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PRESENTATION

Operator

Good afternoon and welcome to the conference call of Fresenius Investor Relations, which is now starting. May I hand you over to Markus Georgi, Investor Relations?

Markus Georgi - *Fresenius SE & Co KGaA - SVP, IR*

Thank you, Christine. Welcome to our Q2 earnings conference call webcast and thank you very much for joining the call. With us today are Mark Schneider and Stephan Sturm.

Before we get started I'd like to mention that today's call is being recorded. I'd like to draw your attention to the forward-looking statements and disclaimer wording on page 2 of the presentation. This cautionary language also applies to the presentations and comments to be made today. After the call, a replay and the transcript will be made available on our website.

Mark will now start with a general business update, and Stephan will cover the financials in detail. Afterwards, we are happy to take your questions.

Now I would like to hand over to Mark.

Mark Schneider - *Fresenius SE & Co KGaA - Chairman of the Management Board*

Thank you, Markus, and a warm welcome to our conference call participants today. As always, we appreciate your interest in our Company. We are very pleased to report that the strong start in the first quarter of 2015 has now led into a really impressive first half of the year. Net income growth at constant currency has accelerated, and strong currency tailwinds have stayed in place, leading us to reported our earnings growth north of 30%.

Markus has pointed out the Safe Harbor language to you, so let's move right to page 3, which summarizes our financial results for the first half of 2015. We achieved sales of EUR13,429 million, EBITDA of EUR1,822 million, and net income of EUR642 million. Our growth rates for sales and net income in the second quarter have accelerated from Q1 and, as you will see from Stephan's guidance update later, our prospects for the full year 2015 have significantly improved.

Page 4 shows the financial results by business segment. We continue to see a high level of consistency in our growth rates across the board. Sales growth rates for all business segments in the first half of 2015 are double digit. When it comes to EBIT growth, Fresenius Kabi and Fresenius Helios continue to stand out. Before taking a more detailed look at Kabi, Helios and Vamed, a brief word on Fresenius Medical Care. North American organic sales growth was strong, and in Q2, we saw margin improvement for our US care coordination activities. Outside of the US, currency headwinds continued to mask a solid underlying performance.

Let's move to page 5 and a more detailed review of Fresenius Kabi. Clearly, the North America region stands out, with accelerating sales growth in the second quarter and bright prospects for the remainder of the year. There are several reasons for this significant outperformance compared to our expectations at the beginning of the year and at the end of April. First, drug shortages continue to generate upside in a much more meaningful way than expected. Second, the Company has significant success in launching key 2015 products earlier in the year than originally anticipated. This applies in particular to Neostigmine and Enoxaparin. And third, when it comes to Neostigmine, we have seen a faster market share ramp than we anticipated earlier. While our prospects for the remainder of the year remain bright, and while it is tempting to project everlasting growth, let me give you a word of caution regarding our expectations for 2016 in North America. Some of the events that are contributing to our 2015 success will be non-repeating. In addition, we anticipate price pressure on some of our significant molecules as they face increased competition. So it will be challenging from today's perspective to maintain 2015 absolute dollar EBIT levels in 2016. Given the significant 2015 over-achievement, we will still outperform our original assumptions for the two years combined, but it is important not to go overboard in projections for 2016. When it comes to launch activity, we reiterate our expectation that 2016 and 2017 will be strong years. But do keep in mind that the full sales effect of any current year launches is only seen one year later.

Europe and emerging markets on a combined basis were roughly in line with our expectations, with Europe being slightly ahead of plan, and emerging markets slightly behind. Finally, the Kabi efficiency program, which we introduced at the beginning of the year, continues to remain fully on track.

Let's turn to page 6 and Fresenius Helios. We continue to make good progress with the integration of our acquired Rhoen hospitals, and are fully on track regarding the amount and timing of our synergy targets. The same applies to our full-year guidance, which we're happy to confirm at this point.

Finally, Fresenius Vamed has seen a strong first half, with double-digit sales growth in both the project and service business.

While we have good reason to remain cautious regarding our sales expectations in light of geopolitical risk, we have been quite encouraged with our organic growth in sales this year, in particular on the project side of the Company.

So in summary, a fabulous first half, and a stellar outlook for the remainder of the year. While most of the outperformance is due to our success with Kabi North America, it is important to note the consistency across our four business segments and geographies. With that, let me hand it over to Stephan for a closer look at the financials. Thank you.

Stephan Sturm - *Fresenius SE & Co KGaA - CFO*

Thank you, Mark. Good afternoon; good morning. A warm welcome, everybody. You've just heard it. We are very pleased with this past quarter and are confident about our prospects. That's why we're raising our full-year guidance.

Let's go to the Group P&L on slide 8. And Q2 sales came in just below EUR7 billion. That's up 26% year over year. Those 26% are comprised of the very same 13% constant currency growth we were showing in Q1, and a currency tailwind of another 13%, even stronger than the 11% in Q1. Within the 13% constant currency growth, we saw the expected decrease of net acquired growth from 7% in Q1 to 5% in Q2, mainly because most former Rhoen hospitals reached their first anniversary of being with us during Q1. But that decline was nicely offset by the more valuable organic growth doing the reverse; moving from 6% in Q1 to 8% in Q2. Kabi led the way with 11% organic growth in Q2, but also Vamed made strong contributions.

On to EBIT, and that reached EUR971 million in Q2 and grew at a strong 12% at constant currency year over year. Again, a very good performance across all business segments, yet a bit below the Q1 growth rate, given a receding acquisition contribution and a rather moderate comp in the first quarter last year.

Net interest was flat quarter over quarter at EUR165 million. Relative to Q1, we saw a negative impact from currency. That, however, was offset by lower rates on the back of us amending our credit agreement over the course of Q1. Going forward, I expect a slightly lower quarterly run rate of approximately EUR160 million; savings from the planned refinancing of the senior notes which matured earlier this month, partially offset by adverse exchange rate effects. Net-net, that should lead us towards EUR650 million for the full year. Why is that below my earlier estimate? Well, our initial projections were based on an earlier increase of market rates within the year, and consequentially, higher rates for the upcoming refinancing. We did not rely on the bridge financing by a commercial paper that we now put in place at extremely attractive rates. And in addition, I will show you that later, actual cash flow beat our expectations resulting in lower net debt levels. Now when you model the net effect of those reduced interest expenses, do bear in mind that some of the savings also accrue at Fresenius Medical Care and that we share with only 31% in those.

The tax rate, that reached 29% in Q2; down quarter over quarter. A lower rate at FMC more than offset the effect of a higher share of North American free tax profits.

I expect a bit of an increase in the coming quarters, and so for the full year, I'd model 30%, or just below, in line with our earlier guidance.

Finally, net income. That came in at EUR350 million; a 22% increase at constant currency for 19% growth in the first half. Clearly, above so far our 13% to 16% guidance for the full year, and that outperformance forms the basis for us raising earnings guidance now once more.

Currency tailwind on the bottom line was just as high as for sales, also around 13 percentage points in the second quarter.

A quick look below the line; not on this slide. Integration costs and disposal gains were net negative EUR14 million pretax in the first half on the back of EUR36 million negative in the second quarter. We're looking at EUR8 million for Rhoen integration expense in the first half. There is not much more to come, so that's in line with our estimate of just about EUR10 million for the full year. Kabi spent EUR30 million on its efficiency initiatives in the second quarter, taking the first half to EUR40 million. For the full year, you heard Mark, we'd like to confirm the total of EUR100 million. And as an initial return on our investment, we are looking at a positive EBIT contribution of around EUR5 million year to date. So we're well on track for the project at EUR10 million for the full year 2015. That number is meant to grow in the coming years.

With that, let's move over to Kabi on slide 9, where total EBIT at the bottom of the page came in at EUR314 million in Q2; a stellar 26% constant currency growth taking the first half to 18%, clearly tracking above our 11% to 14% guidance range so far; and an even more phenomenal 50% reported growth in the second quarter given the large contribution from North America.

A closer look at the regions. And as you can see, just as in Q1, growth is coming from across the board. In Europe, top of the slide, we saw 12% growth in Q2. So the anticipated normalization after outsized Q1 growth, given a weak comp, that materialized. Even after stripping out the large currency effect, North America showed phenomenal growth. Mark gave you the reasons. Also, the 41% margin in the second quarter, including medical devices, is clearly above our earlier expectations. In the emerging markets, we saw again a decent performance. Reported growth, obviously, contains a meaningful currency effect. The margin is stable after the nice pickup we saw in the first quarter.

Corporate and R&D was EUR74 million in Q2, exceeding the expected run rate, given a few special items. For the full year, I'd therefore expect us rather towards the top end of that EUR250 million to EUR260 million range that I had mentioned earlier.

Now over to Helios on slide 10 where sales reached EUR1.38 billion in the second quarter; organic sales growth at 2%, so slightly below Q1. But that should pick up in Q3 again. With 3% organic growth in the first half and good prospects, I have no doubt that we're going to make our guidance. Reported sales growth of 7% in Q2 is down from Q1, as expected, given the Rhoen anniversaries that I already mentioned. And you should expect that 10% growth rate that we're showing for the first half to gradually melt into our 6% to 9% guidance range. Total EBIT at the bottom of the page, that came in at EUR160 million with a 11.6% margin. So also in this past quarter, a considerable margin increase of 110 basis points year over year. That is derived from realized cost synergies for the former Rhoen hospitals, and from incremental improvements in Helios' legacy portfolio.

Cash flow on slide 11. Also here a very healthy quarter. Group operating cash flow of EUR720 million, bottom left. That took the LTM margin to 11.9%. Kabi stood out. Their Q2 margin of 17.6% took their LTM to almost 14%. CapEx well within expectations, 5.4% for the last 12 months. And so for free cash flow, bottom right, we are looking at a margin of 6.5%, clearly ahead of expectations, and very much towards the top of our historical performance. And so even after paying close to EUR500 million of dividends in the second quarter, net debt at constant currency is down around EUR200 million from the year end, and also as a consequence, our leverage ratio is down almost 20 basis points.

Let's conclude with an update on our guidance on slides 12 and 13, and let's start with Kabi, where you will have seen that we are upgrading our organic sales growth guidance from 4% to 7% to 6% to 8% for the full year. That's a combination of unchanged good expectations for the rest of the world, and a meaningfully bright outlook for North America. There, for the reasons Mark mentioned, we now believe in organic sales growth of 8% to 12% for the full year, up from 0% to 5% earlier. Given 13% organic growth in the first half, that implies quite a moderation in the second. Let's see. We're also increasing Kabi's EBIT growth guidance for the full year by 7 percentage points top and bottom to 18% to 21% at constant currency. That step up is driven by both the EBIT on those expected incremental sales and our expectations of a bit of a higher margin on those sales we had already expected before. Read our revised guidance as a bit of upside from the 18% we're showing for the first half; but likewise, a moderation from the 26% in the second quarter. Currency. We have updated our simulation applying the weighted mix of the year to date average rates and last Friday's rates for the remainder of the year. On that basis, at the bottom end of the two Kabi guidance ranges, we're getting to approximately EUR5.9 billion for sales, and EUR1.17 billion for EBIT. So very nice progress from the end of April.

Over to Helios, where I already made a comment that we're comfortable with our sales guidance. And for EBIT, we're now at 48% of the midpoint of our guidance range. That is the typical pattern we see virtually every year. And the expected further pickup in synergy benefits over the remainder of the year, that gives me some extra comfort that we'll actually make our guidance comfortably.

Now for Vamed. Given 13% organic growth in the first half, zero growth in the second half would lead to 5% in the full year. We would obviously try to do better than that, but would prefer, you heard Mark, to leave our guidance unchanged for now. And for EBIT, we're equally on track.

So for the Group on slide 13, the generally strong performance in the first half and Kabi's guidance upgrade allow us to eliminate the bottom end of the previous guidance range, and so we're now looking for 8% to 10% growth at constant currency for the full year. Within that, I would assume 3% to 4% net acquisition effect, so well below the rounded 6% we were showing for the first half, and that implies just 1% to 2% for the second half. Why that? Because already in Q2, we had only a smaller and near final contribution from the former Rhoen hospitals, and because of the divestiture of Kabi's Australian compounding business, and that leaves us with a fairly small and receding contribution from FMC's acquisitions in our second-half estimate. 3% to 4% net acquisition effect implies 5% to 6% organic growth in the full year, so still attractive, but maybe conservatively somewhat down on the very good 7% we were showing in the first half. I mentioned Kabi and Vamed in this context, and Mike may also make a comment in the FMC call later on. Let me put it that way. Our guidance to me is the opposite of a hockey stick. And as to the currency translation effect, assuming current exchange rates to prevail until the end of the year, given that the US dollar started to strengthen from the second half last year, we would expect a slightly lower FX effect for the second half, leading to approximately 11 extra growth points for the full year. At 8% constant currency growth, the bottom end of our guidance range, our simulation results in Group sales of EUR27.6 billion. That's in line with our estimate end of April. The extra point of constant currency growth is now offset by a slightly strengthened euro.

As to net income, we are raising our full-year guidance by 5 points top and bottom to 18% to 21% at constant currency. That increase is driven by both the incremental Kabi EBIT that we expect, and reduced interest expenses, as I explained. Given 19% growth in the first half and 22% in the second quarter, the perspective on that guidance range is very similar to the one for Kabi's EBIT growth. For the currency effect, we'd expect an extra 10 to 11 points and -- 10% to 11% growth for the full year, and also here at 18% constant currency growth, the bottom end of our guidance range, our simulation results in Group earnings of EUR1.39 billion, up another EUR50 million from the end of April. So there's even a chance to reach EUR1.4 billion, the bottom end of our midterm target this year already.

Mark and I will now be happy to take your questions. Thank you so far.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). Veronika Dubajova, Goldman Sachs.

Veronika Dubajova - *Goldman Sachs - Analyst*

Thank you very much for taking my questions. I have three, please, if I can. The first one is just, Mark and Stephan, on the statement you've made about the absolute EBIT level for 2016, I was wondering if you can give us some clarity as to how we should be thinking about it from a North America Kabi perspective. That would be quite helpful. In particular, I guess for those of us that don't see the revenues for every single one of your products day in, day out, just help us understand which products that you are worried about competition.

My second question is just on the Asia Pacific business for Kabi and I'd love to get an update on the organizational changes that you are implementing there. It seems like maybe they're tracking a little bit behind where you'd like to be. I've noticed you've made some slight changes to the wording there for the full year. And maybe just give us an update on what's going on there.

My last one is one M&A. Given all the changes that you are seeing in the global healthcare environment, if you have any thoughts on what the business should look like and what's maybe on the drawing board next for you. Thank you.

Mark Schneider - *Fresenius SE & Co KGaA - Chairman of the Management Board*

Thanks, Veronika. This is Mark. Let me try and take a stab at your questions. Regarding 2016 in the US, again, it's too early to give specific guidance or to point at specific products. I think it's in our best interests to just moderate expectations for the year for North America specifically. So when I was saying it's challenging to meet the total dollar EBIT number of 2015 and 2016 again, that refers to North America alone. And we're very bullish for the remainder of the year. I think that's expressed in our guidance. Nonetheless, it's important that expectations don't overshoot for 2016 in a time when there's pretty poor visibility for anything that's longer term. So that's basically all we're trying to express here, but we can't point you to specific products on that.

Regarding Asia Pacific, we took it slightly down, but we're basically on track with our changes there. No major issues. So whatever slight underperformance you've seen there and that you see expressed in our guidance, that's really not significant in our point of view. We just wanted to be precise.

And regarding M&A, look, it's a fairly choppy landscape here when it comes to healthcare M&A. I think we're tracking quite well when it comes to organic growth, which I think is the bedrock of any value creation. And so there's nothing here that's desperately on our shopping list. And we continue to look at small to medium-sized acquisitions, as you know, and I think there's always an opportunity across some of our four businesses. But there's nothing specific that we can point you to. And Stephan and I are not sitting there itching to do a deal. I think, as you can see from the numbers, the business is performing quite well as is. There will be opportunities for growth midterm, absolutely, but there's nothing here near term that I could point you to.

Veronika Dubajova - *Goldman Sachs - Analyst*

That's very clear. Thank you, Mark. And then if I can just follow up briefly on China. Are you seeing any changes to the underlying demand environment there? It's quite a big market for you guys. If you have any comments on that, and then I'll hop back into the queue. Thank you.

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Mark Schneider - *Fresenius SE & Co KGaA - Chairman of the Management Board*

Yes. Happy to talk about China. And, look, it's important not to confuse healthcare, which has fantastic fundamentals in China, with other markets that may be more sensitive to the economic cycle. So we're as bullish as we always where on China. There are some changes in the market when it comes to purchasing behavior and some buying patterns, but nothing really that we believe will tarnish our expectations long term. So we're bullish on that market. And again, it's important not to confuse healthcare with some other, more cyclical markets.

Operator

Gunnar Romer, Deutsche Bank.

Gunnar Romer - *Deutsche Bank Research - Analyst*

The first one would be with regard to the North American EBIT margin. This is now almost back to all-time high, i.e., in the low 40s, despite the medical device business; probably at a bigger size these days than a few years back. And I was wondering in that regard what your guidance assumes for the full year for the North American EBIT margin? And whether a margin in the low to mid 30s can still be considered a normalized margin, or whether the product launches you're currently seeing would change anything in this regard, at least near to medium term.

The second question is on the clinical nutrition and infusion therapy business. You've now seen two consecutive quarters of flattish organic top-line performance. I was wondering when you would expect to return to growth in these businesses, please.

And then lastly, just quickly on Helios and the upcoming hospital reform. Would you be in a position to share your thoughts around this and to what extent this may serve as a catalyst for an uptake in privatization activity; and to what extent it may in fact conflict with a potentially very friendly pricing environment, at least for the next one or two years. Thank you.

Stephan Sturm - *Fresenius SE & Co KGaA - CFO*

Gunnar, as to the margin in North America, yes, you're right. We are pretty close to our historical high, given the reasons that Mark mentioned as part of his prepared remarks. I would say that for the full year, what we're looking at is a margin in the mid to high 30s. I would still stick to our medium-term guidance of a more normalized margin, assuming a normalization of the drug shortages, in the low to mid 30s. All those numbers are inclusive of our medical devices business, which as you know, is slightly dilutive to margins in North America.

Your second question, were you specifically asking for --? I didn't quite get that; specifically asking for clinical nutrition?

Gunnar Romer - *Deutsche Bank Research - Analyst*

Yes, exactly. Clinical nutrition and infusion therapy. I think you have seen two consecutive quarters of flattish organic growth here, and I was wondering when you expect to return to growth for these businesses.

Stephan Sturm - *Fresenius SE & Co KGaA - CFO*

We would expect to return to growth later this year. I don't believe that there is anything structural. We have a few special effects in individual countries, but that doesn't tarnish the attractiveness of the underlying segments as a whole. And therefore, in particular for our clinical nutrition business, we remain bullish. For your third question, Mark is going to handle that.

Mark Schneider - *Fresenius SE & Co KGaA - Chairman of the Management Board*

Yes, Gunner. On Helios, we followed those discussions quite carefully. Things aren't sufficiently final to really articulate an expectation on it. But the discussions we've heard so far, we're quite comfortable with them. We believe that they play right in our hands, which is to have a larger emphasis on quality and outcomes. And so I think anything like that, anything that goes in this direction, is going to be good for us medium to long term, and so we're quite comfortable with it.

Gunnar Romer - *Deutsche Bank Research - Analyst*

All right. Thank you. Maybe two quick follow-ups, if I may. Firstly, Mark, I think you indicated some changes in purchasing and buying behavior in China. Can you give us some more detail around that?

And then secondly, coming back to EBIT expectations for Kabi next year, I was wondering, given the tailwinds you're currently enjoying, in particular from drug shortages, whether you would still see EBIT growth possible within your midterm guidance range for next year, or whether this would already be potentially too aggressive?

Mark Schneider - *Fresenius SE & Co KGaA - Chairman of the Management Board*

Yes, Gunnar. Happy to comment. So China, not much more detail. We're seeing some new tender formats introduced which I believe have a few upsides, but also a few downsides compared to current buying behavior in individual Chinese provinces. By and large, from what we can see now, it's a wash, so it doesn't really affect our near or midterm growth expectations in that market. It's really just a change we're going through. But at this point, because this varies from province to province, we don't really have a whole lot of detail to share.

Regarding EBIT, again, it's important here that we're not getting an early point into 2016 guidance. So what we said really only applied to North America and was just a cautionary statement to be sure that expectations don't overshoot. And as Stephan pointed out, the fundamentals on Kabi, on everywhere else, like all the other regions outside of North America, remain fully intact and we're quite positive on them.

Gunnar Romer - *Deutsche Bank Research - Analyst*

That's great. Thank you very much.

Operator

Tom Jones, Berenberg.

Tom Jones - *Berenberg - Analyst*

I had three, one just a quick clarification on Kabi's North American performance in 2016. Just to be clear. You're steering us towards thinking that absolute EBIT, obviously taking currency out of the equation, is likely to be flat to down in 2016 rather than flat to up. I just want to make sure we've understood you right there.

The second question, I just wondered if you could make some comment about the organic growth rate at Helios. 2% in a time when reimbursement rates are up 2%/2.5% does suggest that volumes are pretty weak again. Going back, I can remember Helios throwing a weak volume quarter once every three or four years and we've now had two in 18 months. Wondered if you could make some comments there.

And then thirdly, on the M&A front, I know we all tend to regard Fresenius SE as an avaricious acquirer, but you've made a number of disposals, particularly in the compounding space over the last 12 to 18 months. Should we be expecting more of that? Or are there any other areas of your portfolio that you think are becoming non-core and could be better off managed by a third party?

Mark Schneider - *Fresenius SE & Co KGaA - Chairman of the Management Board*

Yes, Tom. I'm happy to comment. First on the absolute dollar EBIT level for North America. So again, the dollar thing is important that we're not getting currency in the middle of the picture. All we're saying is from today's vantage point, it will be challenging to meet or exceed the 2015 total. And again, given that we have a few unusual items here, we don't have more detail than that.

Regarding organic growth for Helios, we analyzed it very carefully. We saw nothing unusual about the quarter, and that's why I think Stephan's statement that we're sticking to the full-year organic growth guidance range of 3% to 5% is important. So again, we looked at this carefully, but again, it's important not to overanalyze a quarter. And I think the first quarter came in actually better.

And then on M&A, you are right. We have seen now a few disposals. Again, these are quite minor compared to our usual acquisition activity. You're right. They were focused on compounding activities where we have seen some changes in the marketplace. But I don't see much going forward in our pipeline there. So we're not a company that is a seller. We're usually a buyer. And so when it comes to that, that won't change going forward.

Tom Jones - *Berenberg - Analyst*

Sure. On the compounding side, if I go back to the mid-noughties, all the range was to be acquiring compounding businesses and trying to vertically integrate Kabi. And over the last three or four years, that seems to be the strategy you've moved away from and are now reversing. What is it that's changed in that market that's driven that evolution over the last five to seven years?

Mark Schneider - *Fresenius SE & Co KGaA - Chairman of the Management Board*

That's a fair question and I think we're still bullish on compounding when it comes to nutrition. And that's where we supply most of the ingredients, when it comes to parental nutrition.

We're a little less bullish depending on the specific country market when it comes to oncology compounding and I think a lot of that has to do with the rise of monoclonal antibodies. That really changed the economics of the compounder compared to previously when a lot of the compounding happened on the cytostatics front where we had a larger share of our own deliveries and were able to add more value.

Tom Jones - *Berenberg - Analyst*

Okay. That's clear. Thanks.

Operator

Martin Brunninger, Jefferies.

Martin Brunninger - *Jefferies - Analyst*

I have actually just two questions. On Helios, I'm also quite curious because the reimbursement rates indeed were very favorable in the last few years and peaked maybe last year.

Do you expect --? Because the reimbursement rates will be published some time soon, what do you expect for 2016? Do you expect this trend to continue? And what's in your assumption there? I would be quite interested. And maybe if you can give us also your case mix index change with the integration of the Rhoen hospitals compared to before the acquisition.

And second on Kabi, there's a bit of a slowdown in APEC and you elaborated on that. I would be maybe interested if we can share the growth rates of China, particularly because you had elaborated the last few quarters that there is an impact on the rebase; it should wash out over time and we should expect positive comps there. Maybe you can elaborate on that. Thank you.

Mark Schneider - *Fresenius SE & Co KGaA - Chairman of the Management Board*

Yes, Martin. Regarding Helios. Again, it's a little early to comment on reimbursement levels because they only get published in September or October. I think for the past several years, we've seen very good reimbursement increases. Give or take a few 10ths of a percent, they were always in the vicinity of about 2%. And while it is hard to front run any official decision making, we have no indication that that's going to be changing materially going forward.

And then on the CMI change with Rhoen coming in, we have no specific data on that that we share with the outside, but I also don't see a material change. On Kabi China, Stephan, do you want to comment?

Stephan Sturm - *Fresenius SE & Co KGaA - CFO*

Martin, the performance in China is in line with what we have seen in previous quarters. It's outperformed the rest of the region. We're looking at a growth rate to the tune of 10%.

Martin Brunninger - *Jefferies - Analyst*

So that's much larger than compared to last year. Last year, you had what? Can you remind us in the same period in China?

Stephan Sturm - *Fresenius SE & Co KGaA - CFO*

I would have to look that up, Martin. But, yes, we also had a bit of HES effect in China last year.

Martin Brunninger - *Jefferies - Analyst*

That's right. Yes. Okay. Thanks very much. That's helpful.

Operator

Mr. Georgi, we have reached the end of the question and answer session. I would now like to turn the floor back over to you.

Markus Georgi - *Fresenius SE & Co KGaA - SVP, IR*

Yes. Many thanks for joining today's conference call. If there are any more questions, please do not hesitate to contact the IR team. I would like to say thank you and goodbye.

Operator

We want to thank Fresenius and all the participants for taking part in this conference call.

Bye bye.

Editor

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