

Investor News

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Strong start into the year – Double-digit earnings growth in constant currency – Fresenius confirms Group guidance for 2016

Q1/2016:

- Sales €6.9 billion (+7%, +7% in constant currency)
- EBIT¹ €959 million (+13%, +11% in constant currency)
- Net income^{1,2} €362 million (+24%, +23% in constant currency)

Ulf Mark Schneider, CEO of Fresenius, said: “We have seen a strong start into 2016, reflected in our double-digit earnings growth. All business segments and regions have contributed to this success, demonstrating yet again enormous consistency in our sales and earnings development. We remain fully on track to achieve our 2016 and mid-term targets.”

¹ 2015 before special items

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

For a detailed overview of special items please see the reconciliation table on page 13.

Group guidance for 2016 confirmed

Fresenius confirms its guidance for 2016. Sales are expected to increase by 6% to 8% in constant currency. Net income^{1,2} is expected to grow by 8% to 12% in constant currency.

The net debt/EBITDA³ ratio is expected to be approximately 2.5 at the end of 2016.

7% sales growth in constant currency

Group sales increased by 7% (7% in constant currency) to €6,914 million (Q1/2015: €6,483 million). Organic sales growth was 7%. Acquisitions contributed 1% and divestitures reduced sales by 1%.

Group sales by region:

€ in millions	Q1/2016	Q1/2015	Change at actual rates	Currency translation effects	Change in constant currency	Organic growth	Acquisitions/Divestitures	% of total sales
North America	3,317	2,901	14%	2%	12%	10%	2%	48%
Europe	2,619	2,559	2%	-1%	3%	3%	0%	38%
Asia-Pacific	643	619	4%	-2%	6%	10%	-4%	9%
Latin America	262	327	-20%	-23%	3%	6%	-3%	4%
Africa	73	77	-5%	-11%	6%	6%	0%	1%
Total	6,914	6,483	7%	0%	7%	7%	0%	100%

23% net income¹ growth in constant currency

Group EBITDA² increased by 11% (10% in constant currency) to €1,237 million (Q1/2015: €1,115 million). Group EBIT² increased by 13% (11% in constant currency) to €959 million (Q1/2015: €851 million). The EBIT margin² increased to 13.9% (Q1/2015: 13.1%).

Group net interest decreased to -€152 million (Q1/2015: -€165 million), mainly due to more favorable financing terms and lower net debt.

The Group tax rate (before special items) decreased to 28.4% (Q1/2015: 30.2%), mainly due to a lower tax rate at Fresenius Medical Care.

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

² 2015 before special items

³ Calculated at FY average exchange rates for both net debt and EBITDA; excluding potential acquisitions

For a detailed overview of special items please see the reconciliation table on page 13.

Noncontrolling interest increased to €216 million (Q1/2015: €187 million), of which 95% was attributable to the noncontrolling interest in Fresenius Medical Care.

Group net income^{1,2} increased by 24% (23% in constant currency) to €362 million (Q1/2015: €292 million). Earnings per share^{1,2} increased by 22% (22% in constant currency) to €0.66 (Q1/2015: €0.54).

Continued investment in growth

Spending on property, plant and equipment was €313 million (Q1/2015: €273 million), primarily for the modernization and expansion of dialysis clinics, production facilities and hospitals. Total acquisition spending was €204 million (Q1/2015: €104 million).

Cash flow development

Operating cash flow decreased by 37% to €334 million (Q1/2015: €531 million) with a margin of 4.8% (Q1/2015: 8.2%). The decrease was mainly due to an adjustment in invoicing within the quarter and the timing of cash payroll payments at Fresenius Medical Care North America. Fresenius Medical Care expects that these effects will have no meaningful impact on the full year 2016 cash flow.

Free cash flow before acquisitions and dividends decreased to €2 million (Q1/2015: €258 million). Free cash flow after acquisitions and dividends was -€241 million (Q1/2015: €256 million).

Solid balance sheet structure

The Group's total assets decreased by 1% (increased 1% in constant currency) to €42,445 million (Dec. 31, 2015: €42,959 million). Current assets grew by 1% (3% in constant currency) to €10,584 million (Dec. 31, 2015: €10,479 million). Non-current assets decreased by 2% (increased 1% in constant currency) to €31,861 million (Dec. 31, 2015: €32,480 million).

Total shareholders' equity was virtually unchanged at €18,009 million (Dec. 31, 2015: €18,003 million). In constant currency, it increased by 3%. The equity ratio increased to 42.4% (Dec. 31, 2015: 41.9%).

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

² 2015 before special items

For a detailed overview of special items please see the reconciliation table on page 13.

Group debt decreased by 1% (increased 1% in constant currency) to €14,549 million (Dec. 31, 2015: €14,769 million). As of March 31, 2016, the net debt/EBITDA ratio was 2.67¹ (Dec. 31, 2015: 2.68¹).

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

For a detailed overview of special items please see the reconciliation table on page 13.

Business Segments

Fresenius Medical Care

Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases. As of March 31, 2016, Fresenius Medical Care was treating 294,043 patients in 3,432 dialysis clinics. Along with its core business, the company seeks to expand the range of medical services in the field of care coordination.

US\$ in millions	Q1/2016	Q1/2015	Change
Sales	4,205	3,960	6%
EBITDA	722	680	6%
EBIT	540	504	7%
Net income ¹	228	210	9%
Employees (Mar 31/Dec 31)	110,821	110,242	1%

- **9% sales growth in constant currency**
- **Strong sales and EBIT growth in North America**
- **2016 outlook confirmed**

Sales increased by 6% (9% in constant currency) to US\$4,205 million (Q1/2015: US\$3,960 million). Organic sales growth was 7%. Acquisitions contributed 2%. Currency translation effects reduced sales by 3%.

Health Care services sales (dialysis services and care coordination) increased by 7% (9% in constant currency) to US\$3,414 million (Q1/2015: US\$3,182 million). Dialysis product sales increased by 2% (6% in constant currency) to US\$791 million (Q1/2015: US\$778 million).

In North America, sales increased by 10% to US\$3,044 million (Q1/2015: US\$2,771 million). Health Care services sales grew by 10% to US\$2,832 million (Q1/2015: US\$2,571 million). Dialysis product sales increased by 6% to US\$212 million (Q1/2015: US\$200 million).

Sales outside North America decreased by 2% (increased by 7% in constant currency) to US\$1,158 million (Q1/2015: US\$1,180 million). Health Care services sales decreased by 5% (increased by 6% in constant currency) to US\$582 million (Q1/2015: US\$611 million). Dialysis product sales increased by 1% (8% in constant currency) to US\$576 million (Q1/2015: US\$569 million).

EBIT increased by 7% (8% in constant currency) to US\$540 million (Q1/2015: US\$504 million). The EBIT margin was 12.8% (Q1/2015: 12.7%).

¹ Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

Net income¹ increased by 9% (8% in constant currency) to US\$228 million (Q1/2015: US\$210 million).

Operating cash flow decreased by 60% to US\$180 million (Q1/2015: US\$447 million). The cash flow margin was 4.3% (Q1/2015: 11.3%). The decrease was mainly due to an adjustment in invoicing within the quarter and the timing of cash payroll payments at Fresenius Medical Care North America. Fresenius Medical Care expects that these effects will have no meaningful impact on the full year 2016 cash flow.

Fresenius Medical Care confirms its outlook for 2016. The company expects sales to grow by 7% to 10% in constant currency and net income¹ is expected to increase by 15% to 20%² in 2016.

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

¹ Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

² 2015 before GranuFlo®/NaturaLyte® settlement costs (-US\$37 million after tax) and before acquisitions (US\$9 million after tax); hence the basis for expected net income growth is US\$1,057 million.

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 millions	Q1/2016	Q1/2015	Change
Sales	1,470	1,394	5%
EBITDA ¹	371	315	18%
EBIT ¹	309	257	20%
Net income ²	179	140	28%
Employees (Mar 31/Dec 31)	33,664	33,195	1%

- **10% organic sales growth in Q1**
- **19% constant currency EBIT¹ growth in Q1**
- **2016 outlook confirmed**

Sales increased by 5% (8% in constant currency) to €1,470 million (Q1/2015: €1,394 million). Organic sales growth was 10%. Divestitures and currency translation effects reduced sales by 2% and 3% respectively.

Sales in Europe decreased by 1% (increased organically by 1%) to €512 million (Q1/2015: €518 million), mainly due to the divestment of the German oncology compounding business in February 2015. Sales in North America increased by 22% (organic growth: 20%) to €567 million (Q1/2015: €473 million). North American sales growth was mainly driven by persisting IV drug shortages as well as new product launches. Adverse currency translation effects decreased sales in Asia-Pacific by 5% (increased organically by 7%) to €254 million (Q1/2015: €268 million) and in Latin America/Africa by 5% (increased organically by 21%) to €128 million (Q1/2015: €135 million).

EBIT¹ increased by 20% (19% in constant currency) to €309 million (Q1/2015: €257 million). The EBIT margin¹ improved to 21.0% (Q1/2015: 18.5%).

¹ 2015 before special items

² Net income attributable to shareholders of Fresenius Kabi AG; 2015 before special items

For a detailed overview of special items please see the reconciliation table on page 13.

Net income¹ increased by 28% (26% in constant currency) to €179 million (Q1/2015: €140 million).

Based on the excellent net income development operating cash flow increased by 49% to €124 million (Q1/2015: €83 million) with a margin of 8.4% (Q1/2015: 6.0%).

Fresenius Kabi confirms its outlook for 2016 and projects low single-digit organic sales growth. EBIT² in constant currency is expected to be roughly flat compared with 2015.

¹ Net income attributable to shareholders of Fresenius Kabi AG; 2015 before special items

² 2015 before special items

For a detailed overview of special items please see the reconciliation table on page 13.

Fresenius Helios

Fresenius Helios is Germany's largest hospital operator. HELIOS operates 111 hospitals, thereof 87 acute care clinics (including seven maximum care hospitals in Berlin-Buch, Duisburg, Erfurt, Krefeld, Schwerin, Wiesbaden and Wuppertal) and 24 post-acute care clinics. HELIOS treats more than 4.7 million patients per year, thereof approximately 1.3 million inpatients, and operates more than 34,000 beds.

€ in millions	Q1/2016	Q1/2015	Change
Sales	1,435	1,391	3%
EBITDA ¹	206	192	7%
EBIT ¹	159	147	8%
Net income ²	124	107	16%
Employees (Mar 31/Dec 31)	70,410	69,728	1%

- **3% organic sales growth**
- **50 bps EBIT margin¹ increase to 11.1%**
- **2016 outlook confirmed**

Sales increased by 3% to €1,435 million (Q1/2015: €1,391 million). Organic sales growth was 3%. Acquisitions and divestitures had no material effect.

EBIT¹ grew by 8% to €159 million (Q1/2015: €147 million). The EBIT margin¹ increased to 11.1% (Q1/2015: 10.6%).

Net income² increased by 16% to €124 million (Q1/2015: €107 million).

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

¹ 2015 before special items

² Net income attributable to shareholders of HELIOS Kliniken GmbH; 2015 before special items

For a detailed overview of special items please see the reconciliation table on page 13.

Fresenius Vamed

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

€ in millions	Q1/2016	Q1/2015	Change
Sales	218	208	5%
EBITDA	9	9	0%
EBIT	7	7	0%
Net income ¹	5	4	25%
Employees (Mar 31/Dec 31)	7,936	8,262	-4%

- **Project and service business contributed equally to 6% organic sales growth**
- **Strong order intake of €237 million**
- **2016 outlook confirmed**

Sales increased by 5% (5% in constant currency) to €218 million (Q1/2015: €208 million). Organic sales growth was 6%. Sales in the project business increased by 6% to €85 million (Q1/2015: €80 million). Sales in the service business grew by 4% to €133 million (Q1/2015: €128 million).

EBIT remained unchanged with €7 million (Q1/2015: €7 million). The EBIT margin was 3.2% (Q1/2015: 3.4%).

Net income¹ grew by 25% to €5 million (Q1/2015: €4 million).

Order intake increased to €237 million (Q1/2015: €192 million). As of March 31, 2016, order backlog grew to €1,803 million (December 31, 2015: €1,650 million).

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

¹ Net income attributable to shareholders of VAMED AG

Conference Call

As part of the publication of the results for Q1/2016, a conference call will be held on May 3, 2016 at 2 p.m. CEDT (8 a.m. EDT). All investors are cordially invited to follow the conference call in a live broadcast over the Internet at www.fresenius.com/investors. Following the call, a replay will be available on our website.

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Fresenius is a global health care group, providing products and services for dialysis, hospital and outpatient medical care. In 2015, Group sales were €27.6 billion.

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

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

Fresenius SE & Co. KGaA
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Mats Henriksson, Rice Powell, Stephan Sturm, Dr. Ernst Wastler
Chairman of the Supervisory Board: Dr. Gerd Krick

Fresenius Group Figures

Statement of Comprehensive Income (U.S. GAAP, unaudited)

€ in millions	Q1/2016	Q1/2015	Change
Sales	6,914	6,483	7%
Costs of sales	-4,773	-4,557	-5%
Gross profit	2,141	1,926	11%
Selling, general and administrative expenses	-1,069	-947	-13%
Research and development expenses	-113	-106	-7%
Operating income (EBIT)	959	873	10%
Interest result	-152	-165	8%
Financial result	-152	-165	8%
Income before income taxes	807	708	14%
Income taxes	-229	-204	-12%
Net income	578	504	15%
Less noncontrolling interest	-216	-187	-16%
Net income ¹⁾	362	292	24%
Net income	362	317	14%
Earnings per ordinary share (€) ¹⁾	0.66	0.54	22%
Fully diluted earnings per ordinary share (€) ¹⁾	0.66	0.53	25%
Earnings per ordinary share (€)	0.66	0.58	14%
Fully diluted earnings per ordinary share (€)	0.66	0.58	14%
Average number of shares	545,768,284	542,247,910	
EBITDA ²⁾	1,237	1,115	11%
Depreciation and amortization	-278	-264	-5%
EBIT ²⁾	959	851	13%
EBITDA margin ²⁾	17.9%	17.2%	
EBIT margin ²⁾	13.9%	13.1%	

¹⁾ Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before special items

²⁾ 2015 before special items

For a detailed overview of special items please see the reconciliation table on page 13.

Reconciliation according to U.S. GAAP, unaudited

The Group's U.S. GAAP financial results as of March 31, 2016 do not include special items, whereas the U.S. GAAP financial results as of March 31, 2015 include special items. Net income attributable to shareholders of Fresenius SE & Co. KGaA was adjusted for these special items. The table below shows the special items and the reconciliation from net income (before special items) to earnings according to U.S. GAAP.

Q1/2015

€ in millions	Q1/2015 before special items	efficiency program KABI	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	Q1/2015 according to U.S. GAAP (incl. special items)
Sales	6,483				6,483
EBIT	851	-10	-2	34	873
Interest result	-165				-165
Net income before taxes	686	-10	-2	34	708
Income taxes	-207	3			-204
Net income	479	-7	-2	34	504
Less noncontrolling interest	-187				-187
Net income attributable to shareholders of Fresenius SE & Co. KGaA	292	-7	-2	34	317

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

Statement of Financial Position (U.S. GAAP, unaudited)

€ in millions	March 31, 2016	December 31, 2015	Change
Assets			
Current assets	10,584	10,479	1%
thereof trade accounts receivable	4,814	4,596	5%
thereof inventories	2,870	2,860	0%
thereof cash and cash equivalents	882	1,044	-16%
Non-current assets	31,861	32,480	-2%
thereof property, plant and equipment	7,451	7,428	0%
thereof goodwill and other intangible assets	22,401	23,033	-3%
Total assets	42,445	42,959	-1%
Liabilities and shareholders' equity			
Liabilities	23,478	24,009	-2%
thereof trade accounts payable	1,033	1,291	-20%
thereof accruals and other short-term liabilities	6,437	6,466	0%
thereof debt	14,549	14,769	-1%
Noncontrolling interest subject to put provisions	958	947	1%
Noncontrolling interest	6,970	7,068	-1%
Total Fresenius SE & Co. KGaA shareholders' equity	11,039	10,935	1%
Total shareholders' equity	18,009	18,003	0%
Total liabilities and shareholders' equity	42,445	42,959	-1%

Statement of Cash Flows (U.S. GAAP, unaudited)

€ in millions	Q1/2016	Q1/2015	Change
Net income	578	504	15%
Depreciation and amortization	278	264	5%
Change in accruals for pensions	23	21	10%
Cash flow	879	789	11%
Change in working capital	-545	-258	-111%
Operating cash flow	334	531	-37%
Capital expenditure, net	-332	-273	-22%
Cash flow before acquisitions and dividends	2	258	-99%
Cash used for acquisitions, net	-196	45	--
Dividends paid	-47	-47	0%
Free cash flow after acquisitions and dividends	-241	256	-194%
Cash provided by/used for financing activities	94	-515	118%
Effect of exchange rates on change in cash and cash equivalents	-15	76	-120%
Net change in cash and cash equivalents	-162	-183	11%

Segment reporting by business segment Q1 2016 (U.S. GAAP, unaudited)

€ in millions	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other			Fresenius Group		
	Q1/2016	Q1/2015	Change	Q1/2016	Q1/2015 ²⁾	Change	Q1/2016	Q1/2015 ³⁾	Change	Q1/2016	Q1/2015	Change	Q1/2016	Q1/2015 ⁴⁾	Change	Q1/2016	Q1/2015	Change
Sales	3,816	3,516	9%	1,470	1,394	5%	1,435	1,391	3%	218	208	5%	-25	-26	4%	6,914	6,483	7%
thereof contribution to consolidated sales	3,811	3,511	9%	1,458	1,382	5%	1,435	1,391	3%	210	198	6%	0	1	-100%	6,914	6,483	7%
thereof intercompany sales	5	5	0%	12	12	0%	0	0		8	10	-20%	-25	-27	7%	0	0	
contribution to consolidated sales	55%	54%		21%	21%		21%	22%		3%	3%		0%	0%		100%	100%	
EBITDA	655	604	8%	371	315	18%	206	192	7%	9	9	0%	-4	17	-124%	1,237	1,137	9%
Depreciation and amortization	165	156	6%	62	58	7%	47	45	4%	2	2	0%	2	3	-33%	278	264	5%
EBIT	490	448	9%	309	257	20%	159	147	8%	7	7	0%	-6	14	-143%	959	873	10%
Net interest	-96	-91	-5%	-41	-50	18%	-11	-13	15%	0	-1	100%	-4	-10	60%	-152	-165	8%
Income taxes	-125	-122	-2%	-80	-62	-29%	-24	-25	4%	-2	-2	0%	2	7	-71%	-229	-204	-12%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	207	186	11%	179	140	28%	124	107	16%	5	4	25%	-153	-120	-28%	362	317	14%
Operating cash flow	163	397	-59%	124	83	49%	66	114	-42%	-18	-37	51%	-1	-26	96%	334	531	-37%
Cash flow before acquisitions and dividends	-60	222	-127%	57	18	--	29	84	-65%	-20	-38	47%	-4	-28	86%	2	258	-99%
Total assets ¹⁾	22,896	23,298	-2%	10,170	10,395	-2%	8,540	8,430	1%	953	988	-4%	-114	-152	25%	42,445	42,959	-1%
Debt ¹⁾	7,851	7,942	-1%	5,000	5,234	-4%	1,310	1,282	2%	171	161	6%	217	150	45%	14,549	14,769	-1%
Capital expenditure	227	179	27%	44	58	-24%	38	32	19%	2	1	100%	2	3	-33%	313	273	15%
Acquisitions / Financial Investments	90	61	48%	105	34	--	9	17	-47%	0	0		0	-8	100%	204	104	96%
Research and development expenses	34	27	26%	79	78	1%	--	--	--	0	0		0	1	-100%	113	106	7%
Employees (per capita on balance sheet date) ¹⁾	110,821	110,242	1%	33,664	33,195	1%	70,410	69,728	1%	7,936	8,262	-4%	873	878	-1%	223,704	222,305	1%
Key figures																		
EBITDA margin	17.2%	17.2%		25.2%	22.6%		14.4%	13.8%		4.1%	4.3%					17.9%	17.2% ^{2) 3)}	
EBIT margin	12.8%	12.7%		21.0%	18.5%		11.1%	10.6%		3.2%	3.4%					13.9%	13.1% ^{2) 3)}	
Depreciation and amortization in % of sales	4.3%	4.4%		4.2%	4.2%		3.3%	3.2%		0.9%	1.0%					4.0%	4.1%	
Operating cash flow in % of sales	4.3%	11.3%		8.4%	6.0%		4.6%	8.2%		-8.3%	-17.8%					4.8%	8.2%	
ROOA ¹⁾	9.7%	9.6%		13.0%	13.2%		8.2%	8.1%		10.1%	11.1%					10.1%	10.1% ⁵⁾	

1) As of December 31, 2015

2) Before costs for the efficiency program

3) Before integration costs and disposal gains (two HELIOS hospitals)

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

5) The underlying EBIT does not include costs for the efficiency program, integration costs and disposal gains (two HELIOS hospitals).

Sales by business segment

€ in millions	Q1/2016	Q1/2015	Change at actual rates	Currency translation effects	Change at constant rates	Organic growth	Acquisitions/divestitures	% of total sales ¹
Fresenius Medical Care	3,816	3,516	9%	0%	9%	7%	2%	55%
Fresenius Kabi	1,470	1,394	5%	-3%	8%	10%	-2%	21%
Fresenius Helios	1,435	1,391	3%	0%	3%	3%	0%	21%
Fresenius Vamed	218	208	5%	0%	5%	6%	-1%	3%

Increased number of employees

As of March 31, 2016, the number of employees increased by 1% to 223,704 (Dec. 31, 2015: 222,305).

¹ Calculated on the basis of contribution to consolidated sales