

Investor News

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Fresenius reports 14th consecutive record year, aims at strong growth in 2018 and confirms mid-term growth targets

If no timeframe is specified, information refers to fiscal year 2017.

Fiscal year 2017:

- Sales €33.9 billion (+15%, +16% in constant currency)
- EBIT¹ (adjusted) €4,890 million (+14%, +15% in constant currency)
- Net income^{2,3} (adjusted) €1,859 million (+19%, +21% in constant currency)
- Net income³ (before special items) €1,816 million (+16%, +18% in constant currency)
- Net income³ €1,814 million (+16%, +18% in constant currency)
- Dividend proposal €0.75 per share (+21%)

Q4/2017:

- Sales €8.7 billion (+11%, +17% in constant currency)
- EBIT¹ (adjusted) €1,354 million (+9%, +14% in constant currency)
- Net income^{2,3} (adjusted) €520 million (+18%, +22% in constant currency)
- Net income³ (before special items) €487 million (+10%, +15% in constant currency)
- Net income³ €511 million (+16%, +21% in constant currency)

¹ Before acquisition-related expenses, expenditures for further development of biosimilars business and FCPA provision

² Consistent with scope of original guidance: before acquisition-related expenses, expenditures for further development of biosimilars business, book gain from U.S. tax reform and FCPA provision

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

Investigation into alleged breaches of FDA data integrity requirements at Akorn, Inc.

Fresenius is conducting an independent investigation, using external experts, into alleged breaches of FDA data integrity requirements relating to product development at Akorn, Inc. The Management and Supervisory Boards of Fresenius will assess the findings of that investigation. The consummation of the transaction may be affected if the closing conditions under the merger agreement are not met. Fresenius does not intend to provide further updates as the investigation proceeds. Fresenius continues to seek FTC clearance.

Strong Group guidance¹ for 2018

For 2018, Fresenius projects sales growth² of 5% to 8% in constant currency. Net income^{3,4} is expected to grow by 6% to 9% in constant currency. Excluding expenditures for the further development of the biosimilars business, net income^{3,5} is expected to grow by ~10% to 13% in constant currency.

Fresenius expects to further reduce its net debt/EBITDA⁶ ratio by year-end 2018.

Mid-term growth targets 2020 confirmed⁷

Based on the strong financial results 2017, Fresenius confirms the 2020 mid-term growth targets. Group sales are expected to grow with a compounded annual growth rate (CAGR) in the range of 7.1% to 10.3% (Mid-point: 8.7%). Group net income³ is projected to increase with a CAGR in the range of 8.3% to 12.6% (Mid-point: 10.5%).

25th consecutive dividend increase proposed

Based on the strong financial results, the Management Board will propose to the Supervisory Board a dividend increase of 21% to €0.75 per share (2016: €0.62). The expected dividend distribution to the shareholders of Fresenius SE & Co. KGaA is €416 million.

¹ Excluding pending acquisitions of Akorn and NxStage

² 2017 adjusted for IFRS 15 (€486 million at Fresenius Medical Care)

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

⁴ Base 2017: €1,816 million; 2018 before special items (before acquisition-related expenses); including expenditures for further development of biosimilars business (€43 million after tax in FY/17 and ~€120 million after tax in FY/18)

⁵ Base 2017: €1,859 million; 2018 before special items (before acquisition-related expenses)

⁶ Calculated at expected annual average exchange rates, for both net debt and EBITDA; excluding pending acquisitions of Akorn and NxStage; excluding further potential acquisitions; at current IFRS rules

⁷ At February 2017 exchange rates and IFRS rules; including small and mid-size acquisitions

16% sales growth in constant currency

Group sales increased by 15% (16% in constant currency) to €33,886 million (2016: €29,471 million). Organic sales growth was 6%. Acquisitions contributed 10%. Negative currency translation effects (1%) were mainly driven by the devaluation of the US dollar and the Chinese yuan against the euro. In Q4/2017, Group sales increased by 11% (17% in constant currency) to €8,695 million (Q4/2016: €7,820 million). Organic sales growth was 6%. Acquisitions contributed 11%.

Group sales by region:

€ in millions	Q1-4/2017	Q1-4/2016	Change at actual rates	Currency translation effects	Change in constant currency	Organic growth	Acquisitions/Divestitures	% of total sales ¹
North America	15,093²	14,122	7% ²	-2% ²	9% ²	7%	2% ²	45% ²
Europe	13,767	10,839	27%	0%	27%	3%	24%	41%
Asia-Pacific	3,182	2,922	9%	-2%	11%	8%	3%	9%
Latin America	1,431	1,223	17%	-2%	19%	12%	7%	4%
Africa	413	365	13%	3%	10%	10%	0%	1%
Total	33,886	29,471	15%	-1%	16%	6%	10%	100%

€ in millions	Q4/2017	Q4/2016	Change at actual rates	Currency translation effects	Change in constant currency	Organic growth	Acquisitions/Divestitures	% of total sales ¹
North America	3,699	3,724	-1%	-9%	8%	6%	2%	43%
Europe	3,619	2,813	29%	0%	29%	3%	26%	42%
Asia-Pacific	876	816	7%	-6%	13%	10%	3%	10%
Latin America	374	341	10%	-9%	19%	15%	4%	4%
Africa	127	126	1%	-2%	3%	3%	0%	1%
Total	8,695	7,820	11%	-6%	17%	6%	11%	100%

¹ Calculated on the basis of contribution to consolidated sales

² Including effects of agreement with the U.S. Departments of Veterans Affairs and Justice (VA agreement)

21% adjusted net income^{1,2} growth in constant currency

Group EBITDA³ increased by 14% (15% in constant currency) to €6,267 million (2016: €5,517 million). Adjusted Group EBIT⁴ increased by 14% (15% in constant currency) to €4,890 million (2016: €4,302 million). The adjusted EBIT margin⁴ was 14.4% (2016: 14.6%). In Q4/2017, adjusted Group EBIT⁴ increased by 9% (14% in constant currency) to €1,354 million (Q4/2016: €1,244 million), the adjusted EBIT margin⁴ was 15.6% (Q4/2016: 15.9%). Group EBIT³ before special items increased by 12% (14% in constant currency) to €4,830 million (2016: €4,302 million). The EBIT margin³ was 14.3% (2016: 14.6%). In Q4/2017, Group EBIT³ increased by 5% (11% in constant currency) to €1,308 million (Q4/2016: €1,244 million), the EBIT margin³ was 15.0% (Q4/2016: 15.9%).

Group net interest³ reached -€636 million (2016: -€582 million). The increase is mainly driven by the financing of the Quirónsalud acquisition, partly offset by positive effects from refinancing activities.

The Group tax rate before special items was 28.2% (2016: 28.1%). The U.S. tax reform, which went into effect on January 1, 2018, triggered a revaluation of deferred tax liabilities. This resulted in a one-time book gain of €103 million in 2017. Accordingly, the group tax rate after special items decreased to 23.0%.

Noncontrolling interest³ was €1,194 million (2016: €1,116 million), of which 95% was attributable to the noncontrolling interest in Fresenius Medical Care.

Adjusted Group net income^{1,2} increased by 19% (21% in constant currency) to €1,859 million (2016: €1,560 million). Adjusted earnings per share^{1,2} increased by 18% (19% in constant currency) to €3.35 (2016: €2.85). In Q4/2017, adjusted Group net income^{1,2} increased by 18% (22% in constant currency) to €520 million (Q4/2016: €442 million). Adjusted earnings per share^{1,2} increased by 16% (20% in constant currency) to €0.93 (Q4/2016: €0.81).

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

² Consistent with scope of original guidance: before acquisition-related expenses, expenditures for further development of biosimilars business, book gain from U.S. tax reform and FCPA provision

³ Before special items

⁴ Consistent with scope of original guidance: before acquisition-related expenses, expenditures for further development of biosimilars business and FCPA provision

For a detailed overview of special items and adjustments please see the reconciliation tables on pages 18-19.

Group net income before special items¹ increased by 16% (18% in constant currency) to €1,816 million (2016: €1,560 million). Earnings per share^{1,2} increased by 15% (16% in constant currency) to €3.28 (2016: €2.85). In Q4/2017, Group net income^{1,2} increased by 10% (15% in constant currency) to €487 million (Q4/2016: €442 million). Earnings per share^{1,2} increased by 9% (13% in constant currency) to €0.88 (Q4/2016: €0.81).

Group net income¹ increased by 16% (18% in constant currency) to €1,814 million (2016: €1,560 million). Earnings per share¹ increased by 15% (16% in constant currency) to €3.27 (2016: €2.85). In Q4/2017, Group net income¹ increased by 16% (21% in constant currency) to €511 million (Q4/2016: €442 million). Earnings per share¹ increased by 14% (19% in constant currency) to €0.92 (Q4/2016: €0.81).

Continued investment in growth

Spending on property, plant and equipment was €1,828 million (2016: €1,633 million), primarily for the modernization and expansion of dialysis clinics, production facilities as well as hospitals and day clinics. This corresponds to 5.4% of sales.

Total acquisition spending of €6,852 million (2016: €926 million) was mainly related to the acquisitions of Quirónsalud and Merck KGaA's biosimilars business.

Excellent cash flow development

Operating cash flow increased by 10% to €3,937 million (2016: €3,585 million) with a margin of 11.6% (2016: 12.2%). The excellent cash flow was driven by Fresenius Medical Care and a record cash flow at Fresenius Kabi.

Free cash flow before acquisitions and dividends increased by 13% to €2,232 million (2016: €1,969 million), with a margin of 6.6% (2016: 6.7%). Free cash flow after acquisitions and dividends was €-4,557 million (2016: €746 million) reflecting the acquisitions of Quirónsalud and Merck KGaA's biosimilars business.

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

² Before special items

For a detailed overview of special items and adjustments please see the reconciliation tables on pages 18-19.

Solid balance sheet structure

The Group's total assets increased by 14% (21% in constant currency) to €53,133 million (Dec. 31, 2016: €46,697 million), driven primarily by the acquisition of Quirónsalud. Current assets grew by 7% (15% in constant currency) to €12,604 million (Dec. 31, 2016: €11,744 million). Non-current assets increased by 16% (23% in constant currency) to €40,529 million (Dec. 31, 2016: €34,953 million).

Total shareholders' equity increased by 4% (14% in constant currency) to €21,720 million (Dec. 31, 2016: €20,849 million). The equity ratio decreased to 40.9% (Dec. 31, 2016: 44.6%).

Group debt increased by 29% (35% in constant currency) to €19,042 million (Dec. 31, 2016: €14,780 million), mainly driven by the acquisition financing of Quirónsalud. Group net debt increased by 32% (37% in constant currency) to €17,406 million (Dec. 31, 2016: €13,201 million).

As of December 31, 2017, the net debt/EBITDA ratio was 2.84^{1,2} (September 30, 2017: 2.97^{1,2}; December 31, 2016: 2.33¹; pro forma Quirónsalud 3.09¹).

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

² Before special items

For a detailed overview of special items and adjustments please see the reconciliation tables on pages 18-19.

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, 2017, Fresenius Medical Care was treating 320,960 patients in 3,752 dialysis clinics. Along with its core business, the company focuses on expanding the range of medical services in the field of Care Coordination.

€ in millions	Q4/2017	Q4/2016	Change	FY/2017	FY/2016	Change
Sales ¹	4,429	4,417	0%	17,784	16,570	7%
Adjusted EBIT ²	726	730	0%	2,493	2,409	4%
Adjusted net income ^{3,4}	362	363	0%	1,204	1,144	5%
Employees				121,245	116,120	4%

- **9% sales growth in constant currency, 7% adjusted net income growth in constant currency^{3,4}**
- **13% operating cash flow growth**
- **2018 outlook: ~8% sales growth⁵ in constant currency and 13 to 15% net income growth^{3,6} in constant currency expected**

Sales¹ increased by 7% (9% in constant currency) to €17,784 million (2016: €16,570 million). Organic sales growth was 7%. Acquisitions and divestitures increased sales by net 2%. Currency translation effects reduced sales by 2%. In Q4/2017, sales of €4,429 million (Q4/2016: €4,417 million) were on the prior-year level (increased by 8% in constant currency).

Health Care services sales (dialysis services and care coordination) increased by 8% (10% in constant currency) to €14,532 million (2016: €13,505 million). Dialysis product sales increased by 6% (7% in constant currency) to €3,252 million (2016: €3,064 million).

In North America, sales increased by 7% to €12,879 million (2016: €12,030 million). Health Care services sales grew by 7% to €12,036 million (2016: €11,214 million). Dialysis product sales increased by 3% to €843 million (2016: €816 million).

Sales outside North America increased by 8% (9% in constant currency) to €4,890 million (2016: €4,527 million). Health Care services sales increased by 9% (11% in constant

¹ Excluding agreement with the United States Department of Veterans Affairs and Justice (VA agreement): €17,689 million

² Before natural disaster costs, VA agreement and FCPA provision

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

⁴ Before book gain from U.S. tax reform, natural disaster costs, VA agreement and FCPA provision

⁵ Reported sales 2017 of €17,784 million, adjusted for IFRS 15 (€486 million)

⁶ Base 2017: €1,280 million; 2018 including recurring benefits from U.S. tax reform of €140 million to €160 million

currency) to €2,496 million (2016: €2,292 million). Dialysis product sales increased by 6% (7% in constant currency) to €2,315 million (2016: €2,185 million).

EBIT decreased by -2% (0% in constant currency) to €2,362 million (2016: €2,409 million). Adjusted EBIT¹ increased by 4% (5% in constant currency) to €2,493 million (2016: €2,409 million), mainly due to the strong business performance in North America and in Asia-Pacific. The adjusted EBIT¹ margin was 14.1% (2016: 14.5%). In Q4/2017, EBIT decreased by -29% (-22% in constant currency) to €519 million (2016: €730 million). In Q4/2017, adjusted EBIT¹ of €726 million (Q4/2016: €730 million) was slightly below the prior-year level (increased by 6% in constant currency). The adjusted EBIT margin¹ was 16.4% (Q4/2016: 16.5%).

Net income² increased by 12% (14% in constant currency) to €1,280 million (2016: €1,144 million). Consistent with the original scope of guidance, i.e. excluding the effects of the VA agreement, natural disaster costs, the book gain from the US tax reform and the FCPA provision, net income² increased by 7% in constant currency. In Q4/2017, net income² increased by 8% (increased 16% in constant currency) to €394 million (Q4/2016: €363 million). Excluding the effects of the VA agreement, natural disaster costs, the book gain from the US tax reform and the FCPA provision, net income² increased by 6% in constant currency.

Operating cash flow increased by 13% to €2,192 million (2016: €1,932 million). The cash flow margin was 12.3% (2016: 11.7%).

For 2018, Fresenius Medical Care expects sales to grow by ~8%³ in constant currency. The 2018 guidance is based on 2017 sales adjusted for the effect of the IFRS 15 implementation. Net income² is expected to increase by 13% to 15%⁴ in constant currency in 2018, including recurring benefits from U.S tax reform of €140 million to €160 million.

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

¹ Before natural disaster costs, effects of VA agreement and FCPA provision

² Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

³ Reported sales 2017 of €17,784 million, adjusted for effect from IFRS 15 (€486 million)

⁴ Base 2017: €1,280 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 the biosimilars business, we are developing products with a focus on oncology and autoimmune diseases.

€ in millions	Q4/2017	Q4/2016	Change	FY/2017	FY/2016	Change
Sales	1,594	1,550	3%	6,358	6,007	6%
EBITDA ¹	364	376	-3%	1,483	1,468	1%
Adj. EBIT ²	318	308	3%	1,237	1,171	6%
Adj. net income ^{3,4}	191	184	4%	745	675	10%
Employees				36,380	34,917	4%

- **7% organic sales growth, 8% EBIT² growth in constant currency**
- **Operating cash flow at all-time high**
- **2018 outlook: 4% to 7% organic sales growth and -3% to -6% EBIT growth⁵ in constant currency expected (~2% to 5%⁶ excl. biosimilars expenses)**

Sales increased by 6% (7% in constant currency) to €6,358 million (2016: €6,007 million). Organic sales growth was 7%. Negative currency translation effects (-1%) were mainly related to the devaluation of the US dollar and the Chinese yuan against the Euro. In Q4/2017, sales increased by 3% (8% in constant currency) to €1,594 million (Q4/2016: €1,550 million). Organic sales growth was 8%.

Sales in Europe grew by 4% (organic growth: 5%) to €2,214 million (2016: €2,135 million). In Q4/2017, sales increased by 2% (3% organic) to €579 million (Q4/2016: €566 million).

¹ Before special items

² Consistent with scope of original guidance: before acquisition-related expenses and expenditures for further development of biosimilars business

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

⁴ Consistent with scope of original guidance: before acquisition-related expenses, expenditures for further development of biosimilars business and book gain from U.S. tax reform

⁵ Base 2017: €1,177 million; 2018 before special items (before acquisition-related expenses), including expenditures for further development of biosimilars business (€60 million in FY/17 and expected expenditures of ~€160 million in FY/18)

⁶ Base: 2017: €1,237 million; 2018 before special items (before acquisition-related expenses)

For a detailed overview of special items and adjustments, please see the reconciliation tables on page 18-19.

Sales in North America increased by 6% (8% organic) to €2,290 million (2016: €2,170 million). In Q4/2017, sales increased by 2% (11% organic) to €554 million (Q4/2016: €542 million).

Sales in Asia-Pacific increased by 8% (11% organic) to €1,196 million (2016: €1,108 million). In Q4/2017, sales increased by 5% (11% organic) to €302 million (Q4/2016: €287 million). Sales in Latin America/Africa increased by 11% (10% organic) to €658 million (2016: €594 million). In Q4/2017, sales increased by 3% (10% organic) to €159 million (Q4/2016: €155 million).

Adjusted EBIT¹ increased by 6% (8% in constant currency) to €1,237 million (2016: €1,171 million). The adjusted EBIT margin¹ was 19.5% (2016: 19.5%). In Q4/2017, adjusted EBIT¹ increased by 3% (9% in constant currency) to €318 million (Q4/2016: €308 million). The adjusted EBIT margin¹ was 19.9% (Q4/2016: 19.9%).

EBIT before special items increased by 1% (3% in constant currency) to €1,177 million (2016: €1,171 million). The EBIT margin before special items was 18.5% (2016: 19.5%). In Q4/2017, EBIT before special items decreased by -12% (-6% in constant currency) to €272 million (Q4/2016: €308 million). The EBIT margin before special items decreased to 17.1% (Q4/2016: 19.9%) due to expenditures for the further development of biosimilars business.

Adjusted net income^{2,3} increased by 10% (13% in constant currency) to €745 million (2016: €675 million). In Q4/2017, adjusted net income^{2,3} increased by 4% (10% in constant currency) to €191 million (Q4/2016: €184 million).

Operating cash flow reached an all-time high of €1,010 million (2016: €1,004 million). The cash flow margin was 15.9% (2016: 16.7%).

For 2018, Fresenius Kabi expects organic sales growth of 4% to 7% and EBIT growth in constant currency of -3% to -6%⁴. Excluding expenditures for the further development of the biosimilars business EBIT is expected to grow by ~2% to 5%⁵ in constant currency.

¹ Consistent with scope of original guidance: before acquisition-related expenses and expenditures for further development of biosimilars business

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

³ Consistent with scope of original guidance: before acquisition-related expenses, expenditures for further development of biosimilars business and book gain from U.S. tax reform

⁴ Base 2017: €1,177 million; 2018 before special items (before acquisition-related expenses), including expenditures for further development of biosimilars business (€60 million in FY/17 and expected expenditures of ~€160 million in FY/18)

⁵ Base: 2017: €1,237 million; 2018 before special items (before acquisition-related expenses)

For a detailed overview of special items and adjustments, please see the reconciliation tables on page 18-19.

Fresenius Helios

Fresenius Helios is Europe's leading private hospital operator. The company comprises Helios Germany and Helios Spain (Quirónsalud). Helios Germany operates 111 hospitals, thereof 88 acute care clinics and 23 post-acute care clinics, and treats more than 5.3 million patients annually. Quirónsalud operates 45 hospitals, 55 outpatient centers and around 300 occupational risk prevention centers, and treats approximately 11.6 million patients per year.

€ in millions	Q4/2017	Q4/2016	Change	FY/2017	FY/2016	Change
Sales	2,246	1,461	54%	8,668	5,843	48%
EBITDA	384	229	68%	1,426	879	62%
EBIT	283	176	61%	1,052	683	54%
Net income ¹	202	142	42%	728	544	34%
Employees				105,927	72,687	46%

- **4% organic sales growth**
- **54% EBIT increase (6% excluding Quirónsalud)**
- **2018 outlook: 3% to 6% organic sales growth and EBIT growth of 7% to 10% expected**

Fresenius Helios increased sales by 48% to €8,668 million (2016: €5,843 million). Organic sales growth was 4%. Acquisitions, mainly Quirónsalud, increased sales by 44%. In Q4/2017, sales increased by 54% to €2,246 million (Q4/2016: €1,461 million), organic sales growth was 3%.

Sales of Helios Germany increased by 4% (4% organic) to €6,074 million (2016: €5,843 million). In Q4/2017, sales increased by 3% (3% organic) to €1,512 million (Q4/2016: €1,461 million). Helios Spain (Quirónsalud) has been consolidated since February 1, 2017 and generated sales of €2,594 million (thereof €734 million in Q4/2017).

Fresenius Helios grew EBIT by 54% to €1,052 million (2016: €683 million). The EBIT margin increased to 12.1% (2016: 11.7%). In Q4/2017, EBIT increased by 61% to €283 million (Q4/2016: €176 million). The EBIT margin increased to 12.6% (Q4/2016: 12.0%).

EBIT of Helios Germany increased by 6% to €725 million (2016: €683 million) with a margin of 11.9% (2016: 11.7%). In Q4/2017, EBIT of Helios Germany was on the prior-year level with €176 million (Q4/2016: €176 million). The margin was 11.6% (2016: 12.0%).

EBIT of Helios Spain was €327 million (thereof €107 million in Q4/2017) with a margin of 12.6% (Q4/2017: 14.6%).

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

Net income¹ increased by 34% to €728 million (2016: €544 million). In Q4/2017, net income¹ increased by 42% to €202 million (Q4/2016: €142 million).

Operating cash flow increased by 18% to €733 million (2016: €622 million) driven by the first-time consolidation of Quirónsalud and an excellent operating result. The margin was 8.5% (2016: 10.6%).

For 2018, Fresenius Helios expects organic sales growth of 3% to 6% and EBIT growth of 7% to 10%.

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

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	Q4/2017	Q4/2016	Change	FY/2017	FY/2016	Change
Sales	480	420	14 %	1,228	1,160	6%
EBITDA	47	41	15 %	87	80	9%
EBIT	44	38	16 %	76	69	10%
Net income ¹	29	24	21 %	50	45	11%
Employees				8,667	8,198	6%

- **6% organic sales growth, 10% EBIT growth**
- **Order intake of €1,096 million at all-time high**
- **2018 outlook: 5% to 10% organic sales growth and 5% to 10% EBIT growth expected**

Sales increased by 6% (6% in constant currency) to €1,228 million (2016: €1,160 million). Organic sales growth was 6%. Sales in the project business increased by 2% to €606 million (2016: €594 million). Sales in the service business grew by 10% to €622 million (2016: €566 million). In Q4/2017, sales increased by 14% to €480 million (Q4/2016: €420 million). Organic sales growth was 14%.

EBIT grew by 10% to €76 million (2016: €69 million). The EBIT margin increased to 6.2% (2016: 5.9%). In Q4/2017, EBIT increased by 16% to €44 million (Q4/2016: €38 million). The EBIT margin increased to 9.2% (2016: 9.0%).

Net income¹ grew by 11% to €50 million (2016: €45 million). In Q4/2017, net income¹ increased by 21% to €29 million (Q4/2016: €24 million).

Order intake increased to €1,096 million (2016: €1,017 million), reaching an all-time high. As of December 31, 2017, order backlog was €2,147 million (Dec. 31, 2016: €1,961 million).

For 2018, Fresenius Vamed 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 fiscal year 2017, a conference call will be held on February 27, 2018 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 2017, Group sales were €33.9 billion. On December 31, 2017, the Fresenius Group had 273,249 employees worldwide.

For more information visit the Company's website at www.fresenius.com.

Follow us on Twitter: www.twitter.com/fresenius_ir

Follow us on LinkedIn: www.linkedin.com/company/fresenius-investor-relations

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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General Partner: Fresenius Management SE

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Commercial Register: Amtsgericht Bad Homburg, HRB 11673

Management Board: Stephan Sturm (Chairman), Dr. Francesco De Meo, Rachel Empey, 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 2018

	Targets 2018 ¹	Fiscal year 2017
Sales growth (in constant currency)	5 – 8%	€33,400 m ²
Net income ³ growth (in constant currency)	6 – 9% ⁴	€1,816 m ⁵
<i>Net income³ growth (in constant currency) excluding Biosimilars</i>	<i>~10 – 13%⁶</i>	<i>€1,859 m⁷</i>

¹ Excluding pending acquisitions of Akorn and NxStage

² Adjusted for IFRS15 (€486 million at Fresenius Medical Care)

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

⁴ Before special items (before acquisition-related expenses); including expenditures for further development of biosimilars business (€43 million after tax in FY/17 and ~€120 million after tax in FY/18)

⁵ Before special items (before acquisition-related expenses, book gain from U.S. tax reform and FCPA provision)

⁶ Before special items (before acquisition-related expenses); excluding expenditures for further development of biosimilars business (€43 million after tax in FY/17 and ~€120 million after tax in FY/18)

⁷ Adjusted net income: before acquisition-related expenses, expenditures for further development of biosimilars business, book gain from U.S. tax reform and before FCPA provision

Financial targets by business segment 2018

	Targets 2018 ¹	Fiscal year 2017
Fresenius Medical Care		
Sales growth (in constant currency)	~8%	€17,298 m ²
Net income ³ growth (in constant currency)	13 – 15% ⁴	€1,280 m
Fresenius Kabi		
Sales growth (organic)	4 – 7%	€6,358 m
EBIT, growth ⁵ (in constant currency)	-3 to -6%	€1,177 m
<i>EBIT, growth⁶ (in constant currency) excl. biosimilars</i>	<i>-2 – 5%</i>	<i>€1,237 m</i>
Fresenius Helios		
Sales growth (organic)	3 – 6% ⁷	€8,668 m ⁸
EBIT, growth	7 – 10%	€1,052 m ⁸
Fresenius Vamed		
Sales growth (organic)	5 – 10%	€1,228 m
EBIT growth	5 – 10%	€76 m

¹ Excluding pending acquisitions of Akorn and NxStage

² Adjusted for IFRS15 (€486 million)

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

⁴ 2018: Including recurring benefits from U.S. tax reform of €140 to €160 million

⁵ Before special items (before acquisition-related expenses); including expenditures for further development of biosimilars business (€60 million in FY/17 and expected expenditures of ~€160 million in FY/18)

⁶ Before special items (before acquisition-related expenses); excluding expenditures for further development of biosimilars business (€60 million in FY/17 and expected expenditures of ~€160 million in FY/18)

⁷ Organic growth reflects 11 months contribution of Helios Spain in 2018

⁸ Helios Spain consolidated for 11 months

Statement of Comprehensive Income

€ in millions	Q4/2017	Q4/2016	Change	Q1-4/2017	Q1-4/2016	Change
Sales	8,695	7,820	11%	33,886	29,471	15%
Costs of sales	-6,044	-5,258	-15%	-23,410	-19,958	-17%
Gross profit	2,651	2,562	3%	10,476	9,513	10%
Selling, general and administrative expenses	-1,376	-1,175	-17%	-5,329	-4,683	-14%
Research and development expenses	-183	-143	-28%	-558	-528	-6%
Operating income (EBIT)	1,092	1,244	-12%	4,589	4,302	7%
Net interest	-159	-149	-7%	-651	-582	-12%
Financial result	-159	-149	-7%	-651	-582	-12%
Income before income taxes	933	1,095	-15%	3,938	3,720	6%
Income taxes	-57	-305	81%	-905	-1,044	13%
Net income	876	790	11%	3,033	2,676	13%
Less noncontrolling interest	-365	-348	-5%	-1,219	-1,116	-9%
Net income (before special items) ¹⁾	487	442	10%	1,816	1,560	16%
Net income	511	442	16%	1,814	1,560	16%
Earnings per ordinary share (€) (before special items) ¹⁾	0.88	0.81	9%	3.28	2.85	15%
Fully diluted earnings per ordinary share (€) (before special items)	0.87	0.80	9%	3.26	2.83	15%
Earnings per ordinary share (€) ¹⁾	0.92	0.81	14%	3.27	2.85	15%
Fully diluted earnings per ordinary share (€)	0.91	0.80	14%	3.25	2.83	15%
Average number of shares	554,660,557	547,042,878		554,124,656	546,395,188	
EBITDA (before special items)	1,688	1,558	8%	6,267	5,517	14%
Depreciation and amortization	-380	-314	-21%	-1,437	-1,215	-18%
EBIT (before special items)	1,308	1,244	5%	4,830	4,302	12%
EBITDA margin (before special items)	19.4%	19.9%		18.5%	18.7%	
EBIT margin (before special items)	15.0%	15.9%		14.3%	14.6%	

¹⁾ Net income attributable to Fresenius SE & Co. KGaA

For a detailed overview of special items and adjustments please see the reconciliation tables on pages 18-19.

Reconciliation according to IFRS

Consolidated results for 2017 include special items related to the acquisition of the biosimilars business of Merck KGaA, the announced acquisition of the shares in Akorn, Inc. (acquisition related expenses). These are mainly transaction costs in the form of legal and consulting fees as well as costs of the financing commitment for the Akorn transaction. Moreover, special items arose from a book gain from the revaluation of deferred tax liabilities due to U.S. tax reform as well as from the Foreign Corrupt Practices Act (FCPA) provision. In order to compare the results with the scope of original guidance, key figures are additionally adjusted for expenditures for further development of the biosimilars business. The following presentation shows the corresponding reconciliation to the IFRS values. There were neither adjustments nor special items in 2016.

Fiscal year 2017

€ in millions	Basis for guidance comparison: Q1-4/2017 before special items and before expenditures for further development of biosimilars business	Adjustments for guidance comparison: Expenditures for further development of biosimilars business	Q1-4/2017 before special items (before acquisition-related expenses and book gain from U.S. tax reform, and FCPA provision)	Special items (Acquisition-related expenses)	Special items (book gain from U.S. tax reform)	Special items (FCPA provision)	Q1-4/2017 After special items (IFRS reported)
Sales	33,886		33,886				33,886
EBIT	4,890	-60	4,830	-41		-200	4,589
Net interest	-634	-2	-636	-15			-651
Net income before taxes	4,256	-62	4,194	-56		-200	3,938
Income taxes	-1,203	19	-1,184	13	266	0	-905
Net income	3,053	-43	3,010	-43	266	-200	3,033
Less noncontrolling interest	-1,194		-1,194		-163	138	-1,219
Net income attributable to shareholders of Fresenius SE & Co. KGaA	1,859	-43	1,816	-43	103	-62	1,814

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

Q4 2017

€ in millions	Q4/2017 before special items and before expenditures for further development of biosimilars business	Expenditures for further development of biosimilars business	Q4/2017 before special items (before acquisition- related expenses and book gain from U.S. tax reform, and FCPA provision)	Special items (Acquisition- related expenses)	Special items (book gain from U.S. tax reform)	Special items (FCPA provision)	Q4/2017 After special items (IFRS reported)
Sales	8,695		8,695				8,695
EBIT	1,354	-46	1,308	-16		-200	1,092
Net interest	-150	-2	-152	-7			-159
Net income before taxes	1,204	-48	1,156	-23		-200	933
Income taxes	-344	15	-329	6	266	0	-57
Net income	860	-33	827	-17	266	-200	876
Less noncontrolling interest	-340		-340		-163	138	-365
Net income attributable to shareholders of Fresenius SE & Co. KGaA	520	-33	487	-17	103	-62	511

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

Statement of Financial Position

€ in millions	December 31, 2017	December 31, 2016	Change
Assets			
Current assets	12,604	11,744	7%
thereof trade accounts receivable	6,202	5,199	19%
thereof inventories	3,252	3,189	2%
thereof cash and cash equivalents	1,636	1,579	4%
Non-current assets	40,529	34,953	16%
thereof property, plant and equipment	9,555	8,139	17%
thereof goodwill and other intangible assets	28,457	24,664	15%
Total assets	53,133	46,697	14%
Liabilities and shareholders' equity			
Liabilities	31,413	25,848	22%
thereof trade accounts payable	1,688	1,315	28%
thereof accruals and other short-term liabilities	7,795	7,637	2%
thereof debt	19,042	14,780	29%
Noncontrolling interest	8,059	8,185	-2%
Total Fresenius SE & Co. KGaA shareholders' equity	13,661	12,664	8%
Total shareholders' equity	21,720	20,849	4%
Total liabilities and shareholders' equity	53,133	46,697	14%

Statement of Cash Flows

€ in millions	Q4/2017	Q4/2016	Change	Q1-4/2017	Q1-4/2016	Change
Net income	876	790	11%	3,033	2,676	13%
Depreciation and amortization	380	314	21%	1,437	1,215	18%
Change in accruals for pensions	-16	23	-170%	37	1	--
Cash flow	1,240	1,127	10%	4,507	3,892	16%
Change in working capital	-124	185	-167%	-570	-307	-86%
Operating cash flow	1,116	1,312	-15%	3,937	3,585	10%
Capital expenditure, net	-589	-549	-7%	-1,705	-1,616	-6%
Cash flow before acquisitions and dividends	527	763	-31%	2,232	1,969	13%
Cash used for acquisitions, net	210	-181	--	-5,865	-485	--
Dividends paid	-61	-88	31%	-924	-738	-25%
Free cash flow after acquisitions and dividends	676	494	37%	-4,557	746	--
Cash provided by/used for financing activities	-434	-119	--	4,796	-236	--
Effect of exchange rates on change in cash and cash equivalents	-78	19	--	-182	25	--
Net change in cash and cash equivalents	164	394	-58%	57	535	-89%

Segment reporting by business segment fiscal year 2017

€ in millions	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other			Fresenius Group		
	Q1-4/2017 ¹⁾	Q1-4/2016	Change	Q1-4/2017 ²⁾	Q1-4/2016	Change	Q1-4/2017	Q1-4/2016	Change	Q1-4/2017	Q1-4/2016	Change	Q1-4/2017 ³⁾	Q1-4/2016	Change	Q1-4/2017	Q1-4/2016	Change
Sales	17,784	16,570	7%	6,358	6,007	6%	8,668	5,843	48%	1,228	1,160	6%	-152	-109	-39%	33,886	29,471	15%
thereof contribution to consolidated sales	17,754	16,546	7%	6,301	5,956	6%	8,652	5,843	48%	1,174	1,122	5%	5	4	25%	33,886	29,471	15%
thereof intercompany sales	30	24	25%	57	51	12%	16	0		54	38	42%	-157	-113	-39%	0	0	
contribution to consolidated sales	52%	56%		19%	20%		26%	20%		3%	4%		0%	0%		100%	100%	
EBITDA	3,298	3,110	6%	1,483	1,468	1%	1,426	879	62%	87	80	9%	-268	-20	--	6,026	5,517	9%
Depreciation and amortization	736	701	5%	306	297	3%	374	196	91%	11	11	0%	10	10	0%	1,437	1,215	18%
EBIT	2,562	2,409	6%	1,177	1,171	1%	1,052	683	54%	76	69	10%	-278	-30	--	4,589	4,302	7%
Net interest	-354	-366	3%	-119	-149	20%	-155	-37	--	-2	-2	0%	-21	-28	25%	-651	-582	-12%
Income taxes	-690	-623	-11%	-317	-311	-2%	-164	-100	-64%	-23	-21	-10%	289	11	--	-905	-1,044	13%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	1,244	1,144	9%	702	675	4%	728	544	34%	50	45	11%	-910	-848	-7%	1,814	1,560	16%
Operating cash flow	2,192	1,932	13%	1,010	1,004	1%	733	622	18%	42	27	56%	-40	0		3,937	3,585	10%
Cash flow before acquisitions and dividends	1,351	1,017	33%	590	668	-12%	322	273	18%	35	16	119%	-66	-5	--	2,232	1,969	13%
Total assets	24,025	25,504	-6%	11,792	11,430	3%	16,583	8,696	91%	1,282	1,108	16%	-549	-41	--	53,133	46,697	14%
Debt	7,448	8,132	-8%	4,806	5,155	-7%	6,665	1,406	--	245	176	39%	-122	-89	-37%	19,042	14,780	29%
Other operating liabilities	5,282	5,658	-7%	2,879	2,153	34%	2,027	1,387	46%	621	574	8%	452	361	25%	11,261	10,133	11%
Capital expenditure	944	931	1%	428	335	28%	415	352	18%	16	11	45%	25	4	--	1,828	1,633	12%
Acquisitions / Financial Investments	683	774	-12%	157	114	38%	5,979	38	--	33	0		0	0		6,852	926	--
Research and development expenses	131	147	-11%	427	381	12%	-	-	--	0	0		0	0		558	528	6%
Employees (per capita on balance sheet date)	121,245	116,120	4%	36,380	34,917	4%	105,927	72,687	46%	8,667	8,198	6%	1,030	951	8%	273,249	232,873	17%
Key figures																		
EBITDA margin	18.5%	18.8%		23.3%	24.4%		16.5%	15.0%		7.1%	6.9%					18.5% ⁴⁾	18.7%	
EBIT margin	14.4%	14.5%		18.5%	19.5%		12.1%	11.7%		6.2%	5.9%					14.3% ⁴⁾	14.6%	
Depreciation and amortization in % of sales	4.1%	4.2%		4.8%	4.9%		4.3%	3.4%		0.9%	0.9%					4.2%	4.1%	
Operating cash flow in % of sales	12.3%	11.7%		15.9%	16.7%		8.5%	10.6%		3.4%	2.3%					11.6%	12.2%	
ROOA	10.9%	10.6%		10.8%	11.7%		6.9%	8.5%		9.8%	10.5%					9.4% ⁵⁾	10.0%	

1) Before book gain from U.S. tax reform and FCPA provision

2) Before acquisition-related expenses and book gain from U.S. tax reform

3) After acquisition-related expenses, book gain from U.S. tax reform and FCPA provision

4) Before acquisition-related expenses and FCPA provision

5) The underlying pro forma EBIT does not include acquisition-related expenses and FCPA provision.

Segment reporting by business segment Q4 2017

€ in millions	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other			Fresenius Group		
	Q4/2017 ¹⁾	Q4/2016	Change	Q4/2017 ²⁾	Q4/2016	Change	Q4/2017	Q4/2016	Change	Q4/2017	Q4/2016	Change	Q4/2017 ³⁾	Q4/2016	Change	Q4/2017	Q4/2016	Change
Sales	4,429	4,417	0%	1,594	1,550	3%	2,246	1,461	54%	480	420	14%	-54	-28	-93%	8,695	7,820	11%
thereof contribution to consolidated sales	4,422	4,410	0%	1,579	1,537	3%	2,230	1,461	53%	462	411	12%	2	1	100%	8,695	7,820	11%
thereof intercompany sales	7	7	0%	15	13	15%	16	0		18	9	100%	-56	-29	-93%	0	0	
contribution to consolidated sales	51%	56%		18%	20%		26%	19%		5%	5%		0%	0%		100%	100%	
EBITDA	901	918	-2%	364	376	-3%	384	229	68%	47	41	15%	-224	-6	--	1,472	1,558	-6%
Depreciation and amortization	182	188	-3%	92	68	35%	101	53	91%	3	3	0%	2	2	0%	380	314	21%
EBIT	719	730	-1%	272	308	-12%	283	176	61%	44	38	16%	-226	-8	--	1,092	1,244	-12%
Net interest	-80	-90	12%	-31	-35	11%	-44	-9	--	-1	-1	0%	-3	-14	79%	-159	-149	-7%
Income taxes	-206	-196	-6%	-73	-80	9%	-40	-24	-67%	-14	-13	-8%	276	8	--	-57	-305	81%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	358	363	-1%	158	184	-14%	202	142	42%	29	24	21%	-236	-271	13%	511	442	16%
Operating cash flow	528	772	-32%	370	343	8%	173	185	-6%	35	5	--	10	7	43%	1,116	1,312	-15%
Cash flow before acquisitions and dividends	301	515	-42%	212	230	-8%	-12	12	-200%	30	0		-4	6	-167%	527	763	-31%
Capital expenditure	312	261	20%	175	135	30%	186	173	8%	6	5	20%	12	0		691	574	20%
Acquisitions / Financial Investments	135	329	-59%	0	0		22	5	--	33	-	--	0	0		190	334	-43%
Research and development expenses	36	39	-8%	147	104	41%	-	-	--	0	0		0	0		183	143	28%
Key figures																		
EBITDA margin	20.3%	20.8%		22.8%	24.3%		17.1%	15.7%		9.8%	9.8%					19.4% ⁴⁾	19.9%	
EBIT margin	16.2%	16.5%		17.1%	19.9%		12.6%	12.0%		9.2%	9.0%					15.0% ⁴⁾	15.9%	
Depreciation and amortization in % of sales	4.1%	4.3%		5.8%	4.4%		4.5%	3.6%		0.6%	0.7%					4.4%	4.0%	
Operating cash flow in % of sales	11.9%	17.5%		23.2%	22.1%		7.7%	12.7%		7.3%	1.2%					12.8%	16.8%	

1) Before book gain from U.S. tax reform and FCPA provision

2) Before acquisition-related expenses and book gain from U.S. tax reform

3) After acquisition-related expenses, book gain from U.S. tax reform and FCPA provision

4) Before acquisition-related expenses and FCPA provision

Sales by business segment

€ in millions	Q4/ 2017	Q4/ 2016	Change at actual rates	Currency translation effects	Change at constant rates	Organic growth	Acquisitions/ divestitures	% of total sales ¹⁾
Fresenius Medical Care	4,429	4,417	0%	-8%	8%	6%	2%	51%
Fresenius Kabi	1,594	1,550	3%	-5%	8%	8%	0%	18%
Fresenius Helios	2,246	1,461	54%	0%	54%	3%	51%	26%
Fresenius Vamed	480	420	14%	-1%	15%	14%	1%	5%
Total	8,695	7,820	11%	-6%	17%	6%	11%	100%

€ in millions	Q1-4/ 2017	Q1-4/ 2016	Change at actual rates	Currency translation effects	Change at constant rates	Organic growth	Acquisitions/ divestitures	% of total sales ¹⁾
Fresenius Medical Care	17,784	16,570	7% ²⁾	-2% ²⁾	9% ²⁾	7%	2% ²⁾	52%
Fresenius Kabi	6,358	6,007	6%	-1%	7%	7%	0%	19%
Fresenius Helios	8,668	5,843	48%	0%	48%	4%	44%	26%
Fresenius Vamed	1,228	1,160	6%	0%	6%	6%	0%	3%
Total	33,886	29,471	15%	-1%	16%	6%	10%	100%

1) Calculated on the basis of contribution to consolidated sales

2) Including effects of VA-settlement

Increased number of employees

As of December 31, 2017, the number of employees increased by 17% to 273,249 (Dec. 31, 2016: 232,873).