Good morning, ladies and gentlemen. On behalf of the Management Board, I wish all of you a very warm welcome to this year’s Annual General Meeting. It’s great to see so many of you here today. I would also like to welcome the members of the news media, as well as everyone who is joining us via our webcast.

Stability and growth. These two words describe the development of Fresenius. They tell you where we came from and where we’re going. They are two sides of the same coin at our company, where our success has delivered steady, sustainable and dynamic growth. We’ve been consistent in our decisions and constant in our values, to make sure that Fresenius continues to achieve stable growth.
Another year of strong sales and earnings growth

This can be seen in our latest results. 2015 was another highly successful year for Fresenius. Sales rose by a very healthy 19 percent, to €27.6 billion. Our operating profit, or EBIT, almost reached €4 billion – an increase of 25 percent. And net income increased by 31 percent to €1.4 billion.

We not only met all of our guidance targets in 2015, we also achieved our mid-term net income target of €1.4 to €1.5 billion. We had originally aimed to reach that goal by 2017 and got there two years early.

23rd consecutive dividend increase

Our proposed dividend reflects these strong financial results. As you know, our policy is to raise the dividend roughly in line with our earnings per share growth before special items. Accordingly, we are recommending a significant dividend increase of 25 percent, from 44 to 55 euro cents per share.

12th consecutive record year

Last year was truly outstanding, but long-term performance is even more important to us. 2015 marked our 12th consecutive year of record results and delivered our 23rd straight dividend increase. These achievements are further proof of stable growth at Fresenius over time.

Stability through quality

So let me explain how we are aiming for stability and growth at Fresenius.

It all begins with quality – quality is the single most important contributor to our company’s stability. At Fresenius, quality is paramount because our patients’ health depends on it. We put so much emphasis on quality leadership for our products and therapies because it benefits our patients. And this in turn strengthens our business over the long term.

Consider IV generics, which are injected intravenously – in other words, directly into the bloodstream. Their production is complex, and nothing is more important than maintaining purity. Fresenius Kabi is a leading provider of these products. In recent years, a number of
competitors have struggled with quality problems that have prevented them from shipping their products. This has led to serious shortages of a number of drugs, including some very important ones. Thanks to the high quality of our production, Fresenius Kabi has maintained a reliable supply of IV generics. We have also made a major effort to increase production capacity. This has helped ease shortages and ensure continued supply to patients. It has also increased sales and market share for Fresenius Kabi, and demonstrated that we are a reliable healthcare partner. This example shows that quality translates directly into success for our company.

Stability through our decentralized structure

Another critical factor in our stable growth is the company’s decentralized operating structure, which includes production facilities around the world. These plants serve local market needs, and our medical services, such as dialysis treatments from Fresenius Medical Care, are also provided locally. This structure ensures that costs and revenues are denominated in the same currency, making our business relatively immune to exchange rate fluctuations.

Our decentralized structure also means we take operating decisions close to the markets we are serving, not in a conference room at our headquarters in Germany. Our companies have deep roots in their individual markets and know them extremely well. This allows them to respond quickly to local needs. Fresenius is seen as a domestic company in many of our markets and that is a major advantage in a business as politically sensitive as healthcare.

Stability through growing demand

The sustained worldwide increase in the demand for medical services also contributes to our stable growth. Developing and emerging market countries continue to have huge pent-up demand. As many of them work hard to expand their healthcare systems, the number of people with access to good medical care continues to grow. Demand is rising in the industrialized countries as well, driven by increasing life expectancies, growing health awareness and continued medical progress. Our company is in an excellent position to benefit from these major trends.
Stability through four strong business segments

Stability for Fresenius also comes from the improved distribution of earnings among our four business segments. For many years, our dialysis business was dominant; Fresenius Medical Care accounted for 60 percent of Group net income just a decade ago. Today, that share is 20 percent. Over the past 10 years, Fresenius Medical Care’s growth has remained strong, and its net income more than doubled during that period. But, at the same time, we were able to grow our other three business segments even stronger, enabling us to benefit more fully from the various growth trends in healthcare worldwide.

I would now like to highlight some of our 2015 accomplishments.

Fresenius Medical Care: Making dialysis accessible to millions of patients

At Fresenius Medical Care we continued to expand our Care Coordination business, which addresses medical needs connected with dialysis. The more we can harmonize these services, the better we can treat our patients. Our core business also continued to grow. We added 60 new facilities to the Fresenius Medical Care network, which now spans more than 3,400 clinics in almost 50 countries. Another priority is developing and bringing affordable, basic therapy to emerging market countries. The company opened a new research and development center in Shanghai last fall for this purpose. Our goal is to make dialysis accessible to millions of new patients.

Fresenius Kabi: Improving production technology for higher quality

I referred earlier to Fresenius Kabi in connection with quality. We are working constantly to further improve our production processes. Last year, we opened one of the world’s most modern filling lines for IV pharmaceuticals in the United States, using production technology developed over years with the help of Fresenius Kabi teams from around the world. We will roll out this technology to other plants, to ensure the highest quality and competitiveness of our IV drug manufacturing.
Fresenius Helios: Developing digital healthcare solutions

Fresenius Helios has successfully integrated the Rhön hospitals, and is now tackling an important trend for the future: the digitalization that is affecting all areas of the economy, including healthcare. We have established the new “helios.hub” platform to support start-ups and entrepreneurs in developing digital healthcare solutions that directly benefit patients, family members and physicians. “helios.hub” is the first platform of its kind in Germany and enables developers to consult directly with doctors and patients to assess and refine their applications. And with more than 110 hospitals across the country, the HELIOS network provides outstanding opportunities to pursue pilot projects.

Fresenius Vamed: Linking the project and service businesses

Fresenius Vamed had a very successful year as well, setting new records for order intake and order backlog. We also continued to more closely link the project and service businesses: After planning and building a healthcare facility, we offer our clients to take over its technical operation. This has made an important contribution to VAMED’s continued growth. Just five years ago the service business accounted for only a third of VAMED’s sales. Today it accounts for half. Multi-year contracts are standard in the service business, which makes it less cyclical than the project business. This is another development that provides stability.

Strong and stable growth without major acquisitions

Last year’s financial results proved that Fresenius can sustain strong and stable growth without making major acquisitions. I am often asked during interviews when we will make our next large acquisition, which is perhaps not surprising given the number of major deals in recent years. While these acquisitions substantially strengthened us in targeted areas, they were not our main growth driver. Over the last decade, large acquisitions accounted for just a third of our sales growth. Organic sales growth was key. Looking ahead, we will continue to seize good acquisition opportunities when we see them. However, organic sales growth will remain our priority.
Fresenius outperforms DAX index

Stable growth is also a fitting description for our recent share price development. While Germany’s benchmark DAX index rose 10 percent last year, our share price grew by 53 percent. Including the dividend, total shareholder return for the year was 54 percent.

In September, we were included in the EURO STOXX 50, which tracks 50 of the largest publicly traded companies in the Eurozone. It is regarded as Europe’s leading stock market index. Fresenius is now part of it.

A steadily growing Fresenius workforce

Our workforce increased by 6,000 employees last year. More than 220,000 women and men now work for Fresenius, in over 100 countries. On behalf of the entire Management Board, I want to express our sincere thanks and appreciation for their enormous efforts and commitment.

This brings me to another important factor in our stability – personal continuity. Today we will hold our Supervisory Board election. Two new candidates are standing for election by our shareholders, and three new directors have been named as employee representatives. The composition of our Supervisory Board will therefore change substantially. Continuity at the head of the Supervisory Board will assure stability. Dr. Gerd Krick has been nominated for another term as Chairman of our Supervisory Board. Dr. Krick has chaired our Supervisory Board since 2003, and for almost 11 years before that he served as Chief Executive Officer of this company. More than anyone else, Dr. Gerd Krick embodies our DNA. My colleagues on the Management Board and I strongly support his re-election.

2016: An outstanding start to the new business year

Ladies and gentlemen, all indications point to our continued, stable growth. The new business year is off to an outstanding start. Sales reached €6.9 billion in the first quarter, rising 7 percent. EBIT was €959 million, an increase of 13 percent. And at €362 million, our net income was 24 percent higher. Based on these financial results, we are confirming our guidance.
2016 financial guidance

For the full year 2016, we expect constant-currency increases of 6 to 8 percent in sales and 8 to 12 percent in net income: another record year for Fresenius.

New mid-term financial goals

Our mid- and long-term prospects are also excellent, and we have set new, challenging mid-term financial goals. For fiscal 2019 we are targeting sales of €36 to €40 billion, and net income between €2 and €2.25 billion. This means a doubling of our net income within a period of just five years, and a fourfold increase in one decade.

Continued strong growth expected

I am confident that we can meet these ambitious targets. We are committed to improving healthcare for a steadily increasing number of patients worldwide. By continuing to follow this goal, I believe we can ensure continued growth for our company and contribute to healthcare systems around the globe.

I thank you for your commitment and loyalty to Fresenius, and look forward to your continued trust and support.

Thank you very much for your attention.