finance VII S.A. 2011/2021	€300 million	Feb. 15, 2021	5.25%	298	297
FMC Finance VIII S.A. 2012/2019	€250 million	July 31, 2019	5.25%	0	246
Fresenius Medical Care AG & Co. KGaA 2018/2025	€500 million	July 11, 2025	1.50%	497	496
Fresenius Medical Care US Finance, Inc. 2011/2021	US\$650 million	Feb. 15, 2021	5.75%	595	565
Fresenius Medical Care US Finance II, Inc. 2012/2019	US\$800 million	July 31, 2019	5.625%	0	698
Fresenius Medical Care US Finance II, Inc. 2014/2020	US\$500 million	Oct. 15, 2020	4.125%	458	435
Fresenius Medical Care US Finance II, Inc. 2012/2022	US\$700 million	Jan. 31, 2022	5.875%	642	610
Fresenius Medical Care US Finance II, Inc. 2014/2024	US\$400 million	Oct. 15, 2024	4.75%	365	347
Fresenius Medical Care US Finance III, Inc. 2019/2029	US\$500 million	June 15, 2029	3.75%	450	0
Bonds				8,822	8,990

On January 21, 2019, Fresenius SE & Co. KGaA issued bonds with an aggregate volume of €1.0 billion. The bonds consist of 2 tranches with maturities of 6 and 10 years. The coupon of the 6-year tranche of €500 million is 1.875% and was issued at a price of 99.257%. The €500 million tranche with a 10-year maturity has a coupon of 2.875% and was issued at a price of 99.164%. The proceeds were used for general corporate purposes including refinancing of the bonds issued by Fresenius SE & Co. KGaA in the amount of €300 million due on February 1, 2019 and €500 million due on April 15, 2019. These were redeemed at maturity.

On June 20, 2019, Fresenius Medical Care US Finance III, Inc. issued bonds with a volume of US\$500 million. The bonds have a maturity of 10 years and a coupon of 3.75%.

The bonds were issued at a price of 98.461%. The proceeds were used for general corporate purposes and the refinancing of maturing liabilities.

The bonds issued by FMC Finance VIII S.A. in the amount of €250 million and the bonds issued by Fresenius Medical Care US Finance II, Inc. in the amount of US\$800 million, which were due on July 31, 2019, were redeemed at maturity.

As of September 30, 2019, the bonds issued by Fresenius SE & Co. KGaA in the amount of €500 million, due on July 15, 2020, are shown as current portion of bonds in the consolidated statement of financial position.

As of September 30, 2019, the Fresenius Group was in compliance with all of its covenants under the bonds.

15. CONVERTIBLE BONDS

As of September 30, 2019 and December 31, 2018, 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	
					Sept. 30, 2019	Dec. 31, 2018
Fresenius SE & Co. KGaA 2014/2019	€500 million	Sept. 24, 2019	0.000%	€48.6457	0	493
Fresenius SE & Co. KGaA 2017/2024	€500 million	Jan. 31, 2024	0.000%	€106.4928	463	457
Fresenius Medical Care AG & Co. KGaA 2014/2020	€400 million	Jan. 31, 2020	1.125%	€72.7803	398	393
Convertible bonds					861	1,343

The fair value of the derivative embedded in the convertible bonds of Fresenius SE & Co. KGaA was €0.8 million at September 30, 2019. 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 €0.5 million at September 30, 2019. Fresenius SE & Co. KGaA and FMC-AG & Co. KGaA have purchased stock options (call options) to hedge future fair value fluctuations of these derivatives. As of September 30, 2019, the call options had a corresponding aggregate fair value of €0.8 million and €0.5 million, respectively.

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 current and other non-current liabilities/assets in the consolidated statement of financial position.

The convertible bonds issued by Fresenius SE & Co. KGaA in the amount of €500 million which were due on September 24, 2019 were redeemed at maturity. The convertible bonds issued by FMC-AG & Co. KGaA in the amount of €400 million due on January 31, 2020, are shown as current portion of convertible bonds in the consolidated statement of financial position.

16. PENSIONS AND SIMILAR OBLIGATIONS

DEFINED BENEFIT PENSION PLANS

At September 30, 2019, the pension liability of the Fresenius Group was €1,316 million. The current portion of the pension liability of €22 million is recognized in the consolidated statement of financial position within short-term provisions and other short-term liabilities. The non-current portion of €1,294 million is recorded as pension liability.

Contributions to Fresenius Group's pension fund were €11 million in the first three quarters of 2019. The Fresenius Group expects approximately €15 million contributions to the pension fund during 2019.

Defined benefit pension plans' net periodic benefit costs of €69 million (Q1-3/2018: €63 million) were comprised of the following components:

€ in millions	Q1-3/2019	Q1-3/2018
Service cost	47	44
Net interest cost	22	19
Net periodic benefit cost	69	63

17. NONCONTROLLING INTEREST

As of September 30, 2019 and December 31, 2018, noncontrolling interest in the Fresenius Group was as follows:

€ in millions	Sept. 30, 2019	Dec. 31, 2018
Noncontrolling interest in Fresenius Medical Care AG & Co. KGaA	8,419	8,143
Noncontrolling interest in VAMED AG	86	83
Noncontrolling interest in the business segments		
Fresenius Medical Care	1,267	1,144
Fresenius Kabi	116	102
Fresenius Helios	124	113
Fresenius Vamed	14	12
Total noncontrolling interest	10,026	9,597

Noncontrolling interest changed as follows:

€ in millions	Q1-3/2019
Noncontrolling interest as of December 31, 2018	9,597
Adjustment due to the initial application of IFRS 16	-98
As of January 1, 2019, adjusted	9,499
Noncontrolling interest in profit	827
Purchase of noncontrolling interest	21
Stock options	10
Share buy-back program of Fresenius Medical Care AG & Co. KGaA	-318
Dividend payments	-435
Currency effects and other changes	422
Noncontrolling interest as of September 30, 2019	10,026

18. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

SUBSCRIBED CAPITAL

As of January 1, 2019, the subscribed capital of Fresenius SE & Co. KGaA consisted of 556,225,154 bearer ordinary shares.

During the first three quarters of 2019, 976,341 stock options were exercised. Consequently, as of September 30, 2019, the subscribed capital of Fresenius SE & Co. KGaA consisted of 557,201,495 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 II (Stock Option Plan 2008) and Conditional Capital IV (Stock Option Plan 2013) (see note 25, Share-based compensation plans).

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	4,735,083
Conditional Capital II Fresenius SE Stock Option Plan 2008	4,296,814
Conditional Capital III option bearer bonds and/or convertible bonds	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	24,257,969
Total Conditional Capital as of January 1, 2019	82,261,068
Fresenius SE Stock Option Plan 2008 – options exercised	-839,377
Fresenius SE & Co. KGaA Stock Option Plan 2013 – options exercised	-136,964
Total Conditional Capital as of September 30, 2019	81,284,727

As of September 30, 2019, the Conditional Capital was composed as follows:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003	4,735,083
Conditional Capital II Fresenius SE Stock Option Plan 2008	3,457,437
Conditional Capital III option bearer bonds and/or convertible bonds	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	24,121,005
Total Conditional Capital as of September 30, 2019	81,284,727

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 2019, a dividend of €0.80 per bearer ordinary share was approved by Fresenius SE & Co. KGaA's shareholders at the Annual General Meeting and paid afterwards. The total dividend payment was €445 million.

TREASURY STOCK OF FRESENIUS MEDICAL CARE

During the first three quarters of 2019, Fresenius Medical Care repurchased 6,767,773 ordinary shares for an amount of €458 million.

OTHER NOTES

19. LEGAL AND REGULATORY MATTERS

The Fresenius Group is routinely involved in 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 health care 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, 2018 applying Section 315e HGB in accordance with IFRS. In the following, only changes as far as content or wording are concerned during the first three quarters ended September 30, 2019 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, 2018 applying Section 315e HGB in accordance with IFRS; defined terms or abbreviations having the same meaning as in the consolidated financial statements as of December 31, 2018 applying Section 315e HGB in accordance with IFRS.

TERMINATION OF THE MERGER AGREEMENT WITH AKORN, INC.

Fresenius has sued Akorn for damages suffered as a result of lost acquisition expenses.

FRESENIUS MEDICAL CARE HOLDINGS – QUI TAM COMPLAINT (MASSACHUSETTS)

On April 3, 2017, the court allowed the government to intervene with respect only to certain hepatitis B surface antigen tests performed prior to 2011, when Medicare reimbursement rules for such tests changed. On October 11, 2019, the United States and Fresenius Medical Care Holdings, Inc. (FMCH) reached agreement on a settlement under which FMCH has paid US\$5.2 million in exchange for dismissal and release of all claims asserted by the United States or the relator. The settlement leaves unresolved the relator's attorneys' claims for fees and expenses and leaves FMCH free to pursue its administrative proceeding to recover certain sums recouped by or provisionally paid to the Medicare program pursuant to a 2013 audit of laboratory tests. The settlement payment, together with the expected results of the relator's attorneys' fee petition and the administrative proceeding, are less than the amount previously reserved by FMCH for the entire matter.

INTERNAL REVIEW

On March 29, 2019, FMC-AG & Co. KGaA entered into a non-prosecution agreement with the U.S. Department of Justice and a separate agreement with the Securities and Exchange Commission intended to resolve fully and finally the government's claims against FMC-AG & Co. KGaA arising from the investigations. FMC-AG & Co. KGaA paid a combined total in penalties and disgorgement of approximately US\$232 million to the government in connection with these agreements. As part of the settlement, FMC-AG & Co. KGaA agreed to retain an independent compliance monitor for a period of two years and to an additional year of self-reporting. As of July 26, 2019, the monitor was appointed and the two-year monitorship period commenced. FMC-AG & Co. KGaA continues to cooperate with government authorities in Germany in their review of the issues resolved in the U.S. settlement.

PRODUCT LIABILITY LITIGATION

All of the institutional cases have been resolved by settlement except for the claims by the State of Louisiana through its Attorney General and Blue Cross Blue Shield Louisiana, which remain active in the combined proceeding. State of Louisiana ex re. Caldwell and Louisiana Health Service & Indemnity Company v. Fresenius Medical Care Airline, et al 2016 Civ. 11035 (U.S.D.C. D. Mass.). The Caldwell and Blue Cross Louisiana cases remain unresolved and are proceeding together in federal court in Boston but are subject to undecided motions for severance and remand. There is no trial date in either case. FMCH has increased its litigation reserves to account for anticipated resolution of these claims. However, at the present time there are no agreements in principle for resolving either case and litigation through final adjudication may be required in them.

On September 6, 2018, a special-purpose entity organized under Delaware law for the purpose of pursuing litigation filed a Pure Bill of Discovery in a Florida county court seeking discovery from FMCH related to the personal injury settlement, but no other relief. MSP Recovery Claims Series LLC v. Fresenius Medical Care Holdings, No. 2018-030366-CA-01 (11th Judicial Circuit, Dade County, Florida). The Pure Bill was thereafter removed to federal court and transferred into the multidistrict Fresenius Granuflo®/Naturalyte® Dialysate Products Liability Litigation in Boston. No. 1:13-MD-02428-DPW (D. Mass. 2013).

On March 12, 2019, plaintiff amended its Pure Bill by filing a complaint claiming rights to recover monetary damages on behalf of various persons and entities who are alleged to have assigned to plaintiff their rights to recover monetary damages arising from their having provided or paid for medical services for dialysis patients receiving treatments using FMCH's acid concentrate product. FMCH is responding to the amended complaint.

SUBPOENA "MARYLAND"

FMCH is cooperating in the investigation.

CIVIL COMPLAINT "HAWAII"

Trial in the civil litigation is scheduled for April 2020.

SUBPOENA "FRESENIUS VASCULAR CARE"

Beginning October 6, 2015, the United States Attorney for the Eastern District of New York (Brooklyn) has led an investigation through subpoenas issued under the False Claims Act, utilization and invoicing by FMCH's subsidiary Azura Vascular Care, for a period beginning after FMCH's acquisition of American Access Care, LLC (AAC) in October 2011. FMCH is cooperating in the Brooklyn United States Attorney's Office (USAO) investigation. The Brooklyn USAO has indicated that its investigation is nationwide in scope and is focused on whether certain access procedures performed at Azura facilities have been medically necessary and whether certain physician assistants employed by Azura exceeded their permissible scope of practice. Allegations against AAC arising in districts in Connecticut, Florida and Rhode Island relating to utilization and invoicing were settled in 2015.

SUBPOENA "TEXAS (DALLAS)"

FMCH has cooperated in the investigation.

SUBPOENA "NEW YORK"

FMCH contends that, under the asset sale provisions of its 2013 Shiel acquisition, it is not responsible for misconduct by the terminated employee or other Shiel employees prior to the date of the acquisition. The Brooklyn United States Attorney's Office continues to investigate a range of issues involving Shiel, including allegations of improper compensation (kickbacks) to physicians, and has disclosed that multiple sealed qui tam complaints underlie the investigation.

On December 12, 2017, FMCH sold to Quest Diagnostics certain Shiel operations that are the subject of this Brooklyn subpoena, including the misconduct reported to the United States Attorney. Under the Quest Diagnostics sale agreement, FMCH retains responsibility for responding to the

Brooklyn investigation and for liabilities arising from conduct occurring after its 2013 acquisition of Shiel and prior to its sale of Shiel to Quest Diagnostics. FMCH is cooperating in the investigation.

SUBPOENA “AMERICAN KIDNEY FUND” / CMS LITIGATION

On January 3, 2017, FMCH received a subpoena from the United States Attorney for the District of Massachusetts under the False Claims Act inquiring into FMCH’s interactions and relationships with the American Kidney Fund (AKF), including FMCH’s charitable contributions to the Fund and the Fund’s financial assistance to patients for insurance premiums. FMCH cooperated in the investigation, which was part of a broader investigation into charitable contributions in the medical industry. On August 1, 2019, the United States District Court for the District of Massachusetts entered an order announcing that the United States had declined to intervene on a qui tam complaint underlying the USAO Boston investigation and unsealing the relator’s complaint so as to permit the relator to serve the complaint and proceed on his own. The relator has not served the complaint.

On April 8, 2019, United Healthcare served a demand for arbitration against FMCH. The demand asserts that FMCH unlawfully “steered” patients by waiving co-payments and other means away from coverage under government-funded insurance plans including Medicare into United Healthcare’s commercial plans, including Affordable Care Act exchange plans. FMCH is contesting United Healthcare’s claims and demands. A final hearing date has been scheduled in the arbitration for September 2020.

LITIGATION TRICARE PROGRAM

On June 28, 2019, certain FMCH subsidiaries filed a complaint against the United States seeking to recover monies owed to them by the United States Department of Defense under the Tricare program, and to preclude Tricare from recouping monies previously paid. Bio-Medical Applications of Georgia, Inc., et al. v. United States, CA 19-947, United States Court of Federal Claims. Tricare provides reimbursement for dialysis treatments and other medical care provided to members of the military services, their dependents and retirees. The litigation challenges unpublished administrative actions by Tricare administrators reducing the rate of compensation paid for dialysis treatments provided to Tricare beneficiaries based on a recasting or “crosswalking” of codes used and followed in invoicing without objection for many years. Tricare administrators have acknowledged the unpublished administrative action and declined to change or abandon it but have not articulated a defense of the action. The United States has not yet been required to respond to the complaint and will not be required to do so before November 25, 2019. FMCH has imposed a constraint on revenue otherwise recognized from the Tricare program that it believes, in consideration of facts currently known, sufficient to account for the possibility of not prevailing in the litigation.

SUBPOENA “NEVADA”

The Tolling Agreement, whereby Fresenius Kabi is waiving its statutory defense rights, was further extended by mutual agreement until December 2019.

20. LEASES

Upon the initial application of IFRS 16 as of January 1, 2019, the Fresenius Group recognized right-of-use assets of €5,656 million and lease liabilities of €5,957 million. The cumulative effect from the first-time application is recognized in the opening balance of retained earnings (-€46 million) as well as in non-controlling interests (-€98 million) as of January 1, 2019.

The following table shows a reconciliation of the future minimum rental payments as of December 31, 2018 to the lease liabilities as of January 1, 2019:

€ in millions	2019
Future minimum rental payments as of December 31, 2018 (IAS 17)	7,389
less short-term leases	36
less leases of low-value assets	53
less other	65
Lease liabilities as of January 1, 2019, gross	7,235
Discounting	1,278
Lease liabilities as a result of the initial application of IFRS 16 as of January 1, 2019¹	5,957
Capital lease obligations as of December 31, 2018 (IAS 17)	219
Lease liabilities as of January 1, 2019	6,176

¹ As of December 31, 2018, €195 million were already included in other liabilities.

The lease liabilities were discounted using the borrowing rate as of January 1, 2019. The weighted-average discount rate was 3.34%.

LEASES IN THE CONSOLIDATED STATEMENT OF INCOME

The Fresenius Group decided not to apply the guidance within IFRS 16 to short-term leases as well as leases for underlying assets of low value. These lease payments will be recognized as an expense over the lease term.

The following table shows the effects on the consolidated statement of income for the first three quarters of 2019:

€ in millions	Q1-3/2019
Depreciation on right-of-use assets	630
Expenses relating to short-term leases	49
Expenses relating to leases of low-value assets	30
Expenses relating to variable lease payments	33
Other expenses from lease agreements	15
Interest expenses from lease liabilities	159

LEASES IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At September 30, 2019, the carrying amounts of right-of-use assets consisted of the following:

€ in millions	Sept. 30, 2019
Right-of-use assets: Land	78
Right-of-use assets: Buildings and improvements	5,334
Right-of-use assets: Machinery and equipment	443
Right-of-use assets: Advanced Payments	2
Right-of-use assets	5,857

In the first three quarters of 2019, additions to right-of-use assets were €545 million.

21. FINANCIAL INSTRUMENTS

MEASUREMENT OF FINANCIAL INSTRUMENTS

Carrying amounts of financial instruments

As of September 30, 2019 and December 31, 2018, the carrying amounts of financial instruments by item of the statement of financial position and structured according to categories were as follows:

€ in millions	September 30, 2019						
	Carrying amount	Amortized cost	Fair value through profit and loss ¹	Fair value through other comprehensive income ²	Relating to no category		
					Derivatives designated as cash flow hedging instruments at fair value	Noncontrolling interest subject to put provisions measured at fair value	Valuation according to IFRS 16 for leasing receivables and liabilities
Financial assets							
Cash and cash equivalents	1,599	1,295	304				
Trade accounts and other receivables, less allowance for doubtful accounts	7,187	7,051	24	39			73
Accounts receivable from and loans to related parties	35	35					
Other financial assets ³	1,650	766	359	404	11		110
Financial assets	10,471	9,147	687	443	11	0	183
Financial liabilities							
Trade accounts payable	1,665	1,665					
Short-term accounts payable to related parties	189	189					
Short-term debt	2,879	2,879					
Short-term debt from related parties	3	3					
Long-term debt	8,135	8,135					
Long-term lease liabilities	6,313						6,313
Bonds	8,822	8,822					
Convertible bonds	861	861					
Other financial liabilities ⁴	4,871	3,334	643		15	879	
Financial liabilities	33,738	25,888	643	0	15	879	6,313

¹ All included financial assets and liabilities are mandatorily measured at fair value through profit and loss according to IFRS 9.

² The option to measure equity instruments at fair value through other comprehensive income upon implementation of IFRS 9 has been exercised. The option has been used for €126 million other investments (included in other financial assets).

³ Other financial assets are included in the item other current and non-current assets in the consolidated statement of financial position.

⁴ Other financial liabilities are included in the items short-term provisions and other short-term liabilities and long-term provisions and other long-term liabilities in the consolidated statement of financial position.

December 31, 2018

€ in millions	Carrying amount	Amortized cost	Fair value through profit and loss ¹	Fair value through other comprehensive income ²	Relating to no category		
					Derivatives designated as cash flow hedging instruments at fair value	Noncontrolling interest subject to put provisions measured at fair value	Valuation according to IAS 17 for leasing receivables and liabilities
Financial assets							
Cash and cash equivalents	2,709	1,291	1,418				
Trade accounts and other receivables, less allowance for doubtful accounts	6,540	6,445	4	41			50
Accounts receivable from and loans to related parties	29	29					
Other financial assets ³	1,490	726	262	375	19		108
Financial assets	10,768	8,491	1,684	416	19	0	158
Financial liabilities							
Trade accounts payable	1,823	1,823					
Short-term accounts payable to related parties	67	67					
Short-term debt	2,354	2,354					
Short-term debt from related parties	–	–					
Long-term debt and capital lease obligations	6,297	6,078					219
Bonds	8,990	8,990					
Convertible bonds	1,343	1,343					
Other financial liabilities ⁴	4,685	3,041	793		12	839	
Financial liabilities	25,559	23,696	793	0	12	839	219

¹ All included financial assets and liabilities are mandatorily measured at fair value through profit and loss according to IFRS 9.

² The option to measure equity instruments at fair value through other comprehensive income upon implementation of IFRS 9 has been exercised. The option has been used for €124 million (included in other financial assets).

³ Other financial assets are included in the item other current and non-current assets in the consolidated statement of financial position.

⁴ Other financial liabilities are included in the items short-term provisions and other short-term liabilities and long-term provisions and other long-term liabilities in the consolidated statement of financial position.

Fair value of financial instruments

The following table shows the carrying amounts and the fair value hierarchy levels as of September 30, 2019 and December 31, 2018:

€ in millions	September 30, 2019				December 31, 2018			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets								
Cash and cash equivalents ¹	304	304			1,418	1,418		
Trade accounts and other receivables, less allowance for doubtful accounts ¹	63		63		45		45	
Other financial assets ¹								
Debt instruments	382	378	4		334	330	4	
Equity investments	351	13	149	189	245	14	231	
Derivatives designated as cash flow hedging instruments	11		11		19		19	
Derivatives not designated as hedging instruments	30		30		58		58	
Financial liabilities								
Long-term debt	8,135		8,208		6,297		6,294	
Bonds	8,822	9,524			8,990	9,245		
Convertible bonds	861	898			1,343	1,416		
Other financial liabilities ¹								
Noncontrolling interest subject to put provisions	879			879	839			839
Accrued contingent payments outstanding for acquisitions	628			628	731			731
Derivatives designated as cash flow hedging instruments	15		15		12		12	
Derivatives not designated as hedging instruments	15		15		62		62	

¹ Fair value information is not provided for financial instruments, if the carrying amount is a reasonable estimate of the fair value due to the relatively short period of maturity of these instruments.

At September 30, 2019 the Fresenius Group transferred the Humacyte investment of Fresenius Medical Care with a carrying amount of €186 million from Level 2 to Level 3, because Fresenius Medical Care remeasured the fair value using a discounted cash flow model after events or changes in circumstances were identified that had a significant effect on the fair value of the investment.

During the first three quarters of 2019 the Fresenius Group recognized gains of approximately €186 million from

changes in the fair value of equity investments within selling, general and administrative expenses.

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, 2018 applying Section 315e HGB in accordance with IFRS.

The following table shows the changes of the fair values of financial instruments classified as level 3 in the first three quarters of 2019:

€ in millions	Accrued contingent payments outstanding for acquisitions	Noncontrolling interest subject to put provisions
As of January 1, 2019	731	839
Additions	9	45
Disposals	-74	-18
Gain/loss recognized in profit or loss	-36	109
Gain/loss recognized in equity	0	-23
Dividend payments	0	-106
Currency effects and other changes	-2	33
As of September 30, 2019	628	879

22. SUPPLEMENTARY INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of September 30, 2019, the equity ratio was 40.0% and the debt ratio (debt/total assets) was 40.5%. As of September 30, 2019, the leverage ratio (before special items) on the basis of net debt/EBITDA was 3.6, including IFRS 16; excluding IFRS 16: 3.2.

The aims of the capital management and further information can be found in the consolidated financial statements as of December 31, 2018 applying Section 315e 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:

	Sept. 30, 2019	Dec. 31, 2018
Standard & Poor's		
Corporate Credit Rating	BBB	BBB-
Outlook	stable	positive
Moody's		
Corporate Credit Rating	Baa3	Baa3
Outlook	stable	stable
Fitch		
Corporate Credit Rating	BBB-	BBB-
Outlook	stable	stable

On May 23, 2019, Standard & Poor's has upgraded Fresenius' corporate credit rating to BBB with a stable outlook from BBB- with a positive outlook.

23. SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

€ in millions	Q1-3/2019	Q1-3/2018
Assets acquired	2,645	316
Liabilities assumed	-263	-28
Noncontrolling interest	-83	-55
Notes assumed in connection with acquisitions	-69	-19
Cash paid	2,210	214
Cash acquired	-85	-4
Cash paid for acquisitions, net	2,125	210
Cash paid for investments, net of cash acquired	24	574
Cash paid for intangible assets, net	50	72
Total cash paid for acquisitions and investments, net of cash acquired, and net purchases of intangible assets	2,199	856

24. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

GENERAL

The consolidated segment reporting shown on pages 34 to 37 of this interim report is an integral part of the notes. For the first three quarters and the third quarter of 2019, the information given both includes and excludes IFRS 16. Prior year figures have not been adjusted.

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 September 30, 2019.

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, 2018 applying Section 315e HGB in accordance with IFRS.

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, 2018 applying Section 315e HGB in accordance with IFRS.

RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS

€ in millions	Q1-3/2019	Q1-3/2018
Total EBIT of reporting segments	3,411	3,348
Special items	-39	709
General corporate expenses		
Corporate/Other (EBIT)	-10	-37
Group EBIT	3,362	4,020
Net interest	-535	-448
Income before income taxes	2,827	3,572

RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	Sept. 30, 2019	Dec. 31, 2018
Short-term debt	2,879	2,354
Short-term debt from related parties	3	-
Current portion of long-term debt	753	353
Current portion of long-term lease liabilities	775	0
Current portion of Bonds	499	1,744
Current portion of convertible bonds	398	493
Long-term debt, less current portion	7,382	5,944
Long-term lease liabilities, less current portion	5,538	0
Bonds, less current portion	8,323	7,246
Convertible bonds, less current portion	463	850
Debt	27,013	18,984
less cash and cash equivalents	1,599	2,709
Net debt	25,414	16,275
Net debt excluding lease liabilities	19,101	16,275

25. SHARE-BASED COMPENSATION PLANS

SHARE-BASED COMPENSATION PLANS OF FRESENIUS SE & CO. KGAA

As of September 30, 2019, Fresenius SE & Co. KGaA had three share-based compensation plans in place: the stock option based Fresenius SE Stock Option Plan 2008 (2008 Plan), the Fresenius SE & Co. KGaA Long Term Incentive Program 2013 (2013 LTIP) which is based on stock options and phantom stocks and the Long Term Incentive Plan 2018 (LTIP 2018) which is solely based on performance shares. Currently, solely LTIP 2018 can be used to grant performance shares.

Transactions during the first three quarters of 2019

On September 9, 2019, Fresenius SE & Co. KGaA awarded 795,741 performance shares under the LTIP 2018, the total fair value at the grant date being €36 million, including 198,415 performance shares or €9 million awarded to the members of the Management Board of Fresenius Management SE. The fair value per performance share at the grant date was €45.36.

During the first three quarters of 2019, Fresenius SE & Co. KGaA received cash of €27 million from the exercise of 976,341 stock options.

At September 30, 2019, 4,500 stock options issued under the 2008 Plan were outstanding and exercisable. The members of the Fresenius Management SE Management Board held no more stock options issued under this plan. Out of 8,617,289 outstanding stock options issued under the 2013 LTIP 2,548,890 were exercisable at September 30, 2019. The members of the Fresenius Management SE Management Board held 1,434,375 stock options. 632,879 phantom stocks issued under the 2013 LTIP were outstanding at September 30, 2019. The members of the Fresenius Management SE Management Board held 114,762 phantom stocks. At September 30, 2019, the Management Board members of Fresenius Management SE held 331,849 performance shares and employees of Fresenius SE & Co. KGaA held 994,995 performance shares under the LTIP 2018. As of September 30, 2019, 2,553,390 options for ordinary shares were outstanding and exercisable.

On September 30, 2019, total unrecognized compensation cost related to non-vested options granted under the

2013 LTIP was €19 million. This cost is expected to be recognized over a weighted-average period of 1.5 years.

SHARE-BASED COMPENSATION PLANS OF FRESENIUS MEDICAL CARE AG & CO. KGAA **Fresenius Medical Care AG & Co. KGaA Long-Term Incentive Plans 2019**

As of December 31, 2018, the Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) Long-Term Incentive Plan 2016 (LTIP 2016) expired. In order to continue to enable the members of the Management Board, the members of the management boards of affiliated companies and managerial staff members to adequately participate in the long-term, sustained success of Fresenius Medical Care, successor programs effective January 1, 2019 were introduced. For members of the Management Board, the Supervisory Board of Fresenius Medical Care Management AG (FMC Management AG) has approved and adopted the Fresenius Medical Care Management AG Management Board Long-Term Incentive Plan 2019 (MB LTIP 2019). For plan participants other than the members of the Management Board, the Management Board of FMC Management AG has approved and adopted the FMC-AG & Co. KGaA Long-Term Incentive Plan 2019 (LTIP 2019).

The MB LTIP 2019 and the LTIP 2019 are variable compensation programs with long-term incentive effects. As under the LTIP 2016, pursuant to the MB LTIP 2019 and the LTIP 2019, plan participants may be granted so-called performance shares once or twice during 2019 for the MB LTIP 2019 and throughout 2019 to 2021 for the LTIP 2019. Performance shares are non-equity, cash-settled virtual compensation instruments which may entitle plan participants to receive a cash payment depending on the achievement of pre-defined performance targets further defined below as well as FMC-AG & Co. KGaA's share price development.

For members of the Management Board, the Supervisory Board of FMC Management AG will, in due exercise of its discretion and taking into account the individual responsibility and performance of each Management Board member, determine an initial value for each grant for any awards to Management Board members. For plan participants other than the members of the Management Board, such determination will be made by the Management Board. In order to determine the number of performance shares each plan participant receives, their respective grant value will be divided by

the value per performance share at the time of the grant, which is mainly determined based on the average price of FMC-AG & Co. KGaA's shares over a period of 30 calendar days prior to the respective grant date. The number of granted performance shares may change over the performance period of three years, depending on the level of achievement of the following: (i) revenue growth at constant currency (revenue growth), (ii) net income growth at constant currency (net income attributable to the shareholders of FMC-AG & Co. KGaA) (net income growth) and (iii) return on invested capital (ROIC). For the LTIP 2019, the level of achievement for performance shares granted in fiscal year 2019 may be subject to an increase if certain targets in relation to the second phase of FMC-AG & Co. KGaA's Global Efficiency Program are achieved (GEP-II targets).

Revenue, net income and ROIC are determined according to FMC-AG & Co. KGaA's consolidated reported and audited figures in Euro for the financial statements prepared in accordance with the respective plan terms. Revenue growth, net income growth and the fulfillment of the GEP-II targets, for the purpose of the relevant plan, are determined at constant currency.

An annual target achievement level of 100% will be reached for the revenue growth performance target if revenue growth is 7% in each individual year of the three-year performance period; revenue growth of 0% will lead to a target achievement level of 0% and the maximum target achievement level of 200% will be reached in the case of revenue growth of at least 16%. If revenue growth ranges between these values, the degree of target achievement will be linearly interpolated between these values.

An annual target achievement level of 100% for the net income growth performance target will be reached if net income growth is 7% in each individual year of the three-year performance period. In the case of net income growth of 0%, the target achievement level will also be 0%; the maximum target achievement of 200% will be reached in the case of net income growth of at least 14%. Between these values, the degree of target achievement will be determined by means of linear interpolation.

With regard to ROIC, an annual target achievement level of 100% will be reached if the target ROIC as defined for the respective year is reached. The target ROIC is 7.9% for 2019

and 8.1% for each consecutive year. A target achievement level of 0% will be reached if the ROIC falls below the target ROIC for the respective year by 0.2 percentage points or more, whereas the maximum target achievement level of 200% will be reached if the target ROIC for the respective year is exceeded by 0.2 percentage points or more. The degree of target achievement will be determined by means of linear interpolation if the ROIC ranges between these values. In case the annual ROIC target achievement level in the third year of a performance period is equal or higher than the ROIC target achievement level in each of the two previous years of such performance period, the ROIC target achievement level of the third year is deemed to be achieved for all years of the respective performance period.

The achievement level for each of the three performance targets will be weighted annually at one-third to determine the yearly target achievement for each year of the three-year performance period. The level of overall target achievement over the three-year performance period will then be determined on the basis of the mean of these three average yearly target achievements. The overall target achievement can be in a range of 0% to 200%. For the LTIP 2019, the overall target achievement for performance shares granted in fiscal year 2019 shall be increased by 20 percentage points if the GEP-II targets achievement is 100%. In case of a GEP-II targets achievement between 0% and 100%, the respective increase of the overall target achievement will be calculated by means of linear interpolation. The overall target achievement increased by the GEP-II targets achievement shall not exceed 200%.

The number of performance shares granted to the plan participants at the beginning of the performance period will each be multiplied by the level of overall target achievement in order to determine the final number of performance shares.

For the MB LTIP 2019, the final number of performance shares is generally deemed earned four years after the day of a respective grant (the four-year vesting period). The number of such vested performance shares is then multiplied by the average FMC-AG & Co. KGaA share price over a period of 30 days prior to the lapse of this four-year vesting period. The respective resulting amount will then be paid to the plan participants as cash compensation.

For plan participants of the LTIP 2019, the final number of performance shares is generally deemed earned three years after the day of a respective grant (the three-year vesting period). The number of such vested performance shares is then multiplied by the average FMC-AG & Co. KGaA share price over a period of thirty days prior to the lapse of this three-year vesting period. The respective resulting amount, which is capped in total at an amount equaling 400% of the grant value received by the participant, will then be paid to the plan participants as cash compensation.

Transactions during the first three quarters of 2019

On July 29, 2019, FMC-AG & Co. KGaA awarded 101,600 performance shares under the MB LTIP 2019, the total fair value at the grant date being €6 million. The fair value per performance share at the grant date was €63.82.

On July 29, 2019, FMC-AG & Co. KGaA awarded 793,778 performance shares under the LTIP 2019, the total fair value at the grant date being €52 million. The fair value per performance share at the grant date was €65.29.

During the first three quarters of 2019, 248,665 stock options were exercised. Fresenius Medical Care AG & Co. KGaA received cash of €12.9 million upon exercise of these stock options.

26. SUBSEQUENT EVENTS

There have been no significant changes in the Fresenius Group's operating environment following the end of the first three quarters of 2019. 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 three quarters of 2019.

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), and of Fresenius Medical Care AG & Co. KGaA (www.freseniusmedicalcare.com).

FINANCIAL CALENDAR

Report on Fiscal Year 2019	February 20, 2020
Report on 1 st quarter 2020	
Conference call, Live webcast	May 6, 2020
Annual General Meeting, Frankfurt am Main	
Live webcast of the speech of the Chairman of the Management Board	May 20, 2020
Report on 1 st half 2020	
Conference call, Live webcast	July 30, 2020
Report on 1 st –3 rd quarter 2020	
Conference call, Live webcast	October 29, 2020

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

Else-Kröner-Straße 1
Bad Homburg v. d. H.
Germany

Postal address

Fresenius SE & Co. KGaA
61346 Bad Homburg v. d. H.
Germany

Contact for shareholders

Investor Relations
Telephone: +49 61 72 6 08-24 85
Telefax: +49 61 72 6 08-24 88
E-mail: ir-fre@fresenius.com

Contact for journalists

Corporate Communications
Telefon: +49 61 72 6 08-23 02
Telefax: +49 61 72 6 08-22 94
E-mail: 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, Rachel Empey, 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 our website <https://www.fresenius.com/alternative-performance-measures>.

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, 2018 applying Section 315e HGB 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.