

Investor News

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Fresenius Kabi completes acquisition of Merck KGaA's biosimilars business

Fresenius Kabi has successfully closed the acquisition of Merck KGaA's biosimilars business. The transaction comprises the entire development pipeline of Merck's biosimilars and an experienced team of employees located in Aubonne and Vevey, Switzerland. The product pipeline has a focus on oncology and autoimmune diseases, and addresses a market with current annual branded sales of around US\$30bn. The biosimilars business will be consolidated as of September 1, 2017.

The purchase price of €656 million will be mainly cash flow financed. Thereof, €156 million have been paid upon closing. Up to €500 million are milestone payments strictly tied to achievements of development targets in the coming years. The slight reduction in purchase price is related to phasing of R&D expenditures between signing and closing of the acquisition. These are now expected to amount to around €60 million from closing until year-end 2017. All clinical studies for the product pipeline are on track.

The transaction is estimated to be EBITDA break-even in 2022. From 2023 onwards, the acquisition is expected to be significantly accretive to Group net income¹ and Group EPS¹.

The relevant antitrust authorities have approved the transaction without imposing conditions.

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

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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 €29.5 billion. On June 30, 2017, the Fresenius Group had 268,508 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.

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