

Investor News

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Fresenius reports 13th consecutive record year and targets continued strong growth

If no timeframe is specified, information refers to fiscal year 2016.

Fiscal year 2016:

- Sales €29.1 billion (+5%, +6% in constant currency)
- EBIT¹ €4,327 million (+9%, +10% in constant currency)
- Net income^{1,2} €1,593 million (+12%, +13% in constant currency)
- Dividend proposal +13% to €0.62 per share

Q4/2016:

- Sales €7.7 billion (+7%, +6% in constant currency)
- EBIT¹ €1,235 million (+11%, +11% in constant currency)
- Net income^{1,2} €439 million (+6%, +7% in constant currency)

Group guidance 2017³:

- Sales growth of 15% to 17% in constant currency
- Net income² growth of 17% to 20% in constant currency

Targets 2020³:

- Group sales⁴: between €43 billion and €47 billion
- Group net income^{2,4}: between €2.4 billion and €2.7 billion

¹ 2015 before special items

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

³ Guidance according to IFRS; for a detailed overview of 2016 IFRS figures please see p. 14

⁴ At comparable exchange rates; includes small and mid-size acquisitions; at current IFRS-rules

Stephan Sturm, CEO of Fresenius, said: "Fresenius had another truly outstanding year in 2016, setting new sales and earnings records. All four business segments again developed very successfully. The company's prospects are excellent, and in the coming years Fresenius is targeting continued, dynamic growth. We never forget that patients are at the center of everything we do. Providing them with high-quality yet affordable healthcare around the world is the key to our business success."

Positive Group guidance for 2017¹

For 2017, Fresenius projects sales growth of 15% to 17% in constant currency. Net income² is expected to grow by 17% to 20% in constant currency.

The net debt/EBITDA³ ratio is expected to be within the bottom half of Fresenius' self-imposed target range of 2.5 to 3.0 at the end of 2017.

New ambitious targets for 2020^{1,4}

For 2020, Group sales are expected to reach €43 billion to €47 billion. Calculated on the basis of reported 2016 IFRS sales (€29,471 million) and the mid-point of the target range (€45 billion), this corresponds to a compounded annual growth rate (CAGR) of 11.2%. Based on the very strong guidance for 2017, this would result in a 2018-2020 CAGR of 8.7%.⁵

Group net income² is expected to increase to €2.4 billion to €2.7 billion. Calculated on the basis of reported 2016 IFRS net income (€1,560 million) and the mid-point of the target range (€2,550 million) this corresponds to a CAGR of 13.1%. Based on the very strong guidance for 2017, this would result in a 2018-2020 CAGR of 10.5%.⁶

24th consecutive dividend increase proposed

Based on the strong financial results, the Management Board will propose to the Supervisory Board a dividend increase of 13% to €0.62 per share (2015: €0.55). The expected total dividend distribution is €343 million.

¹ Guidance according to IFRS; for a detailed overview of 2016 IFRS figures please see p. 14

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

³ Calculated at expected annual average exchange rates, for both net debt and EBITDA; without large unannounced acquisitions

⁴ At comparable exchange rates; including small and mid-size acquisitions; at current IFRS rules

⁵ Based on the mid-point of the 2017 sales guidance, adjusted for current exchange rates (~€35 bn), and the mid-point of the 2020 sales target range (€45 bn)

⁶ Based on the mid-point of the 2017 net income guidance, adjusted for current exchange rates (~€1,890 m), and the mid-point of the 2020 net income target range (€2,550 m)

6% sales growth in constant currency

Group sales increased by 5% (6% in constant currency) to €29,083 million (2015: €27,626 million). Organic sales growth was 6%. Acquisitions contributed 1% and divestitures reduced sales by 1%. Slightly negative currency translation effects (1%) were mainly driven by the devaluation of Latin American currencies and the Chinese yuan against the Euro. In Q4/2016, Group sales increased by 7% (6% in constant currency) to €7,738 million (Q4/2015: €7,257 million). Organic sales growth was 5%. Acquisitions contributed 1%, while divestitures had no major impact on sales.

Group sales by region:

€ in millions	Q1-4/2016	Q1-4/2015	Change at actual rates	Currency translation effects	Change in constant currency	Organic growth	Acquisitions/Divestitures	% of total sales
North America	13,735	12,621	9%	0%	9%	7%	2%	47%
Europe	10,839	10,557	3%	0%	3%	3%	0%	38%
Asia-Pacific	2,928	2,779	5%	-2%	7%	8%	-1%	10%
Latin America	1,223	1,297	-6%	-16%	10%	12%	-2%	4%
Africa	358	372	-4%	-6%	2%	2%	0%	1%
Total	29,083	27,626	5%	-1%	6%	6%	0%	100%

€ in millions	Q4/2016	Q4/2015	Change at actual rates	Currency translation effects	Change in constant currency	Organic growth	Acquisitions/Divestitures	% of total sales
North America	3,643	3,327	9%	1%	8%	7%	1%	47%
Europe	2,813	2,750	2%	-1%	3%	2%	1%	36%
Asia-Pacific	822	747	10%	1%	9%	8%	1%	11%
Latin America	341	317	8%	-6%	14%	14%	0%	4%
Africa	119	116	3%	2%	1%	1%	0%	2%
Total	7,738	7,257	7%	1%	6%	5%	1%	100%

13% net income^{1,2} growth in constant currency

Group EBITDA² increased by 8% (9% in constant currency) to €5,500 million (2015: €5,073 million). Group EBIT² increased by 9% (10% in constant currency) to €4,327 million (2015: €3,958 million). The EBIT margin² increased to 14.9% (2015: 14.3%).

In Q4/2016, Group EBIT² increased by 11% (11% in constant currency) to €1,235 million (Q4/2015: €1,109 million), the EBIT margin² improved to 16.0% (Q4/2015: 15.3%).

Group net interest decreased to -€582 million (2015: -€613 million), mainly due to favourable financing terms and interest savings on lower average debt. In Q4/2016, Group net interest increased to -€149 million (Q4/2015: -€137 million) mainly due to the bridge financing for the Quirónsalud acquisition.

The Group tax rate² decreased to 28.1% (2015: 29.4%). The decrease is mainly due to released tax liabilities at Fresenius Medical Care in Q3/2016. In Q4/2016, the Group tax rate also decreased to 28.1% (Q4/2015: 28.8%).

Noncontrolling interest was €1,101 million (2015: €939 million), of which 96% was attributable to the noncontrolling interest in Fresenius Medical Care.

Group net income^{1,2} increased by 12% (13% in constant currency) to €1,593 million (2015: €1,423 million). Earnings per share^{1,2} increased by 12% (13% in constant currency) to €2.92 (2015: €2.61). In Q4/2016, Group net income^{1,2} increased by 6% (7% in constant currency) to €439 million (Q4/2015: €414 million). Earnings per share^{1,2} increased by 7% (8% in constant currency) to €0.81 (Q4/2015: €0.75).

Continued investment in growth

Spending on property, plant and equipment was €1,621 million (2015: €1,512 million), primarily for the modernization and expansion of dialysis clinics, production facilities and hospitals. This corresponds to 5.6% of sales.

Total acquisition spending increased to €926 million (2015: €517 million), mainly related to acquisitions at Fresenius Medical Care.

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 tables on pages 17-18.

Excellent cash flow development

Operating cash flow increased by 7% to €3,574 million (2015: €3,327 million) with a margin of 12.3% (2015: 12.0%). The excellent cash flow was driven by a strong cash flow generation at Fresenius Medical Care and especially the record cash flow at Fresenius Kabi. Operating cash flow in Q4/2016 increased by 12% to €1,315 million (Q4/2015: €1,176 million) with a margin of 17.0% (Q4/2015: 16.2%).

Free cash flow before acquisitions and dividends increased by 6% to €1,971 million (2015: €1,865 million), with a margin of 6.8% (2015: 6.8%). Free cash flow after acquisitions and dividends was €748 million (2015: €1,194 million).

Solid balance sheet structure

The Group's total assets increased by 8% (6% in constant currency) to €46,447 million (Dec. 31, 2015: €42,959 million), driven by its growing scale of operations. Current assets grew by 13% (11% in constant currency) to €11,799 million (Dec. 31, 2015: €10,479 million). Non-current assets increased by 7% (5% in constant currency) to €34,648 million (Dec. 31, 2015: €32,480 million).

Total shareholders' equity increased by 13% (11% in constant currency) to €20,420 million (Dec. 31, 2015: €18,003 million). The equity ratio increased to 44.0% (Dec. 31, 2015: 41.9%).

Group debt remained nearly unchanged (-2% in constant currency) at €14,780 million (Dec. 31, 2015: €14,769 million). Group net debt decreased by 4% (-5% in constant currency) to €13,201 million (Dec. 31, 2015: €13,725 million). As of December 31, 2016, the net debt/EBITDA ratio was 2.34¹ (December 31, 2015: 2.68²). EBITDA growth and net debt reduction made an about equal contribution to this substantial improvement of the ratio.

¹ At LTM average exchange rates for both net debt and EBITDA; pro forma acquisitions

² 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 tables on pages 17-18.

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 December 31, 2016, Fresenius Medical Care was treating 308,471 patients in 3,624 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	Q4/2016	Q4/2015	Change	FY/2016	FY/2015	Change
Sales	4,687	4,348	8%	17,911	16,738	7%
EBITDA	990	843	17%	3,413	3,044	12%
EBIT	786	662	19%	2,638	2,327	13%
Net income ¹	388	317	23%	1,243	1,029	21%
Employees				116,120	110,242	5%

- **7% sales growth, 16% net income growth^{1,2}**
- **Health Care services with positive growth momentum (sales +8%)**
- **2017 outlook³: 8% to 10% sales growth⁴ in constant currency and 7 to 9% net income growth^{1,5} in constant currency expected**

Sales increased by 7% (8% in constant currency) to US\$17,911 million (2015: US\$16,738 million). Organic sales growth was 7%. Acquisitions and divestitures increased sales by 1%. Currency translation effects reduced sales by 1%. In Q4/2016, sales increased by 8% (9% in constant currency) to US\$4,687 million (Q4/2015: US\$4,348 million).

Health Care services sales (dialysis services and care coordination) increased by 8% (9% in constant currency) to US\$14,519 million (2015: US\$13,392 million). Dialysis product sales increased by 1% (4% in constant currency) to US\$3,392 million (2015: US\$3,346 million).

In North America, sales increased by 9% to US\$12,886 million (2015: US\$11,813 million). Health Care services sales grew by 10% to US\$11,982 million (2015: US\$10,932 million). Dialysis product sales increased by 3% to US\$904 million (2015: US\$881 million).

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

² 2016 before acquisitions (US\$15 million after tax), 2015 before settlement costs for an agreement in principle for GranuFlo® / NaturaLyte® case (-US\$37 million after tax), and acquisitions (US\$9 million after tax)

³ Guidance according to IFRS and in Euro currency; for a detailed overview of 2016 IFRS figures please see p. 15

⁴ Based on 2016 sales of €16,570 million. The effects of the agreement with the U.S. Departments of Veterans Affairs and Justice are excluded.

⁵ Based on 2016 net income of €1,144 million. The effects of the agreement with the U.S. Departments of Veterans Affairs and Justice are excluded.

Sales outside North America increased by 2% (7% in constant currency) to US\$5,011 million (2015: US\$4,897 million). Health Care services sales increased by 3% (9% in constant currency) to US\$2,537 million (2015: US\$2,459 million). Dialysis product sales increased by 2% (5% in constant currency) to US\$2,474 million (2015: US\$2,437 million).

EBIT increased by 13% (14% in constant currency) to US\$2,638 million (2015: US\$2,327 million). The EBIT margin was 14.7% (2015: 13.9%). Adjusted for one-time items¹, EBIT increased by 10%. In Q4/2016, EBIT increased by 19% (19% in constant currency) to US\$786 million (Q4/2015: US\$662 million). The EBIT margin was 16.8% (Q4/2015: 15.2%).

Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA excluding one-time items² increased by 16% to US\$1,228 million (2015: US\$1,057 million). Net income⁵ including one-time items increased by 21% (21% in constant currency). Net income attributable to non-controlling interest increased by 8% to US\$306 million. In Q4/2016, net income⁵ increased by 23% to US\$388 million (2015: US\$317 million).

Operating cash flow increased by 9% to US\$2,140 million (2015: US\$1,960 million), despite a discretionary cash contribution of US\$100 million to Fresenius Medical Care's pension plan assets in the United States in Q3/2016. The cash flow margin was 11.9% (2015: 11.7%). In Q4/2016, operating cash flow reached an excellent US\$844 million (Q4/2015: US\$548 million) with a margin of 18.0% (Q4/2015: 12.6%).

For 2017, Fresenius Medical Care expects sales to grow by 8% to 10%^{3,4} in constant currency. Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA is expected to increase by 7% to 9%^{3,5,6} in constant currency in 2017. The effects of the agreement with the U.S. Departments of Veterans Affairs and Justice are excluded.

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

¹ 2016 before acquisitions (US\$39 million before tax), 2015 before settlement costs for an agreement in principle for GranuFlo® / NaturaLyte® case (-US\$60 million before tax), and acquisitions (US\$16 million before tax)

² 2016 before acquisitions (US\$15 million after tax), 2015 before settlement costs for an agreement in principle for GranuFlo® / NaturaLyte® case (-US\$37 million after tax), and acquisitions (US\$9 million after tax)

³ Guidance according to IFRS and in Euro currency; for a detailed overview of 2016 IFRS figures please see p. 15

⁴ Based on 2016 sales of €16,570 million.

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

⁶ Based on 2016 net income of €1,144 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	Q4/2016	Q4/2015	Change	FY/2016	FY/2015	Change
Sales	1,550	1,519	2%	6,007	5,950	1%
EBITDA ¹	378	386	-2%	1,479	1,446	2%
EBIT ¹	308	317	-3%	1,224	1,189	3%
Net income ²	184	190	-3%	716	669	7%
Employees				34,917	33,195	5%

- **5% organic sales growth, 5% EBIT¹ growth in constant currency**
- **Operating cash flow and cash flow margin at all-time high**
- **2017 outlook³: 5% to 7% organic sales growth and 5% to 7% EBIT growth in constant currency expected**

Sales increased by 1% (4% in constant currency) to €6,007 million (2015: €5,950 million). Organic sales growth was 5%. Divestitures reduced sales by 1%. Negative currency translation effects (-3%) were mainly related to the devaluation of Latin American currencies and the Chinese yuan against the Euro. In Q4/2016, sales increased by 2% (3% in constant currency) to €1,550 million (Q4/2015: €1,519 million). Organic sales growth was 3%.

Sales in Europe grew by 1% (organic growth: 3%) to €2,135 million (2015: €2,123 million). Divestments, including the sale of the German oncology compounding business in February 2015, reduced sales by 1%.

Sales in North America increased by 4% (organic growth: 3%) to €2,170 million (2015: €2,093 million), mainly driven by new product launches. Asia-Pacific sales decreased by 3% (organic growth: 8%) to €1,108 million (2015: €1,141 million) due to currency translation effects. With €594 million (2015: €593 million), sales in Latin America/Africa was on prior year level (organic growth: 14%).

¹ 2015 before special items

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

³ Guidance according to IFRS; for a detailed overview of 2016 IFRS figures please see p. 15

For a detailed overview of special items please see the reconciliation tables on pages 17-18.

EBIT¹ increased by 3% (5% in constant currency) to €1,224 million (2015: €1,189 million). The EBIT margin¹ improved to 20.4% (2015: 20.0%). In Q4/2016, EBIT¹ decreased by 3% (-1% in constant currency) to €308 million (Q4/2015: €317 million). The EBIT margin¹ was 19.9% (Q4/2015: 20.9%).

Net income² increased by 7% (9% in constant currency) to €716 million (2015: €669 million). In Q4/2016, net income² decreased by 3% (-2% in constant currency) to €184 million (Q4/2015: €190 million).

Operating cash flow reached an all-time high of €991 million (2015: €913 million). The cash flow margin increased to 16.5% (2015: 15.3%). In Q4/2016, operating cash flow increased by 6% to €345 million (Q4/2015: €324 million) driven by excellent operating results, lower sequential inventory and a reduction of the Days Sales Outstanding (DSO). The margin reached an outstanding 22.3% (Q4/2015: 21.3%).

For 2017, Fresenius Kabi expects organic sales growth of 5% to 7%³ and EBIT growth in constant currency of 5% to 7%³.

¹ 2015 before special items

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

³ Guidance according to IFRS; for a detailed overview of 2016 IFRS figures please see p. 15

For a detailed overview of special items please see the reconciliation tables on pages 17-18.

Fresenius Helios

Fresenius Helios is Europe's largest private hospital operator. In Germany, HELIOS operates 112 hospitals, thereof 88 acute care clinics (including seven maximum care hospitals in Berlin-Buch, Duisburg, Erfurt, Krefeld, Schwerin, Wiesbaden and Wuppertal) and 24 post-acute care clinics. Through Quirónsalud, Fresenius Helios operates 43 hospitals, 39 outpatient centers and around 300 Occupational Risk Prevention (ORP) centers in Spain.

€ in millions	Q4/2016	Q4/2015	Change	FY/2016	FY/2015	Change
Sales	1,461	1,411	4%	5,843	5,578	5%
EBITDA ¹	227	219	4%	877	831	6%
EBIT ¹	175	168	4%	682	640	7%
Net income ²	141	131	8%	543	483	12%
Employees				72,687	69,728	4%

- **4% organic sales growth, €682 million EBIT¹**
- **Acquisition of Quirónsalud closed as of January 31, 2017**
- **2017 outlook³: 3% to 5%⁴ organic sales growth, sales of ~€8.6 bn (thereof Quirónsalud €2.5 bn⁵) and EBIT of €1,020 to €1,070 million (thereof Quirónsalud €300 to €320 million^{5,6}) expected**

Sales increased by 5% to €5,843 million (2015: €5,578 million). Organic sales growth was 4%. Acquisitions contributed 1%. In Q4/2016, sales increased by 4% to €1,461 million (Q4/2015: €1,411 million), organic sales growth was 2%.

EBIT¹ grew by 7% to €682 million (2015: €640 million). The EBIT margin¹ increased to 11.7% (2015: 11.5%). In Q4/2016, EBIT¹ increased by 4% to €175 million (Q4/2015: €168 million) with a margin¹ of 12.0% (Q4/2015: 11.9%).

Net income² increased by 12% to €543 million (2015: €483 million). In Q4/2016, net income² increased by 8% to €141 million (Q4/2015: €131 million).

Operating cash flow increased by 1% to €622 million (2015: €618 million) with a margin of 10.6% (2015: 11.1%). In Q4/2016, operating cash flow reached a strong €185 million, but could not match the exceptional prior-year quarter (Q4/2015: €232 million). The same applies to the cash flow margin of 12.7% (Q4/2015: 16.4%).

¹ 2015 before special items

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

³ Guidance according to IFRS; for a detailed overview of 2016 IFRS figures please see p. 15

⁴ Helios Kliniken Germany, excluding Quirónsalud

⁵ Quirónsalud consolidated for 11 months

⁶ EBITDA of €480 to €500 million, Amortization of €80 million and depreciation of €100 million

For a detailed overview of special items please see the reconciliation tables on pages 17-18.

For 2017, Fresenius Helios expects organic sales growth of 3% to 5%^{1,2} and sales of ~€8.6 bn² (thereof Quirónsalud ~€2.5 bn³). EBIT is expected to increase to €1,020 to €1,070 million² (thereof Quirónsalud €300 to €320 million^{3,4}).

¹ Helios Kliniken Germany, excluding Quirónsalud

² Guidance according to IFRS; for a detailed overview of 2016 IFRS figures please see p. 15

³ Quirónsalud consolidated for 11 months

⁴ EBITDA of €480 to €500 million, Amortization of €80 million and depreciation of €100 million

For a detailed overview of special items please see the reconciliation tables on pages 17-18.

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	Q4/2016	Q4/2015	Change	FY/2016	FY/2015	Change
Sales	420	387	9 %	1,160	1,118	4%
EBITDA	41	37	11 %	80	75	7%
EBIT	38	34	12 %	69	64	8%
Net income ²	24	24	0 %	45	44	2%
Employees				8,198	8,262	-1%

- **5% organic sales growth, 8% EBIT growth**
- **Order intake of €1,017 million at all-time high**
- **2017 outlook¹: 5% to 10% organic sales growth and 5% to 10% EBIT growth expected**

Sales increased by 4% (4% in constant currency) to €1,160 million (2015: €1,118 million). Organic sales growth was 5%. Sales in the project business increased by 3% to €594 million (2015: €575 million). Sales in the service business grew by 4% to €566 million (2015: €543 million). In Q4/2016, sales increased to €420 million (Q4/2015: €387 million). Organic sales growth was 10%.

EBIT grew by 8% to €69 million (2015: €64 million). The EBIT margin increased to 5.9% (2015: 5.7%). In Q4/2016, EBIT increased by 12% to €38 million (Q4/2015: €34 million). The EBIT margin increased to 9.0%.

Net income² grew by 2% to €45 million (2015: €44 million). In Q4/2016, net income² remained unchanged at €24 million (Q4/2015: €24 million).

Order intake increased to €1,017 million (2015: €904 million), reaching an all-time high. As of December 31, 2016, order backlog was €1,961 million (Dec. 31, 2015: €1,650 million).

For 2017, Fresenius Vamed expects organic sales growth in the range of 5% to 10%¹ and EBIT growth of 5% to 10%¹.

¹ Guidance according to IFRS; for a detailed overview of 2016 IFRS figures please see p. 15

² Net income attributable to shareholders of VAMED AG

Conference Call

As part of the publication of the results for fiscal year 2016, a conference call will be held on February 22, 2017 at 2 p.m. CET (8 a.m. EST). 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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For additional information on the performance indicators used please refer to our website <https://www.fresenius.com/alternative-performance-measures>.

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Fresenius is a global health care group, providing products and services for dialysis, hospital and outpatient medical care. In 2016, Group sales were €29.1 billion. On December 31, 2016, the Fresenius Group had 232,873 employees worldwide.

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
Registered Office: Bad Homburg, Germany
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Chairman of the Supervisory Board: Dr. Gerd Krick

General Partner: Fresenius Management SE
Registered Office: Bad Homburg, Germany
Commercial Register: Amtsgericht Bad Homburg, HRB 11673
Management Board: Stephan Sturm (Chairman), Dr. Francesco De Meo, Dr. Jürgen Götz,
Mats Henriksson, Rice Powell, Dr. Ernst Wastler
Chairman of the Supervisory Board: Dr. Gerd Krick

Fresenius Group Figures and Targets

Group financial targets 2017 (IFRS)

	Targets 2017 ¹	Fiscal year 2016 ¹
Sales growth (in constant currency)	15 – 17%	€29,471 m
Net income ² growth (in constant currency)	17 – 20%	€1,560 m

¹ All data according to IFRS

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

Financial targets by business segment 2017 (IFRS)

	Targets 2017 ¹	Fiscal year 2016 ¹
Fresenius Medical Care		
Sales growth ² (in constant currency)	8 – 10%	€16,570 m
Net income ^{2,3} growth (in constant currency)	7 – 9%	€1,144 m
Fresenius Kabi		
Sales growth (organic)	5 – 7%	€6,007 m
EBIT, growth (in constant currency)	5 – 7%	€1,171 m
Fresenius Helios		
Sales growth (organic)	3 – 5% ⁴	€5,843 m ⁴
Sales	~€8.6 bn ^{5,6}	€5.8 bn ⁴
EBIT	€1,020 – 1,070 m ^{5,7}	€683 m ⁴
Fresenius Vamed		
Sales growth (organic)	5 – 10%	€1,160 m
EBIT growth	5 – 10%	€69 m

¹ All data according to IFRS

² The effects of the agreement with the U.S. Departments of Veterans Affairs and Justice are excluded.

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

⁴ Helios Kliniken Germany excluding Quirónsalud

⁵ Quirónsalud 11 months consolidated

⁶ Thereof Quirónsalud: ~ €2.5 billion

⁷ Thereof Quirónsalud: €300 - 320 million

Statement of Comprehensive Income (U.S. GAAP)

€ in millions	Q4/2016	Q4/2015	Change	Q1-4/2016	Q1-4/2015	Change
Sales	7,738	7,257	7%	29,083	27,626	5%
Costs of sales	-5,261	-4,964	-6%	-19,955	-19,092	-5%
Gross profit	2,477	2,293	8%	9,128	8,534	7%
Selling, general and administrative expenses	-1,099	-1,112	1%	-4,301	-4,195	-3%
Research and development expenses	-143	-127	-13%	-500	-464	-8%
Operating income (EBIT)	1,235	1,054	17%	4,327	3,875	12%
Interest result	-149	-137	-9%	-582	-613	5%
Financial result	-149	-137	-9%	-582	-613	5%
Income before income taxes	1,086	917	18%	3,745	3,262	15%
Income taxes	-305	-280	-9%	-1,051	-965	-9%
Net income	781	637	23%	2,694	2,297	17%
Less noncontrolling interest	-342	-278	-23%	-1,101	-939	-17%
Net income	439	414	6%	1,593	1,423	12%
Net income	439	359	22%	1,593	1,358	17%
Earnings per ordinary share (€)	0.81	0.75	7%	2.92	2.61	12%
Fully diluted earnings per ordinary share (€)	0.80	0.75	7%	2.90	2.59	12%
Earnings per ordinary share (€)	0.81	0.66	22%	2.92	2.50	17%
Fully diluted earnings per ordinary share (€)	0.80	0.66	21%	2.90	2.48	17%
Average number of shares	547,042,878	545,476,750		546,395,188	543,893,874	
EBITDA	1,551	1,399	11%	5,500	5,073	8%
Depreciation and amortization	-316	-290	-9%	-1,173	-1,115	-5%
EBIT	1,235	1,109	11%	4,327	3,958	9%
EBITDA margin	20.0%	19.3%		18.9%	18.4%	
EBIT margin	16.0%	15.3%		14.9%	14.3%	

¹ Net income attributable to Fresenius SE & Co. KGaA

² 2015 before special items

For a detailed overview of special items please see the reconciliation tables on pages 17-18.

Reconciliation according to U.S. GAAP

The Group's U.S. GAAP financial results as of December 31, 2016 do not include special items, whereas the U.S. GAAP financial results as of December 31, 2015 include special items. In order to show the operating performance of the Group in the reporting period, the relevant positions of the profit and loss statement were 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.

Fiscal year 2015

€ in millions	Q1-4/2015 before special items	efficiency program KABI	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	Q1-4/2015 according to U.S. GAAP (incl. special items)
Sales	27,626	0	0	0	27,626
EBIT	3,958	-105	-12	34	3,875
Interest result	-613	0	0	0	-613
Net income before taxes	3,345	-105	-12	34	3,262
Income taxes	-983	16	2	0	-965
Net income	2,362	-89	-10	34	2,297
Less noncontrolling interest	-939	0	0	0	-939
Net income attributable to shareholders of Fresenius SE & Co. KGaA	1,423	-89	-10	34	1,358

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

Q4 2015

€ in millions	Q4/2015 before special items	efficiency program KABI	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	Q4/2015 according to U.S. GAAP (incl. special items)
Sales	7,257	0	0	0	7,257
EBIT	1,109	-55	0	0	1,054
Interest result	-137	0	0	0	-137
Net income before taxes	972	-55	0	0	917
Income taxes	-280	0	0	0	-280
Net income	692	-55	0	0	637
Less noncontrolling interest	-278	0	0	0	-278
Net income attributable to shareholders of Fresenius SE & Co. KGaA	414	-55	0	0	359

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

Statement of Financial Position (U.S. GAAP)

€ in millions	December 31, 2016	December 31, 2015	Change
Assets			
Current assets	11,799	10,479	13%
thereof trade accounts receivable	5,052	4,596	10%
thereof inventories	3,189	2,860	12%
thereof cash and cash equivalents	1,579	1,044	51%
Non-current assets	34,648	32,480	7%
thereof property, plant and equipment	8,138	7,428	10%
thereof goodwill and other intangible assets	24,345	23,033	6%
Total assets	46,447	42,959	8%
Liabilities and shareholders' equity			
Liabilities	24,843	24,009	3%
thereof trade accounts payable	1,315	1,291	2%
thereof accruals and other short-term liabilities	7,100	6,466	10%
thereof debt	14,780	14,769	0%
Noncontrolling interest subject to put provisions	1,184	947	25%
Noncontrolling interest	7,917	7,068	12%
Total Fresenius SE & Co. KGaA shareholders' equity	12,503	10,935	14%
Total shareholders' equity	20,420	18,003	13%
Total liabilities and shareholders' equity	46,447	42,959	8%

Statement of Cash Flows (U.S. GAAP)

€ in millions	Q4/2016	Q4/2015	Change	Q1-4/2016	Q1-4/2015	Change
Net income	781	637	23%	2,694	2,297	17%
Depreciation and amortization	316	290	9%	1,173	1,115	5%
Change in accruals for pensions	33	11	200%	-1	57	-102%
Cash flow	1,130	938	20%	3,866	3,469	11%
Change in working capital	185	238	-22%	-292	-142	-106%
Operating cash flow	1,315	1,176	12%	3,574	3,327	7%
Capital expenditure, net	-551	-530	-4%	-1,603	-1,462	-10%
Cash flow before acquisitions and dividends	764	646	18%	1,971	1,865	6%
Cash used for acquisitions, net	-181	31	--	-485	-32	--
Dividends paid	-88	-57	-54%	-738	-639	-15%
Free cash flow after acquisitions and dividends	495	620	-20%	748	1,194	-37%
Cash provided by/used for financing activities	-120	-552	78%	-238	-1,343	82%
Effect of exchange rates on change in cash and cash equivalents	19	1	--	25	18	39%
Net change in cash and cash equivalents	394	69	--	535	-131	--

Segment reporting by business segment fiscal year 2016 (U.S. GAAP)

€ in millions	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other			Fresenius Group		
	Q1-4/2016	Q1-4/2015	Change	Q1-4/2016	Q1-4/2015 ¹⁾	Change	Q1-4/2016	Q1-4/2015 ²⁾	Change	Q1-4/2016	Q1-4/2015	Change	Q1-4/2016	Q1-4/2015 ³⁾	Change	Q1-4/2016	Q1-4/2015	Change
Sales	16,181	15,086	7%	6,007	5,950	1%	5,843	5,578	5%	1,160	1,118	4%	-108	-106	-2%	29,083	27,626	5%
thereof contribution to consolidated sales	16,158	15,062	7%	5,956	5,903	1%	5,843	5,578	5%	1,122	1,077	4%	4	6	-33%	29,083	27,626	5%
thereof intercompany sales	23	24	-4%	51	47	9%	0	0		38	41	-7%	-112	-112	0%	0	0	
contribution to consolidated sales	56%	55%		20%	21%		20%	20%		4%	4%		0%	0%		100%	100%	
EBITDA	3,084	2,744	12%	1,479	1,446	2%	877	831	6%	80	75	7%	-20	-106	81%	5,500	4,990	10%
Depreciation and amortization	701	647	8%	255	257	-1%	195	191	2%	11	11	0%	11	9	22%	1,173	1,115	5%
EBIT	2,383	2,097	14%	1,224	1,189	3%	682	640	7%	69	64	8%	-31	-115	73%	4,327	3,875	12%
Net interest	-366	-353	-4%	-149	-184	19%	-37	-48	23%	-2	-3	33%	-28	-25	-12%	-582	-613	5%
Income taxes	-618	-560	-10%	-323	-306	-6%	-100	-108	7%	-21	-16	-31%	11	25	-56%	-1,051	-965	-9%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	1,123	928	21%	716	669	7%	543	483	12%	45	44	2%	-834	-766	-9%	1,593	1,358	17%
Operating cash flow	1,933	1,767	9%	991	913	9%	622	618	1%	27	53	-49%	1	-24	104%	3,574	3,327	7%
Cash flow before acquisitions and dividends	1,019	923	10%	668	589	13%	273	347	-21%	16	42	-62%	-5	-36	86%	1,971	1,865	6%
Total assets	25,552	23,298	10%	11,125	10,395	7%	8,701	8,430	3%	1,108	988	12%	-39	-152	74%	46,447	42,959	8%
Debt	8,132	7,942	2%	5,155	5,234	-2%	1,406	1,282	10%	176	161	9%	-89	150	-159%	14,780	14,769	0%
Capital expenditure	931	859	8%	322	352	-9%	352	277	27%	11	11	0%	5	13	-62%	1,621	1,512	7%
Acquisitions / Financial Investments	774	385	101%	114	37	--	38	99	-62%	-	4	-100%	0	-8	100%	926	517	79%
Research and development expenses	147	126	17%	353	336	5%	-	-	--	0	0		0	2	-100%	500	464	8%
Employees (per capita on balance sheet date)	116,120	110,242	5%	34,917	33,195	5%	72,687	69,728	4%	8,198	8,262	-1%	951	878	8%	232,873	222,305	5%
Key figures																		
EBITDA margin	19.1%	18.2%		24.6%	24.3%		15.0%	14.9%		6.9%	6.7%					18.9%	18.4% ^{1) 2)}	
EBIT margin	14.7%	13.9%		20.4%	20.0%		11.7%	11.5%		5.9%	5.7%					14.9%	14.3% ^{1) 2)}	
Depreciation and amortization in % of sales	4.3%	4.3%		4.2%	4.3%		3.3%	3.4%		0.9%	1.0%					4.0%	4.0%	
Operating cash flow in % of sales	11.9%	11.7%		16.5%	15.3%		10.6%	11.1%		2.3%	4.7%					12.3%	12.0%	
ROOA	10.4%	9.6%		12.7%	13.2%		8.4%	8.1%		10.5%	11.1%					10.1%	10.1% ⁴⁾	

1) Before costs for the efficiency program

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

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

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

Segment reporting by business segment Q4 2016 (U.S. GAAP)

€ in millions	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other			Fresenius Group		
	Q4/2016	Q4/2015	Change	Q4/2016	Q4/2015 ¹⁾	Change	Q4/2016	Q4/2015	Change	Q4/2016	Q4/2015	Change	Q4/2016	Q4/2015 ²⁾	Change	Q4/2016	Q4/2015	Change
Sales	4,334	3,968	9%	1,550	1,519	2%	1,461	1,411	4%	420	387	9%	-27	-28	4%	7,738	7,257	7%
thereof contribution to consolidated sales	4,328	3,962	9%	1,537	1,506	2%	1,461	1,411	4%	411	376	9%	1	2	-50%	7,738	7,257	7%
thereof intercompany sales	6	6	0%	13	13	0%	0	0		9	11	-18%	-28	-30	7%	0	0	
contribution to consolidated sales	56%	55%		20%	21%		19%	19%		5%	5%		0%	0%		100%	100%	
EBITDA	912	768	19%	378	386	-2%	227	219	4%	41	37	11%	-7	-66	89%	1,551	1,344	15%
Depreciation and amortization	188	165	14%	70	69	1%	52	51	2%	3	3	0%	3	2	50%	316	290	9%
EBIT	724	603	20%	308	317	-3%	175	168	4%	38	34	12%	-10	-68	85%	1,235	1,054	17%
Net interest	-90	-81	-11%	-35	-40	13%	-9	-12	25%	-1	-1	0%	-14	-3	--	-149	-137	-9%
Income taxes	-196	-163	-20%	-80	-78	-3%	-24	-30	20%	-13	-9	-44%	8	0		-305	-280	-9%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	357	289	24%	184	190	-3%	141	131	8%	24	24	0%	-267	-275	3%	439	359	22%
Operating cash flow	772	500	54%	345	324	6%	185	232	-20%	5	97	-95%	8	23	-65%	1,315	1,176	12%
Cash flow before acquisitions and dividends	515	227	127%	230	208	11%	12	99	-88%	0	94	-100%	7	18	-61%	764	646	18%
Capital expenditure	261	278	-6%	137	140	-2%	173	135	28%	5	2	150%	1	7	-86%	577	562	3%
Acquisitions / Financial Investments	329	175	88%	0	0		5	70	-93%	-	-	--	0	0		334	245	36%
Research and development expenses	39	36	8%	104	93	12%	-	-	--	0	0		0	-2	100%	143	127	13%
Key figures																		
EBITDA margin	21.1%	19.4%		24.4%	25.4%		15.5%	15.5%		9.8%	9.6%					20.0%	19.3% ¹⁾	
EBIT margin	16.8%	15.2%		19.9%	20.9%		12.0%	11.9%		9.0%	8.8%					16.0%	15.3% ¹⁾	
Depreciation and amortization in % of sales	4.3%	4.2%		4.5%	4.5%		3.6%	3.6%		0.7%	0.8%					4.1%	4.0%	
Operating cash flow in % of sales	18.0%	12.6%		22.3%	21.3%		12.7%	16.4%		1.2%	25.1%					17.0%	16.2%	

1) Before costs for the efficiency program

2) After costs for the efficiency program

Sales by business segment

€ in millions	2016	2015	Change at actual rates	Currency translation effects	Change in constant currency	Organic growth	Acquisitions/divestitures	% of total sales ¹
Fresenius Medical Care	16,181	15,086	7%	-1%	8%	7%	1%	56%
Fresenius Kabi	6,007	5,950	1%	-3%	4%	5%	-1%	20%
Fresenius Helios	5,843	5,578	5%	0%	5%	4%	1%	20%
Fresenius Vamed	1,160	1,118	4%	0%	4%	5%	-1%	4%

€ in millions	Q4/2016	Q4/2015	Change at actual rates	Currency translation effects	Change in constant currency	Organic growth	Acquisitions/divestitures	% of total sales ¹
Fresenius Medical Care	4,334	3,968	9%	0%	9%	7%	2%	56%
Fresenius Kabi	1,550	1,519	2%	-1%	3%	3%	0%	20%
Fresenius Helios	1,461	1,411	4%	0%	4%	2%	2%	19%
Fresenius Vamed	420	387	9%	0%	9%	10%	-1%	5%

Increased number of employees

As of December 31, 2016, the number of employees increased by 5% to 232,873 (Dec. 31, 2015: 222,305).

¹ Calculated on the basis of contribution to consolidated sales