

Citi Global Healthcare Conference



New York City, 8 December 2016

Safe Harbor Statement

This presentation 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 contained in this presentation.

A Global Leader In HealthCare Products And Services



A Global Leader In HealthCare Products And Services



~€27.6 bn in Sales
(as of Dec. 31, 2015)

**Strong portfolio
of products** (30% of sales)
and services (70% of sales)

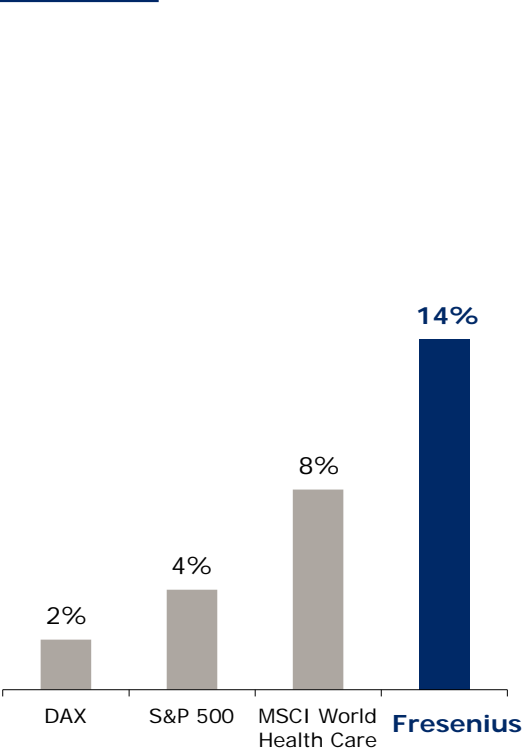
**Total Shareholder Return:
10-year CAGR: ~20%**

**Global presence in
100+ countries**

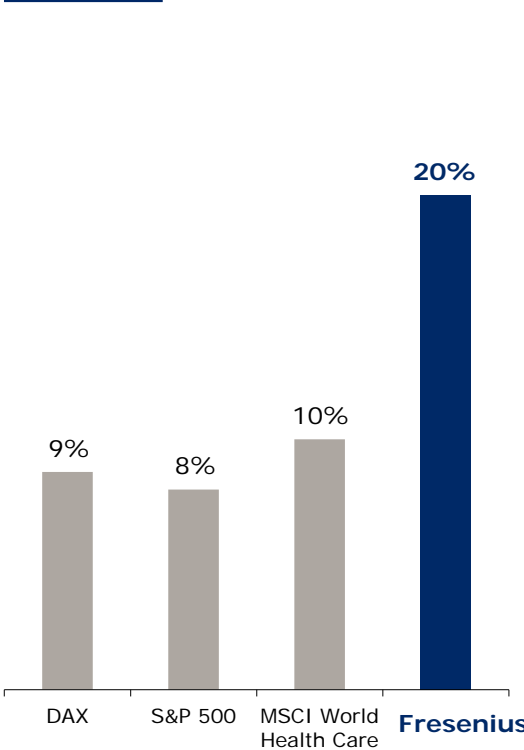
**222,000+ employees
worldwide**
(as of Dec 31, 2015)

Total Shareholder Return – CAGR, rounded

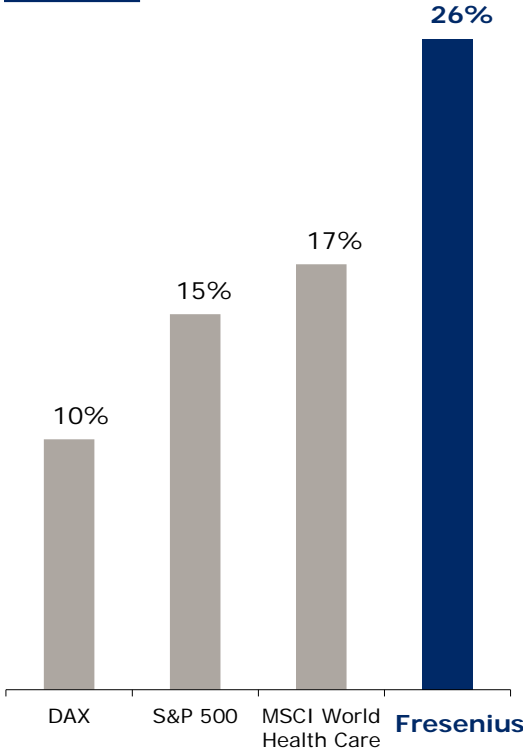
15 years



10 years



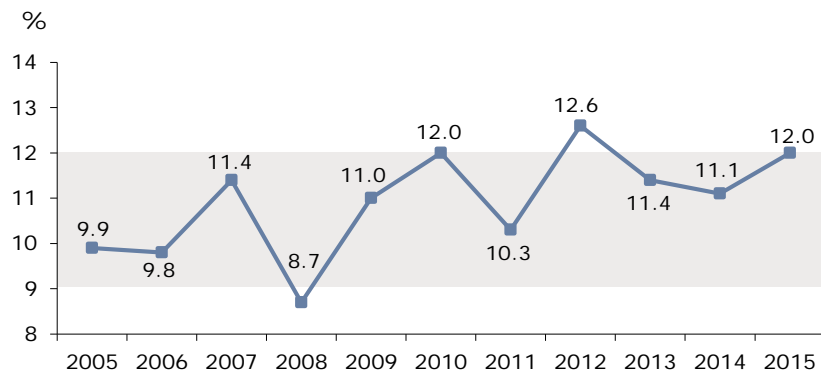
5 years



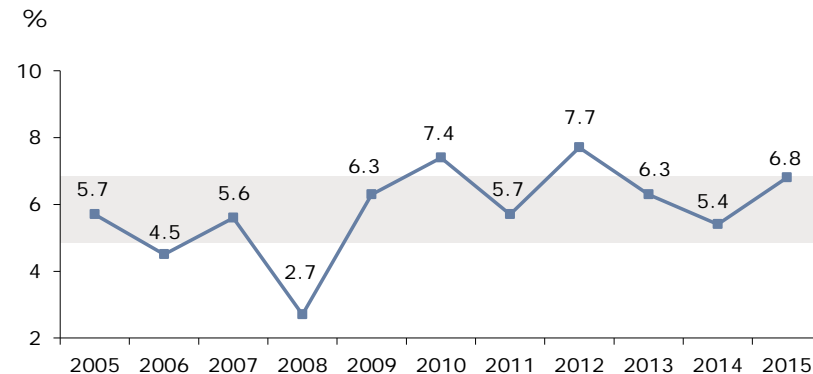
Source: Bloomberg; dividends reinvested

Fresenius Group: Consistent Cash Generation And Proven Track Record of Deleveraging

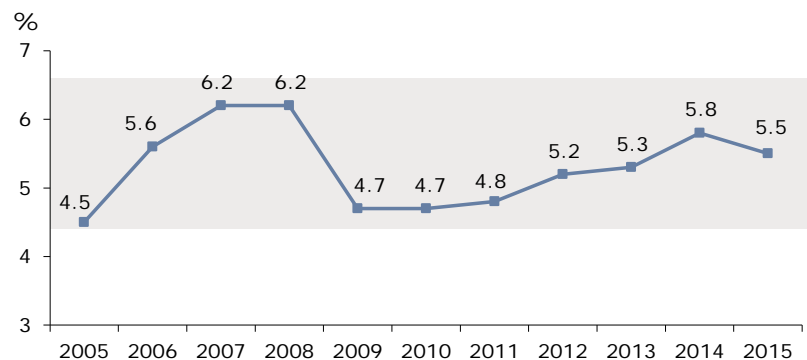
CFFO margin



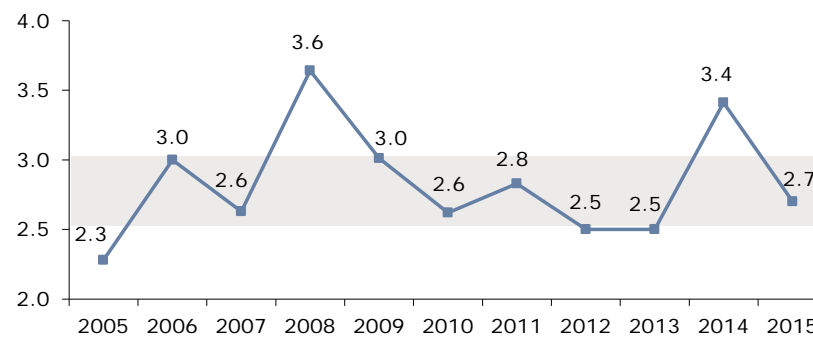
FCF margin (before acquisitions & dividends)



Capex in % of sales

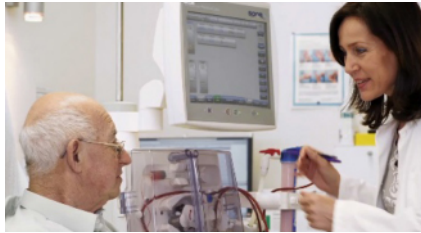


Net Debt / EBITDA¹



¹ 2011 – 2015 adjusted due to debt issuance cost restatement (U.S. GAAP standard ASU 2015-03)

Strong, Diversified Product And Service Portfolio



Ownership: 31%

Dialysis Products
Healthcare Services

Sales 2015: US\$16.7 bn



Ownership: 100%

Hospital Supplies
and Services

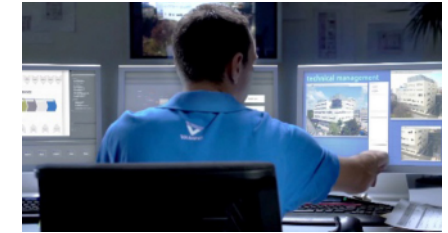
Sales 2015: €6.0 bn



Ownership: 100%

Hospital Operations

Sales 2015: €5.6 bn



Ownership: 77%

Hospital Projects
and Services

Sales 2015: €1.1 bn

Fresenius Medical Care: Global Dialysis Market Leader

- The world's leading provider of dialysis products and services treating 306,366 patients in 3,579 clinics¹
- Provide highest standard of product quality and patient care

 Dialysis products

 Dialysis services

 Complete therapy offerings

- Expansion in Care Coordination and global dialysis service opportunities; enter new geographies

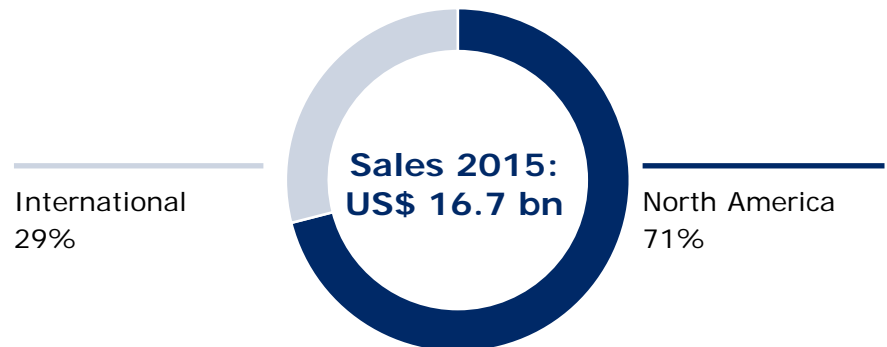
Market Dynamics

Global Dialysis Market 2015:

- ~US\$73 bn
- ~6% patient growth p.a.

Growth Drivers:

- Aging population, increasing incidence of diabetes and high blood pressure, treatment quality improvements



¹ As of Sep 30, 2016

Fresenius Kabi: A Leading Global Hospital Supplier

- Comprehensive product portfolio for critically and chronically ill patients
- Strong Emerging Markets presence
- Leading market positions in four product segments



Generic IV Drugs



Clinical Nutrition



Infusion Therapy



Medical Devices /
Transfusion Technology

- Focus on organic growth through geographic product rollouts and new product launches

Market Dynamics

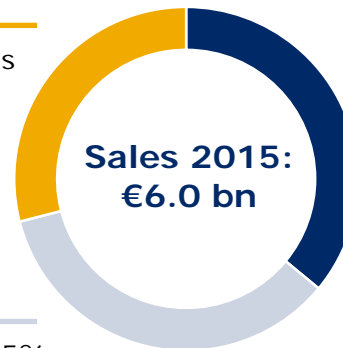
Global Addressable Market 2015:

- >€33 bn

Growth Drivers:

- Patent expirations, rising demand for health care services, higher health care spending in Emerging Markets

Emerging Markets
29%



Europe 36%

North America 35%

Fresenius Helios: Leading German Hospital Operator

- ~6% share in German acute care hospital market
- Strong track record in hospital acquisitions and operations
- High-quality medical care, e.g., mortality rate for heart failure and pneumonia below German average
- Comprehensive healthcare services coverage



Acute Care



Rehab



Outpatient

Market Dynamics

German Acute Care Hospital Market:

- ~€91 bn¹

Growth Drivers:

- Aging population leading to increasing hospital admissions, further market consolidation

Majority of population has access to a HELIOS hospital within one hour's drive²



112 hospitals

> 34,000 beds

~ 1.3 million inpatient admissions

~ 3.4 million outpatient admissions

¹ German Federal Statistical Office 2015; total costs, gross of the German hospitals less academic research and teaching

² As of Sep 30, 2016

Fresenius Vamed: Leading Global hospital Projects And Services Specialist

- Manages hospital construction/expansion projects (51% of sales) and provides services (49% of sales) for health care facilities worldwide



Projects



Services

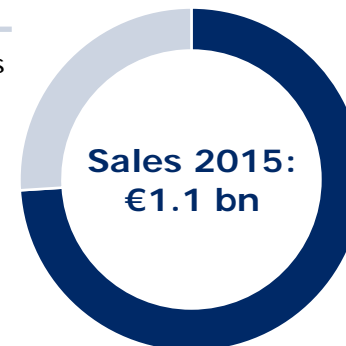
- Offers project development, planning, turnkey construction, maintenance as well as technical management, and total operational management
- Strong track record: More than 760 projects in 78 countries completed

Market Dynamics

Growth Drivers:




- Emerging Market demand for building and developing hospital infrastructure
- Outsourcing of non-medical services from public to private operators

Emerging Markets
26%






Europe 74%

Fresenius Group: 2016 Financial Outlook by Business Segment

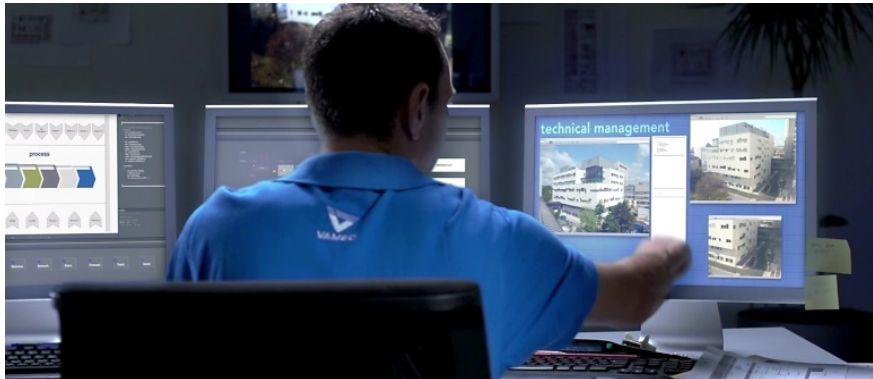
		Old	New	
 FRESENIUS KABI	Sales growth organic	3% – 5%	4% – 6%	↑
	EBIT growth (cc)	3% – 5%	4% – 6%	↑
 FRESENIUS HELIOS	Sales growth organic	3% – 5%	unchanged	✓
	EBIT	€670 – 700 m	unchanged	✓
 FRESENIUS VAMED	Sales growth organic	5% – 10%	unchanged	✓
	EBIT growth	5% – 10%	unchanged	✓

Fresenius Group: 2016 Financial Guidance

		2015	2016		
		Actual	Old	New	
	Sales growth constant currency	€27.6 bn	6% – 8%	unchanged	
	Net income¹ growth constant currency	€1,423 m	11% – 14%	12% – 14%	

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

Financials Q3/16



Fresenius Group: Q3/2016 Highlights

-  Acquisition of Quirónsalud creates European leader in hospital operations
-  Fresenius Medical Care celebrates 20th anniversary
-  Acceleration of sales growth
-  Strong earnings growth
-  Group earnings guidance improved
-  New mid-term targets in February 2017

Acquisition of Quirónsalud: Transaction Highlights

✓ **Market leader** in size and quality with **excellent growth prospects**

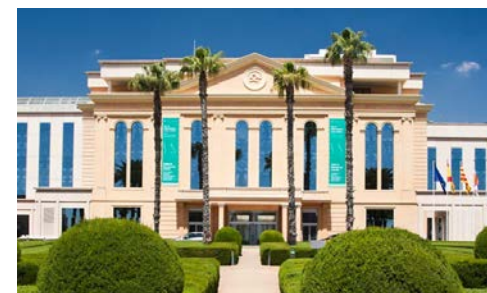
✓ Strong management team with **proven track record** and **ongoing commitment** to Fresenius

✓ Combination forms powerful platform for **knowledge & best practice transfer**

✓ Substantial **cost and growth synergies**

✓ **Highly accretive from 2017** – leverage back to current levels after 1.5 years

✓ **New mid-term targets** for **Fresenius Group** as part of its FY 2016 reporting



Acquisition of Quirónsalud: Broad Revenue Base

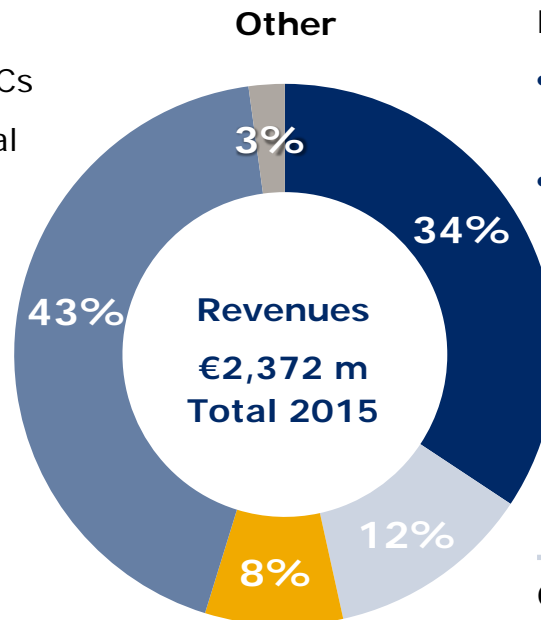
Private - HIC

- **Agreements with all** relevant HICs
- **Full reimbursement** of all medical services

Self pay

- **Treatments not covered by HIC/NHS** (e.g. plastic surgery, dental and drugs)
- **Medical tourism**

HIC = Health Insurance Companies; NHS = National Health Care System



Public – NHS (PPPs)

- **5 long-term concession hospitals** 4 in Madrid and 1 in Barcelona
- **Remuneration per capita** within assigned coverage area, **additional remuneration** for “free-choice” patients

Occupational Risk Prevention

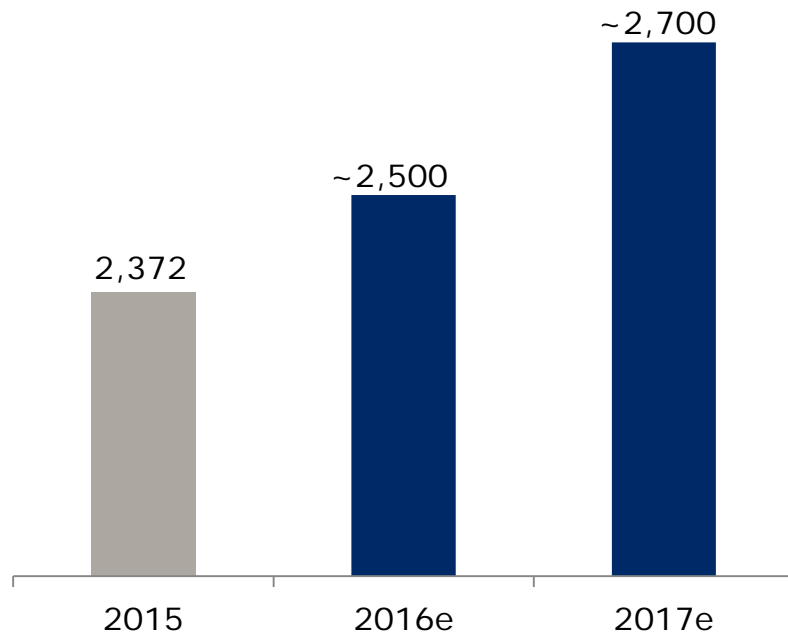
- **Only private hospital provider with ORP services** in Spain
~ 300 centers;
>4m employees contracted;
>1.7 m check-ups p.a.
- **Cross-selling opportunities**

Acquisition of Quirónsalud: Financial Outlook



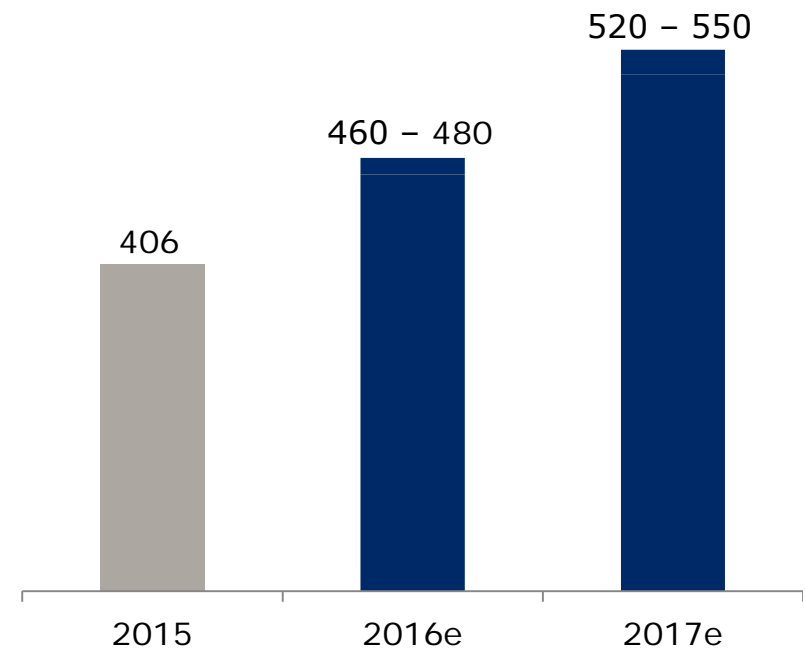
Sales

€m



EBITDA

€m



Acquisition of Quirónsalud: Corporate History

CVC



- #1 private hospital group in Spain
- €926 m revenue in 2014
- 70% of revenue from NHS



- #2 private hospital group in Spain
- €823 m revenue in 2014
- 95% of revenue from HIC

Further acquisitions of hospitals

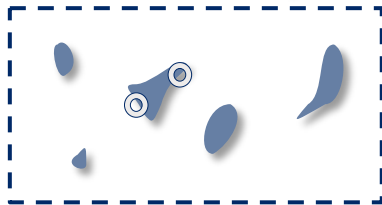


New business segment "ORP"

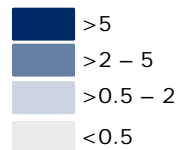


NHS = National Health Care System; HIC = Health Insurance Companies; ORP = Occupational risk prevention

Acquisition of Quirónsalud: Hospital Network With Clear Focus on Large Metropolitan Areas



Population per region (in m)



43 hospitals,
39 outpatient centers
~300 ORP centers



~€2.5 bn Sales (2016e)



€460 – 480 m EBITDA
(2016e)



6,600 beds and
35,000 staff



9.4 m outpatient
admissions p.a.



320,000 inpatient
admissions p.a.



Acquisition of Quirónsalud: Financially Sound (I)

Depreciation	<ul style="list-style-type: none">• ~4% of sales in FY16; good proxy for following years
Amortization	<ul style="list-style-type: none">• Initially ~€150 m¹ p.a.
Cost of Debt	<ul style="list-style-type: none">• ~2.0%
Tax rate	<ul style="list-style-type: none">• 25%
EAT bef. amortization	<ul style="list-style-type: none">• 2017e >€200 m
CAPEX	<ul style="list-style-type: none">• ~4% of sales in FY16; good proxy for following years

¹ Preliminary, before final PPA

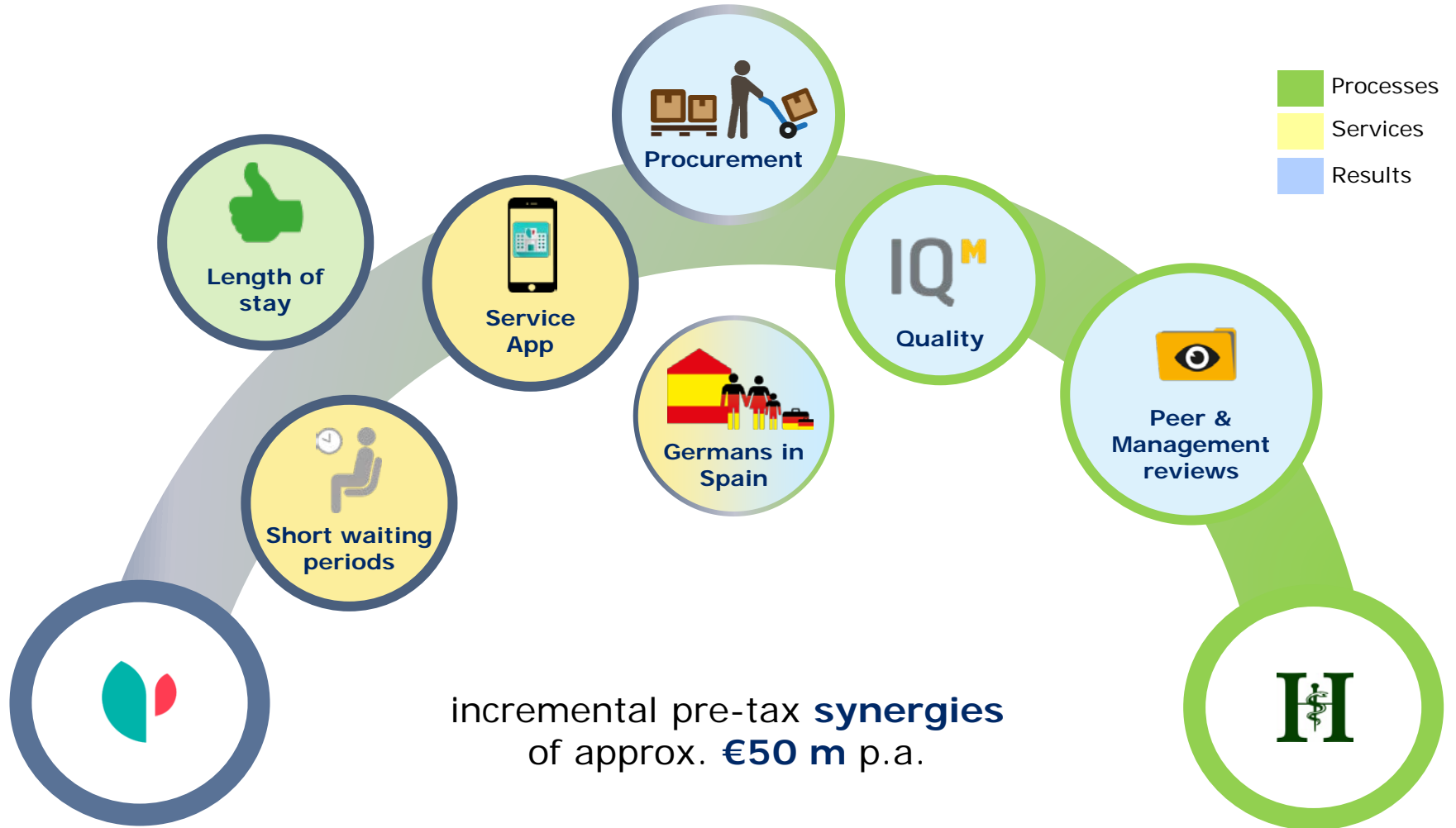
Acquisition of Quirónsalud: Financially Sound (II)



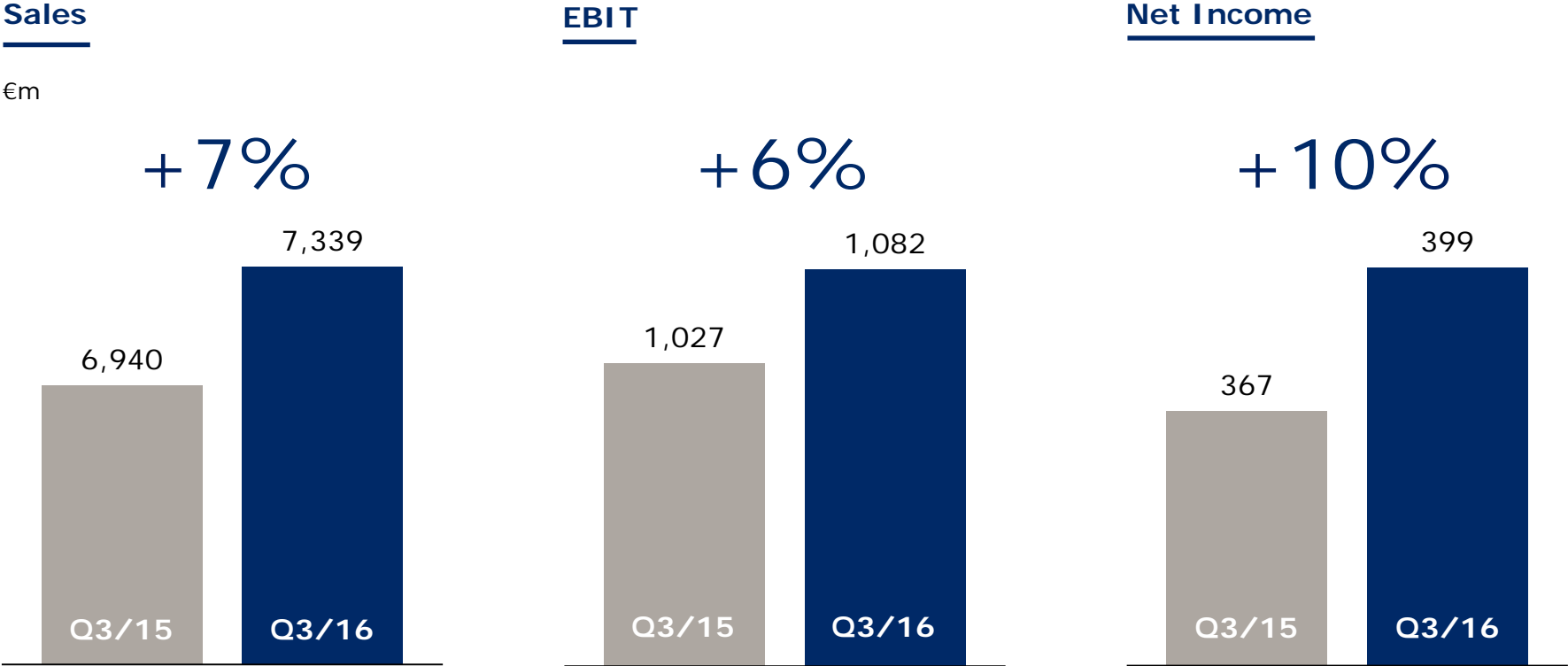
Total consideration	<ul style="list-style-type: none">• €5.76 bn (on a cash and debt-free basis)• Approx. 10.8x¹ EBITDA 2017e
Financing	<ul style="list-style-type: none">• Issuance of ~6.1 m shares valued at €400 m to Victor Madera• Balance of the purchase price debt-financed
Net debt/EBITDA	<ul style="list-style-type: none">• 2016 pro forma ~3.1x• 2017e back within 2.5 – 3.0x range

¹ Based on mid-point of projected 2017 EBITDA range of €520 – €550 m

Acquisition of Quirónsalud: Integration by Interaction



Fresenius Group: Q3/2016 Key Financials



Constant currency growth rates
 2015 EBIT before special items
 Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before special items

Fresenius Group: Profit and Loss Statement

€m	Q3/2016	Δ Q3 YoY ¹	Q1–3/2016	Δ Q1–3 YoY ¹
Sales	7,339	7%	21,345	6%
EBIT ²	1,082	6%	3,092	9%
Net interest	-142	2%	-433	8%
Income taxes ²	-255	2%	-746	-7%
Net income ^{2,3}	399	10%	1,154	15%

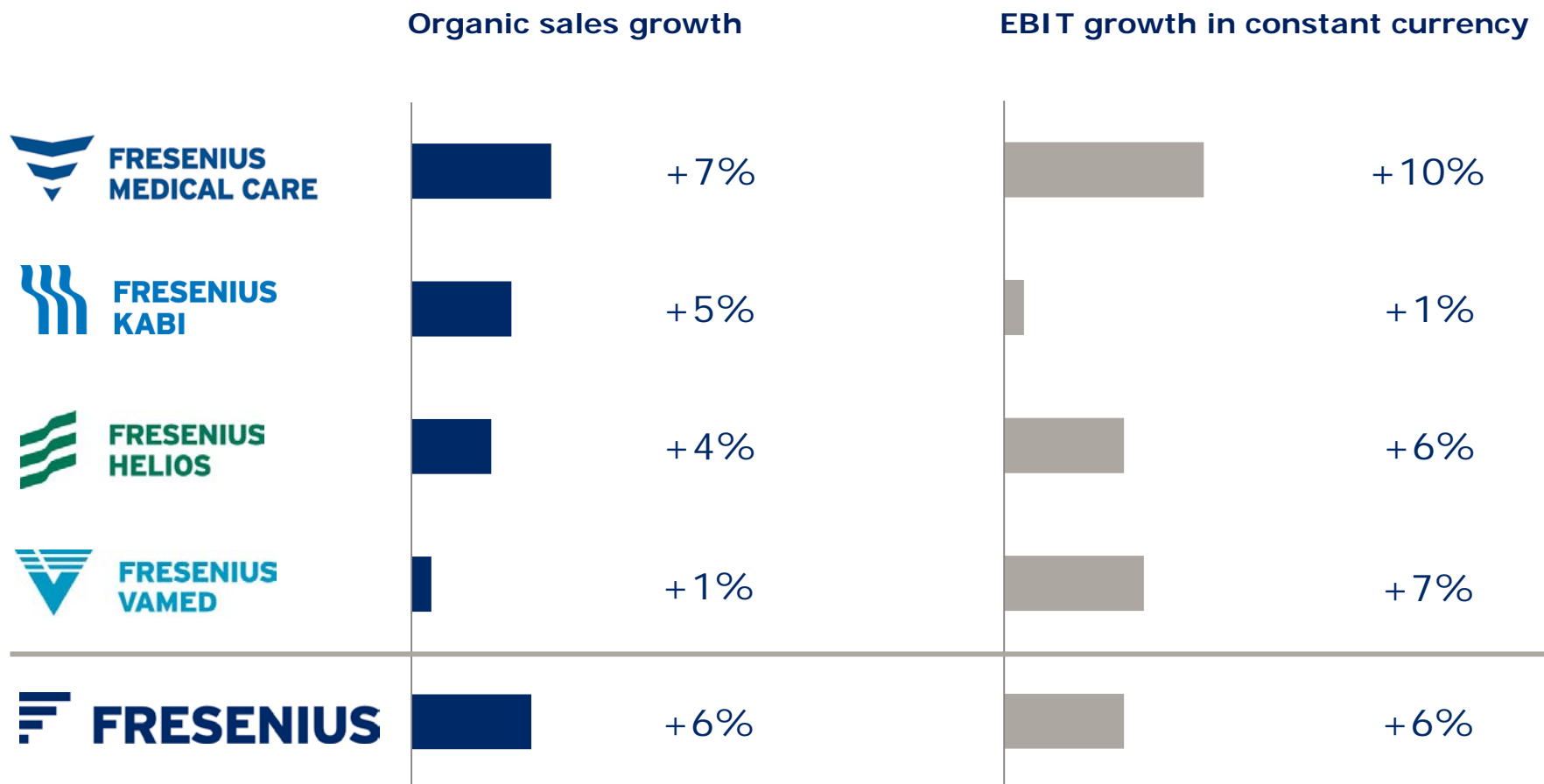
¹ Constant currency growth rates

² 2015 before special items

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

For a detailed overview of special items please see the reconciliation tables on slides 27–28.

Fresenius Group: Q3/2016 Key Financials



2015 EBIT before special items

Financial results by business segment

		Q3/2016	Δ Q3 YoY
 FRESENIUS MEDICAL CARE	Sales	US\$4,598 m	9%
	EBIT	US\$670 m	9%
 FRESENIUS KABI	Sales	€1,511 m	1%
	EBIT¹	€300 m	0%
 FRESENIUS HELIOS	Sales	€1,470 m	6%
	EBIT¹	€175 m	6%
 FRESENIUS VAMED	Sales	€268 m	0%
	EBIT	€15 m	7%

¹ 2015 before special items

For a detailed overview of special items please see the reconciliation tables on slides 27-28.

Fresenius Kabi (1/2): Key Topics Q3/2016

North America

- **2% organic sales growth** in Q3/16 despite tough PY quarter
- **Gradual easing of IV drug shortages:** 16 Kabi-marketed products currently designated in shortage vs. 17 at the end of Q2/16
- **6 product launches YTD;** confirm top end of 6 to 10 target range for FY/16

Product Name	Product Group	Launch Date
Amikacin	Anti-infective	Q1
Linezolid	Anti-infective	Q2
Chloramphenicol	Anti-infective	Q2
SmofLipid	Lipid emulsion	Q3
Daptomycin	Anti-infective	Q3
Ketorolac (pre-filled syringe)	Analgesic	Q3

- **Increase outlook:** Low to mid single-digit organic sales growth for FY/16 (Previous: Low single-digit)

Europe

- **3% organic sales growth** in Q3/16
- **On track to meet outlook** of low to mid single-digit organic sales growth for FY/16



Fresenius Kabi (2/2): Key Topics Q3/2016

Emerging Markets

China

- **9%** organic sales growth in Q3/16
- New tender rules:
 - 10 out of 31 provinces have finalized tender process
 - Expect low single-digit price impact in FY16
- Sustainable double-digit volume growth expected

Asia-Pacific ex China

- **10%** organic sales growth in Q3/16

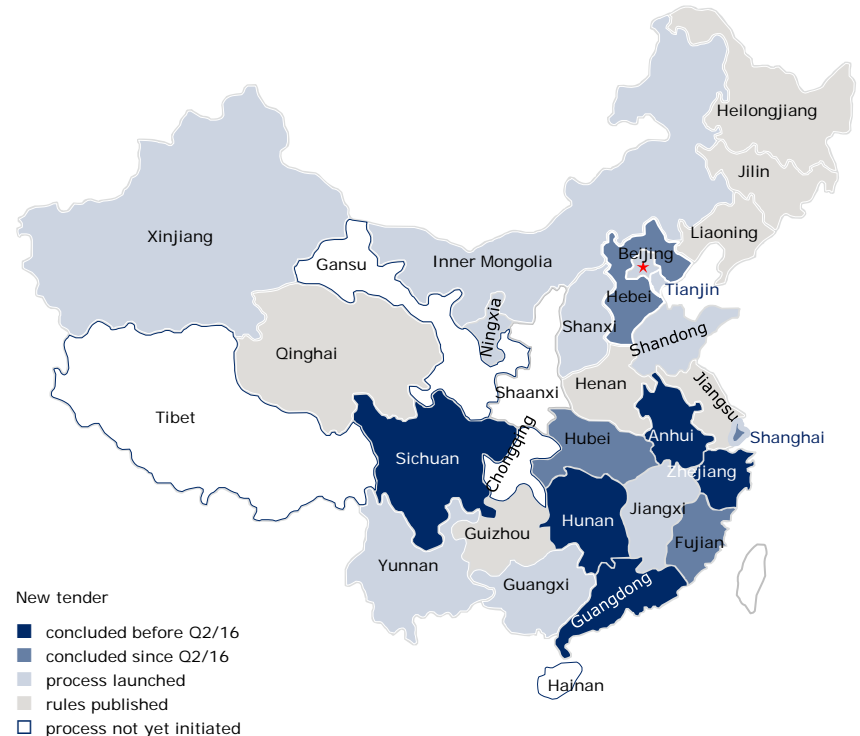
Latin America/Africa

- **7%** organic sales growth in Q3/16

Emerging Markets overall

- **On track** to meet FY/16 outlook of likely low double-digit organic sales growth

China tender situation:
Applicable to Kabi's Pharmaceutical and Nutrition business



Disclaimer: This update is only intended to give a general picture of the drug purchase tendering status of each province / direct-controlled city in China. The status may vary between type of drugs, specific products or specific area /hospital.

Fresenius Kabi: Organic Sales Growth by Regions

€m	Q3/2016	Organic Growth	Q1–3/2016	Organic Growth
Europe	521	3%	1,569	2%
North America	542	2%	1,628	5%
Asia-Pacific	290	9%	821	8%
Latin America/Africa	158	7%	439	16%
Total sales	1,511	5%	4,457	6%

Fresenius Kabi: Organic Sales Growth by Product Segment

€m	Q3/2016	Organic Growth	Q1–3/2016	Organic Growth
IV Drugs	620	2%	1,871	5%
Infusion Therapy	217	3%	636	5%
Clinical Nutrition	403	7%	1,173	7%
Medical Devices/ Transfusion Technology	271	7%	777	5%
Total sales	1,511	5%	4,457	6%

Fresenius Kabi: EBIT

€m	Q3/2016	Δ Q3 YoY ¹	Q1–3/2016	Δ Q1–3 YoY ¹
Europe Margin	80 15.4%	-2% -70 bps	243 15.5%	-3% -90 bps
North America Margin	216 39.9%	7% 170 bps	669 41.1%	11% 220 bps
Asia-Pacific/Latin America/Africa Margin	94 21.0%	11% 80 bps	245 19.4%	18% 220 bps
Corporate and Corporate R&D	-90	-26%	-241	-20%
Total EBIT Margin	300 19.9%	1% -20 bps	916 20.6%	7% 90 bps

¹ Constant currency growth rates

2015 before special items
Margin growth at actual rates

For a detailed overview of special items please see the reconciliation tables on slides 27–28.

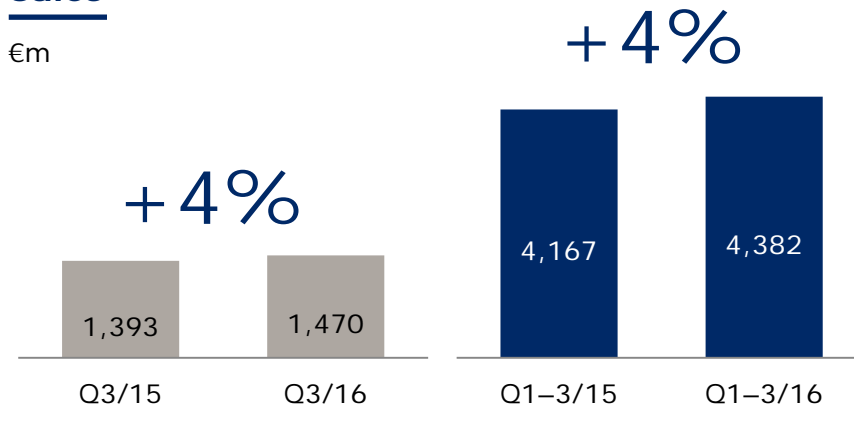
Fresenius Helios: Key Topics Q3/2016

Germany

- **4% organic sales growth** in Q3/16 driven by admissions increase
- **Ongoing favorable reimbursement environment:** 2017 DRG inflator set at **2.50%**

Sales¹

€m



¹ Organic sales growth

Quirónsalud

- **Closing process and debt financing** progressing
- **On track to meet FY/16 outlook:**
 - Sales of €2.5 bn
 - EBITDA of €460 to 480 m



Fresenius Helios: Strong Sales Growth

€m	Q3/2016	Δ Q3 YoY	Q1–3/2016	Δ Q1–3 YoY
Established clinic portfolio	1,454	4%	4,352	4%
Acquisitions (consolidation <1 yr)	16	n.a.	30	n.a.
Total Sales	1,470	6%	4,382	5%

2015 before special items

For a detailed overview of special items please see the reconciliation tables on slides 27–28.

Fresenius Helios: EBIT

€m	Q3/2016	Δ Q3 YoY	Q1–3/2016	Δ Q1–3 YoY
Total sales	1,470	6%	4,382	5%
EBIT	174	5%	506	7%
Established clinic portfolio Margin	12.0%	20 bps	11.6%	30 bps
Acquisitions / Divestitures (consolidation / deconsolidation <1 yr) Margin	1 6.3%	-- --	1 3.3%	-- --
Total EBIT	175	6%	507	7%
Margin	11.9%	10 bps	11.6%	30 bps

2015 before special items

For a detailed overview of special items please see the reconciliation tables on slides 27–28.

Fresenius Helios: 2015 Clinic Development Plan

	Years in Portfolio								Total ¹
	<1	1	2	3	4	5 ¹	6	>6	
No. of clinics	1	-	-	12	3	40	-	55	111
Revenue (€m)	7	-	-	410	173	2,002	-	2,837	5,429
Target									
EBIT margin (%)	-	2.0	4.0	6.0	8.0	10.0	12.0	12.0 – 15.0	
EBIT (€m)	-	-	-	24.6	13.8	200.2	-	340.5	579.1
Reported									
EBIT margin (%)	6.2	-	-	9.8	6.9	10.4	-	13.2	11.7
EBIT (€m)	0.4	-	-	40.1	11.9	207.9	-	373.3	633.6
No. of clinics > target	-	-	-	8	1	19	-	25	53
No. of clinics < target	-	-	-	4	2	21	-	30	57

¹ Includes all hospitals acquired from Rhön Klinikum, €12 m integration costs allocated to individual hospitals.

Fresenius Helios: Performance Indicators

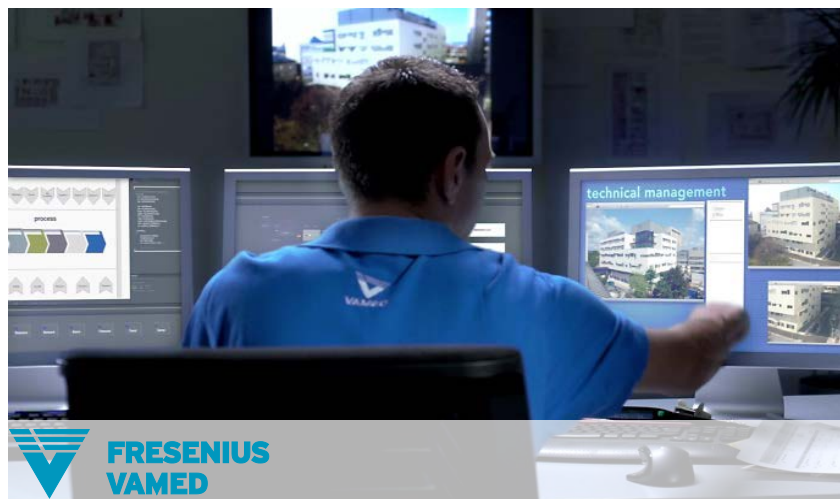
	Q1–3/2016	Q1–3/2015	Change
No. of hospitals ¹	112	111	1%
- Acute care clinics	88	87	1%
- Post-acute care clinics	24	24	0%
No. of beds ¹	34,701	34,076	2%
- Acute care clinics	29,613	28,914	2%
- Post-acute care clinics	5,088	5,162	-1%
Admissions			
- Acute care (inpatient)	923,134	891,654	4%
Occupancy			
- Post-acute care	83%	83%	
Average length of stay (days)			
- Acute care ²	6.4	6.5	
- Post-acute care	26.1	26.5	

¹ December 31, 2015

² German average (2015): 7.3

Fresenius Vamed: Key Topics Q3/2016

- **1% organic sales growth** in Q3/16 reflects typical quarterly fluctuations of project business
- **Continued strong order intake** with good regional diversification



€m	Q3/ 2016	Δ	Q1-3/ 2016	Δ
Project business	130	-1%	325	-2%
Service business	138	1%	415	4%
Total sales	268	0%	740	1%
Total EBIT	15	7%	31	3%
Order intake ¹	209	9%	674	42%
Order backlog ¹			1,995	21% ²






¹ Project business only

² Versus December 31, 2015

Fresenius Group: Overview – Calculation of Noncontrolling Interest

€m	Q1–3/2016	FY/2015
Earnings before tax and noncontrolling interest	2,659	3,262
Taxes	-746	-965
Noncontrolling interest, thereof	-759	-939
Fresenius Medical Care net income not attributable to Fresenius (Q1–3/16: ~69%)	-530	-641
Noncontrolling interest holders in Fresenius Medical Care (Q1–3/16: US\$217 m according to Fresenius Medical Care's Financial Statements)	-195	-256
Noncontrolling interest holders in Fresenius Kabi (-€27 m), Fresenius Helios (-€1 m), Fresenius Vamed (-€1 m) and due to Fresenius Vamed's 23% external ownership (-€5 m)	-34	-42
Net income attributable to Fresenius SE & Co. KGaA	1,154	1,358

Fresenius Group: Cash Flow






€m	Operating CF		Capex (net)		Free Cash Flow ¹	
	Q3/2016	LTM Margin	Q3/2016	LTM Margin	Q3/2016	LTM Margin
 FRESENIUS KABI	311	16.2%	-83	-5.4%	228	10.8%
 FRESENIUS HELIOS	207	11.5%	-74	-5.3%	133	6.2% ³
 FRESENIUS VAMED	21	10.6%	-2	-0.8%	19	9.8%
Corporate/Other	-3	n.a.	-2	n.a.	-5	n.a.
 FRESENIUS Excl. FMC	536	14.4% ²	-161	-5.1%	375	9.3% ²
 FRESENIUS	929	12.0%	-372	-5.5%	557	6.5%

¹ Before acquisitions and dividends

² Margin incl. FMC dividend

³ Understated: 7.1% excluding €51 million of capex commitments from acquisitions

Fresenius Group: Cash Flow

€m	Operating CF		Capex (net)		Free Cash Flow ¹	
	Q1–3/2016	LTM Margin	Q1–3/2016	LTM Margin	Q1–3/2016	LTM Margin
 FRESENIUS KABI	646	16.2%	-208	-5.4%	438	10.8%
 FRESENIUS HELIOS	437	11.5%	-176	-5.3%	261	6.2% ³
 FRESENIUS VAMED	22	10.6%	-6	-0.8%	16	9.8%
Corporate/Other	-7	n.a.	-5	n.a.	-12	n.a.
 FRESENIUS Excl. FMC	1,098	14.4% ²	-395	-5.1%	703	9.3% ²
 FRESENIUS	2,259	12.0%	-1,052	-5.5%	1,207	6.5%

¹ Before acquisitions and dividends

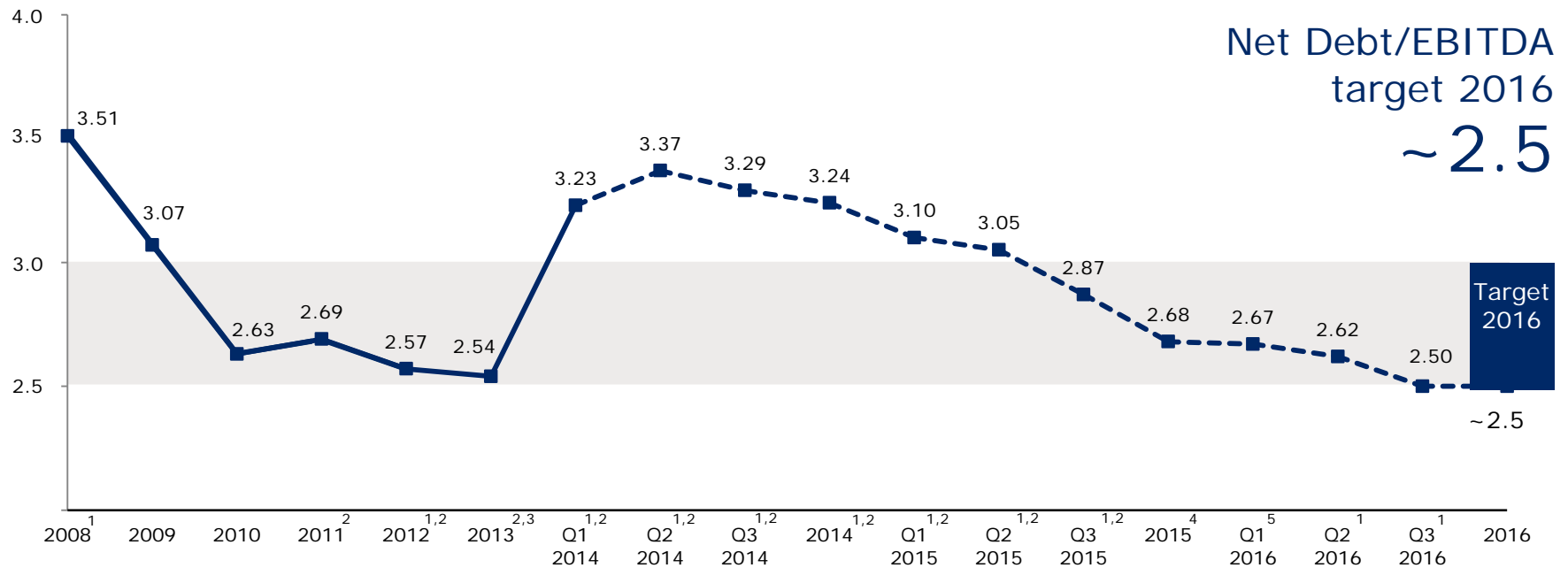
² Margin incl. FMC dividend

³ Understated: 7.1% excluding €51 million of capex commitments from acquisitions

Fresenius Group: Cash Flow

€m	Q3/2016	LTM Margin	Q3/2015	LTM Margin	Δ YoY
Operating Cash Flow	929	12.0%	900	11.3%	3.2%
Capex (net)	-372	-5.5%	-327	-5.2%	-13.8%
Free Cash Flow (before acquisitions and dividends)	557	6.5%	573	6.1%	-2.8%
Acquisitions (net)	-40		-47		
Dividends	-58		-59		
Free Cash Flow (after acquisitions and dividends)	459	3.1%	-467	1.4%	-1.7%

Fresenius Group: Leverage Ratio



¹ Pro forma acquisitions; before special items

² Adjusted due to debt issuance cost restatement (U.S. GAAP standard ASU 2015-03)

³ Pro forma excluding advances made for the acquisition of hospitals from Rhön-Klinikum AG; before special items

⁴ Before special items

⁵ 2015 before special items

At annual average FX rates for both EBITDA and net debt

Reconciliation according to U.S. GAAP Q3 2016 / Q3 2015

The Group's U.S. GAAP financial results as of September 30, 2016 do not include special items, whereas the U.S. GAAP financial results as of September 30, 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.

€m	Q3/2015 before special items	efficiency program KABI	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	Q3/2015 according to U.S. GAAP (incl. special items)
Sales	6,940				6,940
EBIT	1,027	-10	-4	0	1,013
Interest result	-146				-146
Net income before taxes	881	-10	-4	0	867
Income taxes	-262	4			-258
Net income	619	-6	-4	0	609
Noncontrolling interest	-252				-252
Net income attributable to shareholders of Fresenius SE & Co. KGaA	367	-6	-4	0	357

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

Reconciliation according to U.S. GAAP Q1–3 2016 / Q1–3 2015

The Group's U.S. GAAP financial results as of September 30, 2016 do not include special items, whereas the U.S. GAAP financial results as of September 30, 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.

€m	Q1–3/2015 before special items	efficiency program KABI	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	Q1–3/2015 according to U.S. GAAP (incl. special items)
Sales	20,369				20,369
EBIT	2,849	-50	-12	34	2,821
Interest result	-476				-476
Net income before taxes	2,373	-50	-12	34	2,345
Income taxes	-703	16	2		-685
Net income	1,670	-34	-10	34	1,660
Noncontrolling interest	-661				-661
Net income attributable to shareholders of Fresenius SE & Co. KGaA	1,009	-34	-10	34	999

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

Share Information

Share key facts

Number of shares ¹	546,932,731
WKN / ISIN	578560 / DE0005785604
Ticker symbol	FRE
Bloomberg symbol	FRE GR
Reuters symbol	FREG.de

ADR key facts

Ratio	4 ADRs = 1 ordinary share
ADR CUSIP / ISIN	35804M105 / US35804M1053
Ticker symbol	FSNUY
Exchange	OTCQX International Premier
Structure	Sponsored Level I ADR
Depository bank	Deutsche Bank

¹ As of September 30, 2016

Financial Calendar / Contact

Financial Calendar 2017

22.02.2017	Report on Fiscal Year 2016
03.05.2017	Report on 1 st quarter 2017
12.05.2017	Annual General Meeting, Frankfurt/Main
01.08.2017	Report on 2 nd quarter 2017
02.11.2017	Report on 3 rd quarter 2017

Please note that these dates could be subject to change.

Contact

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