

# Quarterly Financial Report of Fresenius Group

applying International Financial Reporting Standards (IFRS)

1<sup>st</sup> Half and 2<sup>nd</sup> Quarter 2019

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## FRESENIUS GROUP FIGURES AT A GLANCE

Fresenius is a global health care group providing products and services for dialysis, hospitals, and outpatient medical care. In addition, Fresenius focuses on hospital operations. We also manage projects and provide services for hospitals and other health care facilities. In 2018, Group sales were €33.5 billion. As of June 30, 2019, more than 288,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

### SALES, EARNINGS, AND CASH FLOW

€ in millions	Q2/2019	Q2/2018	Growth	Growth in constant currency	H1/2019	H1/2018	Growth	Growth in constant currency
Sales <sup>1</sup>	8,779	8,124	8%	6%	17,296	15,994	8%	6%
EBIT <sup>2</sup> on a comparable basis	1,081	1,135	-5%	-7%	2,192	2,185	0%	-3%
Net income reported <sup>3,4</sup>	471	652	-28%	-29%	924	1,092	-15%	-18%
Net income on a comparable basis <sup>2,3</sup>	480	473	1%	0%	945	924	2%	0%
Earnings per share in € reported <sup>3,4</sup>	0.85	1.18	-28%	-29%	1.66	1.97	-16%	-18%
Earnings per share in € on a comparable basis <sup>2,3</sup>	0.86	0.85	1%	0%	1.70	1.66	2%	0%
Operating cash flow <sup>5</sup>	1,023	1,020	0%		1,141	1,256	-9%	

### BALANCE SHEET AND INVESTMENTS

€ in millions	June 30, 2019 <sup>5</sup>	Dec. 31, 2018	Change
Total assets	59,342	56,703	5%
Non-current assets	44,491	41,913	6%
Equity	25,568	25,008	2%
Net debt	19,643	16,275	21%
Investments (H1 2019/H1 2018)	3,163	1,217	160%

### RATIOS

	Q2/2019	Q2/2018	H1/2019	H1/2018
EBITDA margin <sup>2</sup>	16.6%	18.4%	17.0%	18.1%
EBIT margin <sup>2</sup>	12.3%	14.0%	12.7%	13.7%
Depreciation and amortization in % of sales <sup>5</sup>	4.3%	4.4%	4.3%	4.4%
Operating cash flow in % of sales <sup>5</sup>	11.7%	12.2%	6.6%	7.6%
Equity ratio <sup>5</sup> (June 30/December 31)			43.1%	44.1%
Net debt/EBITDA <sup>5,6,7</sup> (June 30/December 31)			3.21	2.71

<sup>1</sup> On a comparable basis: Q2/18 and H1/18 adjusted for divestitures of Care Coordination activities at FMC; Q2/19 and H1/19 adjusted for IFRS 16 effect

<sup>2</sup> On a comparable basis: Q2/18 and H1/18 adjusted for divestitures of Care Coordination activities at FMC, before special items; Q2/19 and H1/19 before special items and adjusted for IFRS 16 effect

<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>4</sup> After special items; Q2/19 and H1/19 including IFRS 16 effect

<sup>5</sup> Q2/19 and H1/19 adjusted for IFRS 16 effect

<sup>6</sup> Both net debt and EBITDA calculated at annual average exchange rates; excluding further potential acquisitions

<sup>7</sup> Before special items

## INFORMATION BY BUSINESS SEGMENT

### FRESENIUS MEDICAL CARE – Dialysis products, Dialysis services

€ in millions	Q2/2019 <sup>1</sup>	Q2/2018 <sup>2</sup>	Growth	Growth in constant currency	H1/2019 <sup>1</sup>	H1/2018 <sup>2</sup>	Growth	Growth in constant currency
Sales	4,284	3,956	8%	5%	8,409	7,680	9%	5%
EBIT	491	558	-12%	-17%	1,042	1,064	-2%	-7%
Net income <sup>3</sup>	279	308	-9%	-14%	597	604	-1%	-6%
Operating cash flow <sup>6</sup>	700	656	7%		635	611	4%	
Investments/Acquisitions	426	413	3%		2,462	818	--	
R & D expenses	41	38	8%		75	70	7%	
Employees (June 30/Dec. 31)					126,913	120,328	5%	

### FRESENIUS KABI – IV drugs, Biosimilars, Clinical nutrition, Infusion therapy, Medical devices/Transfusion technology

€ in millions	Q2/2019	Q2/2018	Growth	Growth in constant currency	H1/2019	H1/2018	Growth	Growth in constant currency
Sales	1,691	1,604	5%	5%	3,392	3,207	6%	4%
EBIT <sup>4</sup>	308	289	7%	4%	611	557	10%	6%
Net income <sup>4,5</sup>	211	185	14%	12%	414	355	17%	12%
Operating cash flow <sup>6</sup>	201	228	-12%		333	454	-27%	
Investments/Acquisitions	189	96	97%		369	174	112%	
R & D expenses	92	129	-29%		213	256	-17%	
Employees (June 30/Dec. 31)					39,198	37,843	4%	

### FRESENIUS HELIOS – Hospital operations

€ in millions	Q2/2019	Q2/2018	Growth	Growth adjusted <sup>7</sup>	H1/2019	H1/2018	Growth	Growth adjusted <sup>7</sup>
Sales	2,349	2,343	0%	6%	4,660	4,674	0%	5%
EBIT <sup>6</sup>	274	293	-6%	-4%	540	571	-5%	-4%
Net income <sup>5,6</sup>	183	197	-7%		359	388	-7%	
Operating cash flow <sup>6</sup>	197	162	22%		288	259	11%	
Investments/Acquisitions	148	108	37%		266	181	47%	
Employees (June 30/Dec. 31)					103,147	100,144	3%	

### FRESENIUS VAMED – Projects and services for hospitals and other health care facilities, post-acute care provider

€ in millions	Q2/2019	Q2/2018	Growth	Growth adjusted <sup>8</sup>	H1/2019	H1/2018	Growth	Growth adjusted <sup>8</sup>
Sales	467	266	76%	31%	907	515	76%	32%
EBIT <sup>6</sup>	20	12	67%	-33%	31	18	72%	-17%
Net income <sup>6,9</sup>	13	7	86%		19	11	73%	
Operating cash flow <sup>6</sup>	-42	-14	--		-65	-56	-16%	
Investments/Acquisitions	19	29	-34%		25	37	-32%	
Order intake	115	195	-41%		498	455	9%	
Employees (June 30/Dec. 31)					18,035	17,299	4%	

<sup>1</sup> On an adjusted basis: before special items (transaction-related expenses, gain related to divestitures of Care Coordination activities, expenses associated with the cost optimization program), adjusted for IFRS 16 effect, excluding effects from NxStage transaction

<sup>2</sup> Q2/18 and H1/18 adjusted for divestitures of Care Coordination activities

<sup>3</sup> Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

<sup>4</sup> On a comparable basis: before special items and adjusted for IFRS 16 effect

<sup>5</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>6</sup> Q2/19 and H1/19 adjusted for IFRS 16 effect

<sup>7</sup> Adjusted for the post-acute care business transferred to Fresenius Vamed as of July 1, 2018

<sup>8</sup> Adjusted for German post-acute care business acquired from Fresenius Helios as of July 1, 2018

<sup>9</sup> Net income attributable to shareholders of VAMED AG

# FRESENIUS SHARE

With an increase of 13% since the beginning of the year, overall, the Fresenius share moved upwards and closed the first half of the year at a price of €47.68.

## FIRST HALF 2019

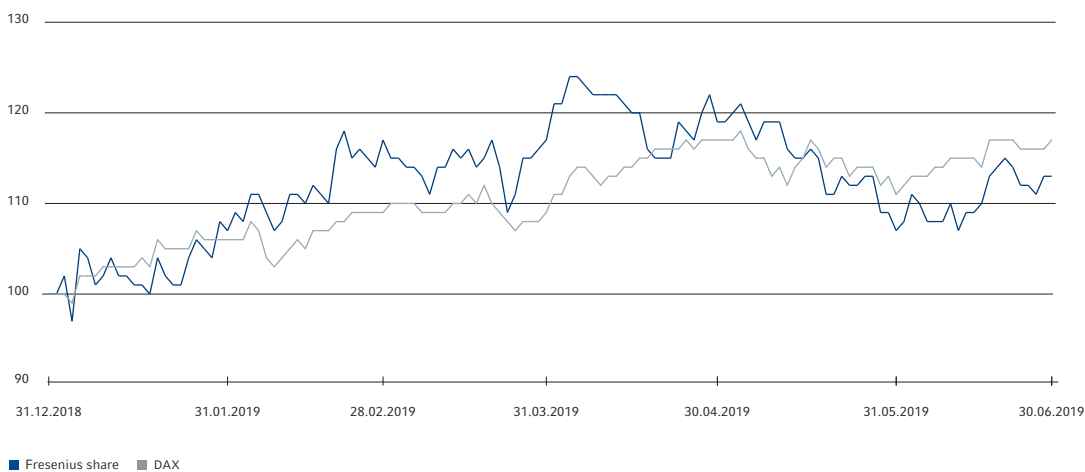
In the first half of 2019, the global economy showed a gradual slowdown in economic growth overall. Among the unfavorable factors are geopolitical and economic risks, such as the continuing uncertainty about the Brexit and the ongoing trade conflict between the U.S. and China. According to the ECB's current forecast, the economy in the euro zone will grow by 1.2% this year. The ECB left its monetary policy unchanged during its June meeting.

The Federal Reserve's latest forecast projects the U.S. economy to grow by 2.1% in 2019. The U.S. Federal Reserve did not change the existing interest rates corridor of 2.25% to 2.50% at its June meeting.

Within this economic environment, the DAX increased by 17% in the first half of 2019 to 12,399 points. The Fresenius share closed at €47.68 on June 30, 2019. This represents an increase of 13% over the same period.

## RELATIVE SHARE PRICE PERFORMANCE VS. DAX

31.12.2018 = 100



## KEY DATA OF THE FRESENIUS SHARE

	H1/2019	2018	Growth
Number of shares (June 30/December 31)	556,842,018	556,225,154	0%
Quarter-end quotation in €	47.68	42.38	13%
High in €	52.42	70.94	-26%
Low in €	41.20	38.99	6%
Ø Trading volume (number of shares per trading day)	1,702,049	1,648,837	3%
Market capitalization, € in millions (June 30/December 31)	26,550	23,573	13%

# MANAGEMENT REPORT

## FRESENIUS RAISES GROUP SALES GROWTH GUIDANCE AFTER GOOD SECOND QUARTER

- ▶ Good organic sales growth across all business segments
- ▶ Growth investments well on track
- ▶ Fresenius Kabi successfully launched first biosimilar in Europe; continued excellent growth in Emerging Markets
- ▶ Fresenius Helios showing strong organic sales growth in Germany and enters successfully Colombian hospital market
- ▶ Fresenius Medical Care's strategy reinforced by U.S. government's plans for changes of kidney disease care

	Q2/2019 <sup>1</sup>				H1/2019 <sup>1</sup>			
	On a comparable basis <sup>2</sup>	Including IFRS 16 effect	Growth <sup>2,3</sup>	Growth <sup>2,3</sup> in constant currency	On a comparable basis <sup>2</sup>	Including IFRS 16 effect	Growth <sup>2,3</sup>	Growth <sup>2,3</sup> in constant currency
Sales	€8.8 bn	€8.8 bn	8%	6%	€17.3 bn	€17.3 bn	8%	6%
EBIT	€1,081 m	€1,118 m	-5%	-7%	€2,192 m	€2,248 m	0%	-3%
Net income <sup>4</sup>	€480 m	€471 m	1%	0%	€945 m	€928 m	2%	0%

## HEALTH CARE INDUSTRY

The health care sector is one of the world's largest industries. It is relatively insensitive to economic fluctuations compared to other sectors and has posted above-average growth over the past years.

The main growth factors are rising medical needs deriving from aging populations, the growing number of chronically ill and multimorbid patients, stronger demand for innovative products and therapies, advances in medical technology and the growing health consciousness, which increases the demand for health care services and facilities.

In the emerging countries, drivers are the expanding availability and correspondingly greater demand for basic health care and increasing national incomes and hence higher spending on health care.

Health care structures are being reviewed and cost-cutting potential identified in order to contain the steadily rising

health care expenditures. However, such measures cannot compensate for the cost pressure. Market-based elements are increasingly being introduced into the health care system to create incentives for cost- and quality-conscious behavior. Overall treatment costs shall be reduced through improved quality standards. In addition, ever-greater importance is being placed on disease prevention and innovative reimbursement models linked to treatment quality standards.

## RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

### SALES

Group sales were €8,761 million including an IFRS 16 effect of -€18 million. Group sales<sup>5</sup> on a comparable basis increased by 8% (6% in constant currency) to €8,779 million

<sup>1</sup> Before special items

<sup>2</sup> Adjusted for IFRS 16 effect

<sup>3</sup> Q2/18 and H1/18 adjusted for divestitures of Care Coordination activities at Fresenius Medical Care (FMC)

<sup>4</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>5</sup> On a comparable basis: Q2/18 and H1/18 adjusted for divestitures of Care Coordination activities at FMC; Q2/19 and H1/19 adjusted for IFRS 16 effect

## EARNINGS

€ in millions	Q2/2019	Q2/2018	H1/2019	H1/2018
EBIT <sup>1</sup>	1,081	1,135	2,192	2,185
Net income <sup>1,2</sup>	480	473	945	924
Net income (before special items) <sup>2</sup>	471	472	928	922
Earnings per share <sup>1,2</sup>	0.86	0.85	1.70	1.66
Earnings per share (before special items) <sup>2</sup>	0.85	0.85	1.67	1.66

(Q2/18: 8,124 million). Organic sales growth was 5%. Acquisitions/divestitures contributed net 1% to growth. In H1/19, Group sales were €17,256 million including an IFRS 16 effect of -€40 million. Group sales<sup>3</sup> on a comparable basis increased by 8% (6% in constant currency) to €17,296 million (H1/18: €15,994 million). Organic sales growth was 5%. Acquisitions/divestitures contributed net 1% to growth. Positive currency translation effects of 2% were mainly driven by the U.S. dollar strengthening against the euro.

## EARNINGS

Group **EBITDA** before special items was €1,703 million including an IFRS 16 effect of €242 million. Group EBITDA<sup>1</sup> on a comparable basis decreased by 2% (-5% in constant currency) to €1,461 million (Q2/18: €1,495 million). In H1/19, Group EBITDA before special items was €3,404 million including an IFRS 16 effect of €462 million. Group EBITDA<sup>1</sup> on a comparable basis increased by 2% (-1% in constant currency) to €2,942 million (H1/18: €2,889 million).

## SALES BY REGION

€ in millions	H1/2019 <sup>4</sup>	H1/2018	Growth at actual rates	Currency translations effects	Growth in constant currency	Organic growth	Acquisitions/divestitures	% of total sales
North America	7,149	6,341 <sup>5</sup>	13%	8%	5%	4%	1%	41%
Europe	7,538	7,212	5%	0%	5%	4%	1%	44%
Asia-Pacific	1,715	1,548	11%	2%	9%	9%	0%	10%
Latin America	711	667	7%	-13%	20%	18%	2%	4%
Africa	183	226	-19%	-2%	-17%	-16%	-1%	1%
<b>Total</b>	<b>17,296</b>	<b>15,994<sup>5</sup></b>	<b>8%</b>	<b>2%</b>	<b>6%</b>	<b>5%</b>	<b>1%</b>	<b>100%</b>

## SALES BY BUSINESS SEGMENT

€ in millions	H1/2019 <sup>4</sup>	H1/2018	Growth at actual rates	Currency translations effects	Growth in constant currency	Organic growth	Acquisitions/divestitures	% of total sales
Fresenius Medical Care	8,518	7,680 <sup>5</sup>	11%	4%	7%	5%	2%	49%
Fresenius Kabi	3,392	3,207	6%	2%	4%	4%	0%	20%
Fresenius Helios	4,660	4,674	0%	0%	0%	4%	-4%	27%
Fresenius Vamed	907	515	76%	0%	76%	29%	47%	4%
<b>Total</b>	<b>17,296</b>	<b>15,994<sup>5</sup></b>	<b>8%</b>	<b>2%</b>	<b>6%</b>	<b>5%</b>	<b>1%</b>	<b>100%</b>

<sup>1</sup> On a comparable basis: Q2/18 and H1/18 adjusted for divestitures of Care Coordination activities at FMC, before special items; Q2/19 and H1/19 before special items and adjusted for IFRS 16 effect;

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>3</sup> On a comparable basis: Q2/18 and H1/18 adjusted for divestitures of Care Coordination activities at FMC; Q2/19 and H1/19 adjusted for IFRS 16 effect

<sup>4</sup> Adjusted for IFRS 16 effect

<sup>5</sup> Q2/18 and H1/18 adjusted for divestitures of Care Coordination activities at FMC

Group **EBIT** before special items was €1,118 million including an IFRS 16 effect of €37 million. Group EBIT<sup>1</sup> on a comparable basis decreased by 5% (-7% in constant currency) to €1,081 million (Q2/18: €1,135 million). The EBIT margin<sup>1</sup> on a comparable basis was 12.3% (Q2/18: 14.0%). A significant contributor was the reduction in patient attribution and a decreasing savings rate for ESCOs, based on recent reports for prior plan years (“ESCO effect”). Reported Group EBIT<sup>2</sup> was €1,118 million. In H1/19, Group EBIT before special items was €2,248 million including an IFRS 16 effect of €56 million. Group EBIT<sup>1</sup> on a comparable basis remained at previous year’s level (-3% in constant currency) at €2,192 million (H1/18: €2,185 million). The EBIT margin<sup>1</sup> on a comparable basis was 12.7% (H1/18: 13.7%). Reported Group EBIT<sup>2</sup> was €2,233 million.

Group **net interest** before special items was -€180 million including an IFRS 16 effect of -€58 million. On a comparable basis, net interest<sup>1</sup> improved to -€122 million (Q2/18: -€140 million) mainly due to successful refinancing activities and lower interest rates. Reported Group net interest<sup>2</sup> was -€179 million. In H1/19, Group net interest before special items was -€361 million including an IFRS 16 effect of -€106 million. On a comparable basis, net interest<sup>1</sup> improved to -€255 million (H1/18: -€279 million). Reported Group net interest<sup>2</sup> was -€363 million.

The Group **tax rate** before special items and adopting IFRS 16 was 22.8%. Group tax rate<sup>1</sup> on a comparable basis was 22.8% (Q2/18: 23.3%). In H1/19, the Group tax rate before special items and adopting IFRS 16 was 23.1%. In H1/19, Group tax rate<sup>1</sup> on a comparable basis was 23.1% (H1/18: 22.1%).

**Noncontrolling interest** before special items was €253 million including an IFRS 16 effect of €7 million. Noncontrolling interest<sup>1</sup> on a comparable basis was €260 million (Q2/18: €290 million). In H1/19, Noncontrolling interest before special items was €524 million including an IFRS 16 effect of €20 million. Noncontrolling interest<sup>1</sup> on a comparable basis was

€544 million (H1/18: €560 million), of which 93% was attributable to the Noncontrolling interest in Fresenius Medical Care.

Group net **income**<sup>3</sup> before special items was €471 million including an IFRS 16 effect of -€9 million. Group net income<sup>1,3</sup> on a comparable basis increased by 1% (0% in constant currency) to €480 million (Q2/18: €473 million). Reported Group net income<sup>2,3</sup> was €471 million. **Earnings per share**<sup>3</sup> before special items were €0.85 including an IFRS 16 effect of -€0.01. Earnings per share<sup>1,3</sup> on a comparable basis increased by 1% (0% in constant currency) to €0.86 (Q2/18: €0.85). Reported Earnings per share<sup>2,3</sup> were €0.85.

In H1/19, Group net income<sup>3</sup> before special items was €928 million including an IFRS 16 effect of -€17 million. Group net income<sup>1,3</sup> on a comparable basis increased by 2% (0% in constant currency) to €945 million (H1/18: €924 million). Reported Group net income<sup>2,3</sup> was €924 million. In H1/19, Earnings per share<sup>3</sup> before special items were €1.67 including an IFRS 16 effect of -€0.03. Earnings per share<sup>1,3</sup> on a comparable basis increased by 2% (0% in constant currency) to €1.70 (H1/18: €1.66). Reported Earnings per share<sup>2,3</sup> were €1.66.

## RECONCILIATION

Consolidated results for Q2/19 and H1/19 include special items relating to the acquisition of NxStage, divestitures of Care Coordination activities and the cost optimization program of Fresenius Medical Care. Furthermore, special items due to the revaluation of biosimilars contingent liabilities as well as the terminated merger agreement with Akorn, Inc. are included in net income. With regard to the latter, these mainly comprise transaction costs in the form of legal and consulting expenses. For a detailed overview of special items and adjustments please see the reconciliation tables on pages 18 to 27.

<sup>1</sup> On a comparable basis: Q2/18 and H1/18 adjusted for divestitures of Care Coordination activities at FMC, before special items; Q2/19 and H1/19 before special items and adjusted for IFRS 16 effect

<sup>2</sup> After special items and including IFRS 16 effect

<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA



## INVESTMENTS BY BUSINESS SEGMENT

€ in millions	H1/2019	H1/2018	Thereof property, plant and equipment	Thereof acquisitions	Growth	% of total
Fresenius Medical Care	2,462	818	497	1,965	--	78%
Fresenius Kabi	369	174	290	79	112%	12%
Fresenius Helios	266	181	164	102	47%	8%
Fresenius Vamed	25	37	13	12	-32%	1%
Corporate/Other	41	7	42	-1	--	1%
<b>Total</b>	<b>3,163</b>	<b>1,217</b>	<b>1,006</b>	<b>2,157</b>	<b>160%</b>	<b>100%</b>

## INVESTMENTS

2019 is an investment year for the Fresenius Group. Fresenius is making good progress in all of its investment initiatives to secure long-term sustainable growth. Spending on **property, plant and equipment** was €565 million (Q2/18: €451 million). This corresponds to 6% of sales. In H1/19, spending on property, plant and equipment was €1,006 million (H1/18: €831 million), primarily for the modernization and expansion of dialysis clinics, production facilities as well as hospitals and day clinics. This corresponds to 6% of sales.

Total **acquisition spending** was €234 million (Q2/18: €194 million) including the acquisition of Clínica Medellín in Colombia by Fresenius Helios, among others.

In H1/19, total acquisition spending was €2,157 million (H1/18: €386 million), mainly for the acquisition of NxStage by Fresenius Medical Care.

## CASH FLOW

Group **operating cash flow** was €1,205 million including an IFRS 16 effect of €182 million. On a comparable basis, Group operating cash flow was €1,023 million (Q2/18: €1,020 million) with a margin of 11.7% (Q2/18: 12.2%). Free cash flow before acquisitions and dividends adjusted for IFRS 16 was €467 million (Q2/18: €580 million). **Free cash flow** after acquisitions and dividends adjusted for IFRS 16 was -€437 million (Q2/18: €1,331 million). The IFRS 16 effect amounts to €182 million respectively. Correspondingly, cash flow from financing activities decreased by €182 million.

In H1/19, Group operating cash flow was €1,494 million including an IFRS 16 effect of €353 million. On a comparable basis, Group operating cash flow was €1,141 million (H1/18: €1,256 million) with a margin of 6.6% (H1/18: 7.6%). Free cash flow before acquisitions and dividends adjusted for

## CASH FLOW STATEMENT (Summary adjusted for IFRS 16 effect)

€ in millions	H1/2019	H1/2018	Growth
Net income	1,477	2,114	-30%
Depreciation and amortization	750	713	5%
Change working capital	-1,086	-1,571	31%
<b>Operating cash flow</b>	<b>1,141</b>	<b>1,256</b>	<b>-9%</b>
Capital expenditure, net	-1,013	-831	-22%
<b>Cash flow before acquisitions and dividends</b>	<b>128</b>	<b>425</b>	<b>-70%</b>
Cash used for acquisitions, net	-2,038	1,290	--
Dividends paid	-809	-773	-5%
<b>Free cash flow after acquisitions and dividends</b>	<b>-2,719</b>	<b>942</b>	<b>--</b>
Cash provided by/used for financing activities	1,456	-358	--
Effect of exchange rates on change in cash and cash equivalents	17	47	-64%
<b>Net change in cash and cash equivalents</b>	<b>-1,246</b>	<b>631</b>	<b>--</b>

IFRS 16 was €128 million (H1/18: €425 million) mainly due to increasing investments. Free cash flow after acquisitions and dividends adjusted for IFRS 16 was -€2,719 million (H1/18: €942 million). The IFRS 16 effect amounts to €353 million respectively. Correspondingly, cash flow from financing activities decreased by €353 million.

## ASSET AND LIABILITY STRUCTURE

The Group's **total assets** were €64,929 million including an IFRS 16 effect of €5,587 million. Adjusted for IFRS 16, Group total assets<sup>1</sup> increased by 5% (4% in constant currency) to €59,342 million (Dec. 31, 2018: €56,703 million). Current assets<sup>1</sup> remained flat (remained flat in constant currency) to €14,851 million (Dec. 31, 2018: €14,790 million). Non-current assets<sup>1</sup> increased by 6% (6% in constant currency) to €44,491 million (Dec. 31, 2018: €41,913 million).

Total **shareholders' equity** was €25,382 million including an IFRS 16 effect of -€186 million. Adjusted for IFRS 16, total shareholders' equity<sup>1</sup> increased by 2% (2% in constant currency) to €25,568 million (Dec. 31, 2018: €25,008 million). The equity ratio was 39.1%. Adjusted for IFRS 16, the equity ratio was 43.1% (Dec. 31, 2018: 44.1%).

Group **debt** was €26,879 million including an IFRS 16 effect of €5,773 million. Adjusted for IFRS 16, Group debt<sup>1</sup>

increased by 11% to €21,106 million (11% in constant currency) (Dec. 31, 2018: €18,984 million). Group net debt was €25,416 million including an IFRS 16 effect of €5,773 million. Adjusted for IFRS 16, Group **net debt**<sup>1</sup> increased by 21% (21% in constant currency) to €19,643 million (Dec. 31, 2018: €16,275 million) mainly due to the acquisition of NxStage by Fresenius Medical Care.

As of June 30, 2019, the **net debt/EBITDA** ratio increased to 3.21x<sup>1,2,3,4</sup> (December 31, 2018: 2.71x<sup>2,4</sup>). Including the IFRS 16 effect, the reported net debt/EBITDA ratio increased to 3.64x<sup>2,3,4</sup>.

## ANNUAL GENERAL MEETING 2019

At the Annual General Meeting 2019, the shareholders of Fresenius SE & Co. KGaA approved all agenda items with a large majority. Fresenius SE & Co. KGaA shareholders approved the 26<sup>th</sup> consecutive dividend increase proposed by the general partner and the Supervisory Board (agenda item 2). Shareholders received €0.80 per common share (prior year: €0.75).

The voting results for all agenda items are listed in the table below.

	Number of shares for which valid votes were cast	in % of the capital stock	Yes votes		No votes		
			Number	in % of the valid votes cast	Number	in % of the valid votes cast	
<b>Item no. 1</b>	Resolution on the Approval of the Annual Financial Statements of Fresenius SE & Co. KGaA for the Fiscal Year 2018	402,844,551	72.40%	402,092,334	99.81%	752,217	0.19%
<b>Item no. 2</b>	Resolution on the Allocation of the Distributable Profit	403,028,291	72.43%	366,592,718	90.96%	36,435,573	9.04%
<b>Item no. 3</b>	Resolution on the Approval of the Actions of the General Partner for the Fiscal Year 2018	251,198,310	45.14%	247,411,677	98.49%	3,786,633	1.51%
<b>Item no. 4</b>	Resolution on the Approval of the Actions of the Supervisory Board for the Fiscal Year 2018	221,771,534	39.85%	194,121,972	87.53%	27,649,562	12.47%
<b>Item no. 5</b>	Election of the Auditor and Group Auditor for the Fiscal Year 2019 and of the Auditor for the potential Review of the Half-Yearly Financial Report for the first Half-Year of the Fiscal Year 2019 and other Financial Information during the course of the year	256,653,109	46.12%	243,582,336	94.91%	13,070,773	5.09%

<sup>1</sup> Adjusted for IFRS 16 effect

<sup>2</sup> At LTM average exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestitures

<sup>3</sup> Including acquisition of NxStage

<sup>4</sup> Before special items

## 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 June 30, 2019, Fresenius Medical Care was treating 339,550 patients in 3,996 dialysis clinics. Along with its core business, the company provides related medical services in the field of Care Coordination.

€ in millions	Q2/2019 <sup>1</sup>	Q2/2018 <sup>2</sup>	Growth	Growth in constant currency	H1/2019 <sup>1</sup>	H1/2018 <sup>2</sup>	Growth	Growth in constant currency
Sales	4,284	3,956	8%	5%	8,409	7,680	9%	5%
EBITDA	689	734	-6%	-11%	1,427	1,410	1%	-3%
EBIT	491	558	-12%	-17%	1,042	1,064	-2%	-7%
Net income <sup>3</sup>	279	308	-9%	-14%	597	604	-1%	-6%
Employees (June 30/Dec. 31)					126,913	120,328	5%	

- **5% sales<sup>1,2</sup> growth in constant currency**
- **Underlying dialysis business development as expected; negative impact from ESCO adjustments for prior plan years**
- **FY/19 outlook confirmed**

Adjusted for the Q2/18 contribution from the divested Care Coordination activities, the IFRS 16 effect and the contribution from NxStage, sales of Fresenius Medical Care increased by 8% (5% at constant currency) to €4,284 million (Q2/18: €3,956 million). Organic sales growth was 4%. Positive currency translation effects of 3% were mainly related to the U.S. dollar strengthening against the euro. In H1/19, sales adjusted for the H1/18 contribution from the divested Care Coordination activities, the IFRS 16 effect and the contribution from NxStage increased by 9% (5% at constant currency) to €8,409 million (H1/18: €7,680 million). Organic sales growth was 5%.

EBIT<sup>4</sup> decreased by 12% (-17% in constant currency) to €491 million (Q2/19: €558 million). The EBIT margin<sup>4</sup> decreased to 11.5% (Q2/18: 14.1%). A significant contributor was the reduction in patient attribution and a decreasing

savings rate for ESCOs, based on recent reports for prior plan years ("ESCO effect").

In H1/19, EBIT<sup>4</sup> decreased by 2% (-7% in constant currency) to €1,042 million (H1/18: €1,064 million). The EBIT margin<sup>4</sup> decreased to 12.4% (H1/18: 13.9%).

Net income<sup>3,4</sup> decreased by 9% (-14% in constant currency) to €279 million (Q2/18: €308 million). A significant contributor was the ESCO effect. In H1/19, net income<sup>3,4</sup> decreased by 1% (-6% in constant currency) to €597 million (H1/18: €604 million).

Operating cash flow was €700 million<sup>5</sup> (Q2/18: €656 million) with a margin of 16.0% (Q2/18: 15.6%). In H1/19, operating cash flow was €635 million<sup>6</sup> (H1/18: €611 million) with a margin of 7.6% (H1/18: 7.5%).

For FY/19, Fresenius Medical Care expects adjusted sales to grow by 3% to 7%<sup>7,8</sup> in constant currency. Adjusted net income<sup>3</sup> is expected to develop in the range of -2% to +2%<sup>7,9</sup> in constant currency.

For further information, please see Fresenius Medical Care's press release at [www.freseniusmedicalcare.com](http://www.freseniusmedicalcare.com).

<sup>1</sup> On an adjusted basis: before special items (transaction-related expenses, gain related to divestitures of Care Coordination activities, expenses associated with the cost optimization program), adjusted for IFRS 16 effect, excluding effects from NxStage transaction

<sup>2</sup> Q2/18 and H1/18 adjusted for divestitures of Care Coordination activities

<sup>3</sup> Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

<sup>4</sup> Q2/18 and H1/18 before special items and after adjustments; Q2/19 and H1/19 before special items (transaction-related expenses, gain related to divestitures of Care Coordination activities, expenses associated with the cost optimization program), adjusted for IFRS 16 effect, excluding effects from NxStage transaction

<sup>5</sup> €852 million including an IFRS 16 effect of €152 million

<sup>6</sup> €928 million including an IFRS 16 effect of €293 million

<sup>7</sup> FY/18 before special items, Q2/18 and H1/18 adjusted for divestitures of Care Coordination activities;

FY/19 before special items (transaction-related expenses, gain related to divestitures of Care Coordination activities, expenses associated with the cost optimization program), adjusted for IFRS 16 effects, excluding effects from NxStage transaction

<sup>8</sup> FY/18 base: €16,026 million

<sup>9</sup> FY/18 base: €1,341 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, Fresenius Kabi is developing products with a focus on oncology and autoimmune diseases.

€ in millions	Q2/2019	Q2/2018	Growth	Growth in constant currency	H1/2019	H1/2018	Growth	Growth in constant currency
Sales	1,691	1,604	5%	5%	3,392	3,207	6%	4%
EBITDA <sup>1</sup>	369	361	2%	1%	747	699	7%	3%
EBIT <sup>1</sup>	308	289	7%	4%	611	557	10%	6%
Net income <sup>1,2</sup>	211	185	14%	12%	414	355	17%	12%
Employees (June 30/Dec. 31)					39,198	37,843	4%	

- ▶ **4% organic sales growth and 4% EBIT<sup>1</sup> growth in constant currency**
- ▶ **Excellent growth in Emerging Markets**
- ▶ **FY/19 outlook confirmed**

Sales of Fresenius Kabi increased by 5% (5% in constant currency) to €1,691 million (Q2/18: €1,604 million). Organic sales growth was 4%. In H1/19, sales increased by 6% (4% in constant currency) to €3,392 million (H1/18: €3,207 million). Organic sales growth was 4%. Positive currency translation effects of 2% were mainly related to the U.S. dollar strengthening against the euro.

Sales in **North America** increased by 4% (organic growth: -1%) to €573 million (Q2/18: €549 million). In H1/19, sales in North America increased by 5% (organic growth: -1%) to €1,196 million (H1/18: €1,140 million). The anticipated easing of shortage situations, intensified competition in individual molecules, and a prescribing trend towards non-opioids pain management were the main headwinds

Sales in **Europe** grew by 2% (organic growth: 1%) to €572 million (Q2/18: €563 million). In H1/19, sales in Europe increased by 2% (organic growth: 2%) to €1,145 million (H1/18: €1,120 million).

Sales in **Asia-Pacific** increased by 15% (organic growth: 15%) to €374 million (Q2/18: €326 million). In H1/19, sales in Asia-Pacific increased by 14% (organic growth: 13%) to €715 million (H1/18: €627 million).

Sales in **Latin America/Africa** increased by 4% (organic growth: 13%) to €172 million (Q2/18: €166 million). In H1/19, sales in Latin America/Africa increased by 5% (organic growth: 15%) to €336 million (H1/18: €320 million).

EBIT<sup>1</sup> increased by 7% (4% in constant currency) to €308 million (Q2/18: €289 million) with an EBIT margin<sup>1</sup> of 18.2% (Q2/18: 18.0%). In H1/19, EBIT<sup>1</sup> increased by 10% (6% in constant currency) to €611 million (H1/18: €557 million) with an EBIT margin<sup>1</sup> of 18.0% (H1/18: 17.4%).

Net income<sup>1,2</sup> increased by 14% (12% in constant currency) to €211 million (Q2/18: €185 million). In H1/19, net income<sup>1,2</sup> increased by 17% (12% in constant currency) to €414 million (H1/18: €355 million).

Operating cash flow<sup>3</sup> was €201 million (Q2/18: €228 million). The cash flow margin was 11.9% (Q2/18: 14.2%). In H1/19, operating cash flow<sup>3</sup> was €333 million (H1/18: €454 million). The cash flow margin was 9.8% (H1/18: 14.2%).

Fresenius Kabi confirms its outlook for FY/19 and expects organic sales growth<sup>4</sup> of 3% to 6% and EBIT growth<sup>5</sup> in constant currency of 3% to 6%.

<sup>1</sup> On a comparable basis: before special items and adjusted for IFRS 16 effect

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>3</sup> Adjusted for IFRS 16 effect (operating cash flow after special items)

<sup>4</sup> On a comparable basis: FY/18 base: €6,544 million; FY/19 before special items (acquisition-related expenses, revaluations of biosimilars contingent liabilities) and adjusted for IFRS 16 effect

<sup>5</sup> On a comparable basis: FY/18 base: €1,139 million; FY/18 before special items; FY/19 before special items (acquisition-related expenses, revaluations of biosimilars contingent liabilities) and adjusted for IFRS 16 effect.

## FRESENIUS HELIOS

Fresenius Helios is Europe's leading private hospital operator. The company comprises Helios Germany and Helios Spain (Quirónsalud). Helios Germany operates 86 hospitals, ~125 outpatient centers and treats approximately 5.3 million patients annually. Quirónsalud operates 50 hospitals, 62 outpatient centers and around 300 occupational risk prevention centers, and treats approximately 13.3 million patients annually.

€ in millions	Q2/2019	Q2/2018	Growth	Growth adjusted <sup>1</sup>	H1/2019	H1/2018	Growth	Growth adjusted <sup>1</sup>
Sales	2,349	2,343	0%	6%	4,660	4,674	0%	5%
EBITDA <sup>2</sup>	363	400	-9%		718	776	-7%	
EBIT <sup>2</sup>	274	293	-6%	-4%	540	571	-5%	-4%
Net income <sup>2,3</sup>	183	197	-7%		359	388	-7%	
Employees (June 30/Dec. 31)					103,147	100,144	3%	

- ▶ **Strong organic sales growth of 5%**
- ▶ **Helios Germany further stabilized; Helios Spain with solid growth despite Easter effect**
- ▶ **FY/19 outlook confirmed**

Sales of Fresenius Helios remained at previous year's level (increased by 6%<sup>1</sup>, organic growth: 5%) to €2,349 million (Q2/18: €2,343 million). In H1/19, sales also remained at previous year's level (increased by 5%<sup>1</sup>; organic growth: 4%) to €4,660 million (H1/18: €4,674 million).

Sales of Helios Germany decreased by 3% (increased by 5%<sup>1</sup>; organic growth: 5%) to €1,506 million (Q2/18: €1,547 million). Organic sales growth was positively influenced by pricing effects and a strong case mix. In H1/19, sales of Helios Germany decreased by 4% (increased by 3%<sup>1</sup>; organic growth: 3%) to €2,991 million (H1/18: €3,121 million).

Sales of Helios Spain increased by 6% (organic growth: 4%) to €842 million (Q2/18: €796 million) despite the negative effect related to the Easter holidays. In H1/19, sales of Helios Spain increased by 7% (organic growth: 6%) to €1,668 million (H1/18: €1,553 million).

EBIT<sup>2</sup> of Fresenius Helios decreased by 6% (-4%<sup>1</sup>) to €274 million (Q2/18: €293 million) with an EBIT margin of 11.7% (Q2/18: 12.5%). In H1/19, EBIT<sup>2</sup> of Fresenius Helios

decreased by 5% (-4%<sup>1</sup>) to €540 million (H1/18: €571 million) with an EBIT margin of 11.6% (H1/18: 12.2%).

EBIT<sup>2</sup> of Helios Germany decreased by 8% (-4%<sup>1</sup>) to €154 million (Q2/18: €168 million) with an EBIT margin of 10.2% (Q2/18: 10.9%). In H1/19, EBIT<sup>2</sup> of Helios Germany decreased by 12% (-10%<sup>1</sup>) to €303 million (H1/18: €345 million) with an EBIT margin of 10.1% (H1/18: 11.1%). Whilst EBIT and margin have further stabilized, investments for preparatory structural measures continue to weigh on Helios Germany's financial performance.

Despite the negative Easter effect, EBIT<sup>2</sup> of Helios Spain increased by 1% to €125 million (Q2/18: €124 million) with an EBIT margin of 14.8% (Q2/18: 15.6%). In H1/19, EBIT<sup>2</sup> of Helios Spain increased by 7% to €244 million (H1/18: €227 million).

Net income<sup>2,3</sup> of Fresenius Helios decreased by 7% to €183 million (Q2/18: €197 million). In H1/19, net income<sup>2,3</sup> also decreased by 7% to €359 million (H1/18: €388 million).

Operating cash flow<sup>2</sup> was €197 million (Q2/18: €162 million) with a margin of 8.4% (Q2/18: 6.9%). In H1/19, operating cash flow<sup>2</sup> was €288 million (H1/18: €259 million) with a margin of 6.2% (H1/18: 5.5%). The increase is mainly attributable to the decrease in days sales outstanding (DSO) at Helios Spain.

Fresenius Helios confirms its outlook for FY/19 and expects organic sales growth of 2% to 5% and an EBIT<sup>2</sup> growth of -5% to -2%.

<sup>1</sup> Adjusted for the post-acute care business transferred to Fresenius Vamed as of July 1, 2018

<sup>2</sup> Adjusted for IFRS 16 effect

<sup>3</sup> 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 and is a post-acute care provider in Central Europe. 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	Q2/2019	Q2/2018	Growth	Growth adjusted <sup>1</sup>	H1/2019	H1/2018	Growth	Growth adjusted <sup>1</sup>
Sales	467	266	76%	31%	907	515	76%	32%
EBITDA <sup>2</sup>	30	15	100%		50	24	108%	
EBIT <sup>2</sup>	20	12	67%	-33%	31	18	72%	-17%
Net income <sup>2,3</sup>	13	7	86%		19	11	73%	
Employees (June 30/Dec. 31)					18.035	17.299	4%	

- ▶ **Very strong organic sales growth of 27%**
- ▶ **Intensified collaboration with Fresenius Helios contributes to sales growth**
- ▶ **FY/19 outlook confirmed**

Sales of Fresenius Vamed increased by 76% (31%<sup>1</sup>) to €467 million (Q2/18: €266 million). Organic sales growth was 27%, acquisitions contributed 3%<sup>1</sup> to growth. Positive currency translation effects increased sales by 1%. Sales in the service business grew by 106% (35%<sup>1</sup>) to €344 million (Q2/18: €167 million), supported by an intensified collaboration with Fresenius Helios. Sales of the project business increased by 24% to €123 million (Q2/18: €99 million). In H1/19, sales increased by 76% (32%<sup>1</sup>) to €907 million (H1/18: €515 million). Organic sales growth was 29%, acquisitions contributed 3%<sup>1</sup> to growth. Both the service and the project business showed strong growth momentum.

EBIT<sup>2</sup> increased by 67% to €20 million (Q2/18: €12 million) with an EBIT margin of 4.3% (Q2/18: 4.5%). EBIT<sup>2</sup> additionally adjusted for the acquisition of Helios' German post-acute care business was €8 million (-33% YoY) with an EBIT margin of 2.3% – the decrease was mainly driven by

phasing effects in the project business. In H1/19, EBIT<sup>2</sup> increased by 72% to €31 million (H1/18: €18 million) with an EBIT margin of 3.4% (H1/18: 3.5%). EBIT<sup>2</sup> additionally adjusted for the acquisition of Helios' German post-acute care business was €15 million (-17% YoY) with an EBIT margin of 2.2%.

Net income<sup>2,3</sup> increased by 86% to €13 million (Q2/18: €7 million). In H1/19, net income<sup>2,3</sup> increased by 73% to €19 million (H1/18: €11 million).

Order intake decreased by -41% to €115 million (Q2/18: €195 million) but increased by 9% to €498 million in H1/19 (H1/18: €455 million). As of June 30, 2019, order backlog was at €2,690 million (Dec 31, 2018: €2,420 million).

Operating cash flow<sup>2</sup> decreased to -€42 million (Q2/18: -€14 million) with a margin of -9.0% (Q2/18: -5.3%). In H1/19, Operating cash flow<sup>2</sup> decreased to -€65 million (H1/18: -€56 million) with a margin of -7.2% (H1/18: -10.9%).

Fresenius Vamed confirms its outlook for FY/19 and expects organic sales growth of ~10% and EBIT growth<sup>2</sup> of 15% to 20%.

<sup>1</sup> Adjusted for German post-acute care business acquired from Fresenius Helios as of July 1, 2018

<sup>2</sup> Adjusted for IFRS 16 effect

<sup>3</sup> Net income attributable to shareholders of VAMED AG

## EMPLOYEES

As of June 30, 2019, the number of employees was 288,459 (Dec. 31, 2018: 276,750).

### EMPLOYEES BY BUSINESS SEGMENT

Number of employees	June 30, 2019	December 31, 2018	Growth
Fresenius Medical Care	126,913	120,328	5%
Fresenius Kabi	39,198	37,843	4%
Fresenius Helios	103,147	100,144	3%
Fresenius Vamed	18,035	17,299	4%
Corporate/Other	1,166	1,136	3%
<b>Total</b>	<b>288,459</b>	<b>276,750</b>	<b>4%</b>

## RESEARCH AND DEVELOPMENT

Product and process development as well as the improvement of therapies are at the core of our growth strategy. Fresenius focuses its R & D efforts on its core competencies in the following areas:

- ▶ Dialysis
- ▶ Generic IV drugs
- ▶ Biosimilars
- ▶ Infusion and nutrition therapies
- ▶ Medical devices

Apart from new products, we are concentrating on developing optimized or completely new therapies, treatment methods, and services.

### RESEARCH AND DEVELOPMENT EXPENSES BY BUSINESS SEGMENT

€ in millions	H/2019	H1/2018	Growth
Fresenius Medical Care	75	70	7%
Fresenius Kabi <sup>1</sup>	213	256	-17%
Fresenius Helios	1	–	--
Fresenius Vamed	0	0	
Corporate/Other	0	-1	
<b>Total<sup>1</sup></b>	<b>289</b>	<b>325</b>	<b>-11%</b>

<sup>1</sup> Before revaluations of biosimilars contingent liabilities

## OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the consolidated financial statements and the management report as of December 31, 2018 applying Section 315e HGB in accordance with IFRS, there have been no material changes in Fresenius' overall opportunities and risk situation in the first half of 2019.

In the ordinary course of Fresenius Group's operations, the Fresenius Group is subject to litigation, arbitration as well as external and internal investigations relating to various aspects of its business.

The Fresenius Group regularly analyzes current information about such matters for probable losses and provides accruals for such matters, including estimated expenses for legal services, as appropriate.

We report on legal proceedings, currency and interest risks on pages 52 and 55 to 57 in the Notes of this half-year financial report.

## RATING

Fresenius is covered by the rating agencies Moody's, Standard & Poor's and Fitch.

The following table shows the company rating of Fresenius SE & Co. KGaA:

	Standard & Poor's	Moody's	Fitch <sup>1</sup>
Company rating	BBB	Baa3	BBB -
Outlook	stable	stable	stable

In May 2019, Standard & Poor's has upgraded Fresenius' corporate credit rating to BBB with a stable outlook from BBB- with a positive outlook.

## OUTLOOK 2019

### FRESENIUS GROUP

Based on the Group's good H1/19 results and good prospects for the remainder of the year, Fresenius raises its 2019 Group sales growth guidance. Fresenius now projects sales growth<sup>1</sup> of 4% to 7% in constant currency. Previously, Fresenius expected sales growth<sup>1</sup> of 3% to 6% in constant currency. The company confirms its earnings guidance. Net income<sup>2,3</sup> growth is expected to be ~0% in constant currency. The guidance for 2019 includes the related sales and dilutive earnings contributions of the NxStage acquisition.

Fresenius expects net debt/EBITDA<sup>4</sup> at year-end to be around the upper-end of the original self-imposed target corridor of 2.5x to 3.0x. This includes the NxStage acquisition which is increasing the net debt/EBITDA ratio in 2019 by ~30 basis points and excludes IFRS 16 effects.

Due to the adoption of the IFRS 16 accounting standard ("IFRS 16 effect"), Fresenius' self-imposed target corridor has shifted to 3.0x to 3.5x net debt/EBITDA on a reported basis.

### FRESENIUS MEDICAL CARE

For FY/19, Fresenius Medical Care expects adjusted sales to grow by 3% to 7%<sup>5,6</sup> in constant currency. Adjusted net income<sup>7</sup> is expected to develop in the range of -2% to +2%<sup>5,8</sup> in constant currency

### FRESENIUS KABI

Fresenius Kabi confirms its outlook for FY/19 and expects organic sales growth<sup>9</sup> of 3% to 6% and EBIT growth<sup>10</sup> in constant currency of 3% to 6%.

### FRESENIUS HELIOS

Fresenius Helios confirms its outlook for FY/19 and expects organic sales growth of 2% to 5% and an EBIT<sup>11</sup> growth of -5% to -2%.

### FRESENIUS VAMED

Fresenius Vamed confirms its outlook for FY/19 and expects organic sales growth of ~10% and EBIT growth<sup>11</sup> of 15% to 20%.

### INVESTMENTS

2019 is an investment year for the Fresenius Group. Fresenius is making good progress in all of its investment initiatives to secure long-term sustainable growth. The Group plans to invest around 7% of sales in property, plant and equipment.

<sup>1</sup> On a comparable basis: FY/18 base: €33,009 million; FY/18 adjusted for divestitures of Care Coordination activities at FMC (H1/18); FY/19: adjusted for IFRS 16 effect

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>3</sup> On a comparable basis: FY/18 base: €1,872 million; FY/18 before special items and adjusted for divestitures of Care Coordination activities at FMC (H1/18); FY/19: before special items (transaction-related expenses, revaluations of biosimilars contingent liabilities, gain divestitures of Care Coordination activities, expenses associated with the cost optimization program at FMC); adjusted for IFRS 16 effect

<sup>4</sup> Both net debt and EBITDA calculated at expected annual average exchange rates; excluding further potential acquisitions

<sup>5</sup> FY/18 before special items, Q2/18 and H1/18 adjusted for divestitures of Care Coordination activities; FY/19 before special items (transaction-related expenses, gain related to divestitures of Care Coordination activities, expenses associated with the cost optimization program), adjusted for IFRS 16 effects, excluding effects from NxStage transaction

<sup>6</sup> 2018 base: €16,026 million

<sup>7</sup> Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

<sup>8</sup> 2018 base: €1,341 million

<sup>9</sup> On a comparable basis: FY/18 base: €6,544 million; FY/19 before special items (acquisition-related expenses, revaluations of biosimilars contingent liabilities) and adjusted for IFRS 16 effect

<sup>10</sup> On a comparable basis: FY/18 base: €1,139 million; FY/18 before special items; FY/19 before special items (acquisition-related expenses, revaluations of biosimilars contingent liabilities) and adjusted for IFRS 16 effect

<sup>11</sup> Adjusted for IFRS 16 effect



## GROUP FINANCIAL OUTLOOK 2019

	Targets 2019	Fiscal year 2018	New guidance
Sales growth (in constant currency)	3% – 6% <sup>1</sup>	€33,009 m <sup>1</sup>	4% – 7% <sup>1</sup>
Net income <sup>3</sup> growth (in constant currency)	~0% <sup>2</sup>	€1,872 m <sup>2</sup>	confirmed

<sup>1</sup> On a comparable basis: FY/18 adjusted for divestitures of Care Coordination activities at FMC (H1/18); FY/19: adjusted for IFRS 16 effect

<sup>2</sup> On a comparable basis: FY/18 before special items and adjusted for divestitures of Care Coordination activities at FMC (H1/18); FY/19: before special items (transaction-related expenses, expenses associated with the cost optimization program at FMC, gain related to divestitures of Care Coordination activities at FMC, revaluations of biosimilars contingent liabilities); including operating results of NxStage, adjusted for IFRS 16 effect

<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

## OUTLOOK 2019 BY BUSINESS SEGMENT

	Targets 2019 <sup>1</sup>	Fiscal year 2018	New guidance <sup>1</sup>
<b>Fresenius Medical Care</b>			
Sales growth (in constant currency)	3% – 7% <sup>2</sup>	€16,026 m <sup>2</sup>	confirmed
Net income <sup>3</sup> growth (in constant currency)	-2% – 2% <sup>4</sup>	€1,341 m <sup>4</sup>	confirmed
<b>Fresenius Kabi</b>			
Sales growth (organic)	3% – 6%	€6,544 m	confirmed
EBIT growth (in constant currency)	3% – 6%	€1,139 m <sup>5</sup>	confirmed
<b>Fresenius Helios</b>			
Sales growth (organic)	2% – 5%	€8,993 m	confirmed
EBIT growth	-5% – -2%	€1,052 m	confirmed
<b>Fresenius Vamed</b>			
Sales growth (organic)	~10%	€1,688 m	confirmed
EBIT growth	15% – 20%	€110 m	confirmed

<sup>1</sup> On a comparable basis: FY/18 before special items and adjusted for divestitures of Care Coordination activities at FMC (H1/18); FY/19: before special items (transaction-related expenses, expenses associated with the cost optimization program at FMC, revaluations of biosimilars contingent liabilities); adjusted for IFRS 16 effect

<sup>2</sup> 2018 adjusted for divestitures of Care Coordination activities; 2019 adjusted for IFRS 16 effects, excluding effects from NxStage transaction

<sup>3</sup> Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

<sup>4</sup> 2018 before special items and after adjustments; 2019 before special items (before transaction-related expenses, expenses associated with the cost optimization program), adjusted for IFRS 16 effect, excluding effects from NxStage transaction

<sup>5</sup> Before special items

## IFRS 16 RECONCILIATION FRESENIUS GROUP Q2 AND H1

## PROFIT AND LOSS STATEMENT

in Mio €	Q2/2019			H1/2019		
	Before special items, adjusted for IFRS 16 effect	IFRS 16 effect	Before special items, according to IFRS 16	Before special items, adjusted for IFRS 16	IFRS 16 effect	Before special items, according to IFRS 16
Sales	8,779	-18	8,761	17,296	-40	17,256
EBITDA	1,461	242	1,703	2,942	462	3,404
Depreciation and amortization	-380	-205	-585	-750	-406	-1,156
EBIT	1,081	37	1,118	2,192	56	2,248
Net interest	-122	-58	-180	-255	-106	-361
Income taxes	-219	5	-214	-448	13	-435
Noncontrolling interest	-260	7	-253	-544	20	-524
Net income <sup>1</sup>	480	-9	471	945	-17	928

## BALANCE SHEET

in Mio €	June 30, 2019		
	Adjusted for IFRS 16 effect	IFRS 16 effect	According to IFRS 16
Right-of-use-assets	190 <sup>2</sup>	5,587	5,777
Lease liabilities	414 <sup>3</sup>	5,773	6,187
Equity	25,568	-186	25,382
Total assets	59,342	5,587	64,929

## CASH FLOW

in Mio €	Q2/2019			H1/2019		
	Adjusted for IFRS 16 effect	IFRS 16 effect	According to IFRS 16	Adjusted for IFRS 16 effect	IFRS 16 effect	According to IFRS 16
Operating cash flow	1,023	182	1,205	1,141	353	1,494
Cash flow before acquisitions and dividends	467	182	649	128	353	481
Free cash flow	-437	182	-255	-2,719	353	-2,366
Cash provided by/used for financing activities	373	-182	191	1,456	-353	1,103

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA<sup>2</sup> Reclassification from machinery, equipment and rental equipment under capital leases as of December 31, 2018<sup>3</sup> Reclassification from capital lease obligations and other liabilities as of December 31, 2018

## IFRS 16 RECONCILIATION BUSINESS SEGMENTS Q2 AND H1

## FRESENIUS MEDICAL CARE – Reconciliation according to Fresenius Group

€ in millions	Q2/2019			H1/2019		
	Before special items adjusted for IFRS 16 effect	IFRS 16 effect	Before special items according to IFRS 16	Before special items adjusted for IFRS 16 effect	IFRS 16 effect	Before special items according to IFRS 16
Sales	4,363	-18	4,345	8,518	-40	8,478
EBITDA	703	201	904	1,438	385	1,823
EBIT	486	31	517	1,026	48	1,074
Net income <sup>1</sup>	260	-10	250	564	-28	536
Operating cash flow <sup>2</sup>	700	152	852	635	293	928

## FRESENIUS KABI

€ in millions	Q2/2019			H1/2019		
	Before special items adjusted for IFRS 16 effect	IFRS 16 effect	Before special items according to IFRS 16	Before special items adjusted for IFRS 16 effect	IFRS 16 effect	Before special items according to IFRS 16
Sales	1,691	0	1,691	3,392	0	3,392
EBITDA	369	17	386	747	33	780
EBIT	308	1	309	611	2	613
Net income <sup>3</sup>	211	-2	209	414	-3	411
Operating cash flow <sup>2</sup>	201	14	215	333	27	360

## FRESENIUS HELIOS

€ in millions	Q2/2019			H1/2019		
	Adjusted for IFRS 16 effect	IFRS 16 effect	According to IFRS 16	Adjusted for IFRS 16 effect	IFRS 16 effect	According to IFRS 16
Sales	2,349	0	2,349	4,660	0	4,660
EBITDA	363	17	380	718	32	750
EBIT	274	2	276	540	4	544
Net income <sup>3</sup>	183	-2	181	359	-4	355
Operating cash flow	197	11	208	288	23	311

## FRESENIUS VAMED

€ in millions	Q2/2019			H1/2019		
	Adjusted for IFRS 16 effect	IFRS 16 effect	According to IFRS 16	Adjusted for IFRS 16 effect	IFRS 16 effect	According to IFRS 16
Sales	467	0	467	907	0	907
EBITDA	30	9	39	50	18	68
EBIT	20	2	22	31	3	34
Net income <sup>4</sup>	13	-1	12	19	-1	18
Operating cash flow	-42	7	-35	-65	15	-50

<sup>1</sup> Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA<sup>2</sup> After special items<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA<sup>4</sup> Net income attributable to shareholders of VAMED AG

## RECONCILIATION FRESENIUS GROUP Q2

€ in millions	Q2/2019	Q2/2018	Growth rate	Growth rate in constant currency
<b>Sales reported</b>	<b>8,761</b>	<b>8,382</b>	<b>5%</b>	<b>3%</b>
Divestitures of Care Coordination activities (Q2/2018) at FMC (Fresenius Medical Care)	-	-258		
IFRS 16 effect	18	-		
<b>Sales on a comparable basis</b>	<b>8,779</b>	<b>8,124</b>	<b>8%</b>	<b>6%</b>
<b>EBIT reported (after special items)</b>	<b>1,118</b>	<b>1,943</b>	<b>-42%</b>	<b>-44%</b>
Transaction costs Akorn	1	34		
Bridge Financing costs Akorn	-	1		
Revaluations of biosimilars contingent liabilities	3	-		
Gain related to divestitures of Care Coordination activities	-11	-833		
Transaction costs NxStage	4	-		
Expenses associated with the cost optimization program at FMC	3	-		
<b>EBIT (before special items)</b>	<b>1,118</b>	<b>1,145</b>	<b>-2%</b>	<b>-5%</b>
Divestitures of Care Coordination activities at FMC (Q2/2018)	-	-10		
IFRS 16 effect	-37	-		
<b>EBIT on a comparable basis</b>	<b>1,081</b>	<b>1,135</b>	<b>-5%</b>	<b>-7%</b>
<b>Net interest reported (after special items)</b>	<b>-179</b>	<b>-155</b>	<b>-15%</b>	<b>-12%</b>
Bridge Financing costs Akorn	-	4		
Revaluations of biosimilars contingent liabilities	-1	-		
<b>Net interest (before special items)</b>	<b>-180</b>	<b>-151</b>	<b>-19%</b>	<b>-16%</b>
Divestitures of Care Coordination activities at FMC (Q2/2018)	-	11		
IFRS 16 effect	58	-		
<b>Net interest on a comparable basis</b>	<b>-122</b>	<b>-140</b>	<b>13%</b>	<b>14%</b>

Reconciliation from the reported figures including IFRS 16 to the figures on a comparable basis.

The special items shown within the reconciliation tables are reported in the Group Corporate/Other segment.

## RECONCILIATION FRESENIUS GROUP Q2

€ in millions	Q2/2019	Q2/2018	Growth rate	Growth rate in constant currency
<b>Income taxes reported (after special items)</b>	<b>-213</b>	<b>-372</b>	<b>43%</b>	<b>44%</b>
Transaction costs Akorn	0	-7		
Bridge Financing costs Akorn	-	-1		
Revaluations of biosimilars contingent liabilities	-1	-		
Gain related to divestitures of Care Coordination activities	2	147		
Transaction costs NxStage	-1	-		
Expenses associated with the cost optimization program at FMC	-1	-		
<b>Income taxes (before special items)</b>	<b>-214</b>	<b>-233</b>	<b>8%</b>	<b>11%</b>
Divestitures of Care Coordination activities at FMC (Q2/2018)	-	1		
IFRS 16 effect	-5	-		
<b>Income taxes on a comparable basis</b>	<b>-219</b>	<b>-232</b>	<b>6%</b>	<b>9%</b>
<b>Noncontrolling interest reported (after special items)</b>	<b>-255</b>	<b>-764</b>	<b>67%</b>	<b>68%</b>
Gain related to divestitures of Care Coordination activities	6	475		
Transaction costs NxStage	-3	-		
Expenses associated with the cost optimization program at FMC	-1	-		
<b>Noncontrolling interest (before special items)</b>	<b>-253</b>	<b>-289</b>	<b>12%</b>	<b>17%</b>
Divestitures of Care Coordination activities at FMC (Q2/2018)	-	-1		
IFRS 16 effect	-7	-		
<b>Noncontrolling interest on a comparable basis</b>	<b>-260</b>	<b>-290</b>	<b>10%</b>	<b>15%</b>
<b>Net income reported (after special items)</b>	<b>471</b>	<b>652</b>	<b>-28%</b>	<b>-29%</b>
Transaction costs Akorn	1	27		
Bridge Financing costs Akorn	-	4		
Revaluations of biosimilars contingent liabilities	1	-		
Gain related to divestitures of Care Coordination activities	-3	-211		
Transaction costs NxStage	0	-		
Expenses associated with the cost optimization program at FMC	1	-		
<b>Net income (before special items)</b>	<b>471</b>	<b>472</b>	<b>0%</b>	<b>-2%</b>
Divestitures of Care Coordination activities at FMC (Q2/2018)	-	1		
IFRS 16 effect	9	-		
<b>Net income on a comparable basis</b>	<b>480</b>	<b>473</b>	<b>1%</b>	<b>0%</b>

## RECONCILIATION FRESENIUS GROUP H1

€ in millions	H1/2019	H1/2018	Growth rate	Growth rate in constant currency
<b>Sales reported</b>	<b>17,256</b>	<b>16,503</b>	<b>5%</b>	<b>2%</b>
Divestitures of Care Coordination activities (H1/2018) at FMC (Fresenius Medical Care)	-	-509		
IFRS 16 effect	40	-		
<b>Sales on a comparable basis</b>	<b>17,296</b>	<b>15,994</b>	<b>8%</b>	<b>6%</b>
<b>EBIT reported (after special items)</b>	<b>2,233</b>	<b>2,979</b>	<b>-25%</b>	<b>-28%</b>
Transaction costs Akorn	3	39		
Bridge Financing costs Akorn	-	1		
Revaluations of biosimilars contingent liabilities	-4	-		
Gain related to divestitures of Care Coordination activities	-11	-820		
Transaction costs NxStage	20	-		
Expenses associated with the cost optimization program at FMC	7	-		
<b>EBIT (before special items)</b>	<b>2,248</b>	<b>2,199</b>	<b>2%</b>	<b>-1%</b>
Divestitures of Care Coordination activities at FMC (H1/2018)	-	-14		
IFRS 16 effect	-56	-		
<b>EBIT on a comparable basis</b>	<b>2,192</b>	<b>2,185</b>	<b>0%</b>	<b>-3%</b>
<b>Net interest reported (after special items)</b>	<b>-363</b>	<b>-307</b>	<b>-18%</b>	<b>-15%</b>
Bridge Financing costs Akorn	-	7		
Revaluations of biosimilars contingent liabilities	2	-		
<b>Net interest (before special items)</b>	<b>-361</b>	<b>-300</b>	<b>-20%</b>	<b>-17%</b>
Divestitures of Care Coordination activities at FMC (H1/2018)	-	21		
IFRS 16 effect	106	-		
<b>Net interest on a comparable basis</b>	<b>-255</b>	<b>-279</b>	<b>9%</b>	<b>10%</b>

Reconciliation from the reported figures including IFRS 16 to the figures on a comparable basis.

The special items shown within the reconciliation tables are reported in the Group Corporate/Other segment.

## RECONCILIATION FRESENIUS GROUP H1

€ in millions	H1/2019	H1/2018	Growth rate	Growth rate in constant currency
<b>Income taxes reported (after special items)</b>	<b>-430</b>	<b>-558</b>	<b>23%</b>	<b>25%</b>
Transaction costs Akorn	0	-8		
Bridge Financing costs Akorn	-	-2		
Revaluations of biosimilars contingent liabilities	0	-		
Gain related to divestitures of Care Coordination activities	2	147		
Transaction costs NxStage	-5	-		
Expenses associated with the cost optimization program at FMC	-2	-		
<b>Income taxes (before special items)</b>	<b>-435</b>	<b>-421</b>	<b>-3%</b>	<b>0%</b>
Divestitures of Care Coordination activities at FMC (H1/2018)	-	-1		
IFRS 16 effect	-13	-		
<b>Income taxes on a comparable basis</b>	<b>-448</b>	<b>-422</b>	<b>-6%</b>	<b>-2%</b>
<b>Noncontrolling interest reported (after special items)</b>	<b>-516</b>	<b>-1,022</b>	<b>50%</b>	<b>52%</b>
Gain related to divestitures of Care Coordination activities	6	466		
Transaction costs NxStage	-11	-		
Expenses associated with the cost optimization program at FMC	-3	-		
<b>Noncontrolling interest (before special items)</b>	<b>-524</b>	<b>-556</b>	<b>6%</b>	<b>10%</b>
Divestitures of Care Coordination activities at FMC (H1/2018)	-	-4		
IFRS 16 effect	-20	-		
<b>Noncontrolling interest on a comparable basis</b>	<b>-544</b>	<b>-560</b>	<b>3%</b>	<b>8%</b>
<b>Net income reported (after special items)</b>	<b>924</b>	<b>1,092</b>	<b>-15%</b>	<b>-18%</b>
Transaction costs Akorn	3	31		
Bridge Financing costs Akorn	-	6		
Revaluations of biosimilars contingent liabilities	-2	-		
Gain related to divestitures of Care Coordination activities	-3	-207		
Transaction costs NxStage	4	-		
Expenses associated with the cost optimization program at FMC	2	-		
<b>Net income (before special items)</b>	<b>928</b>	<b>922</b>	<b>1%</b>	<b>-2%</b>
Divestitures of Care Coordination activities at FMC (H1/2018)	-	2		
IFRS 16 effect	17	-		
<b>Net income on a comparable basis</b>	<b>945</b>	<b>924</b>	<b>2%</b>	<b>0%</b>

## RECONCILIATION BUSINESS SEGMENTS Q2

FRESENIUS MEDICAL CARE – Reconciliation according to Fresenius Medical Care

€ in millions	Q2/2019	Q2/2018	Growth rate	Growth rate in constant currency
<b>Sales reported</b>	<b>4,345</b>	<b>4,214</b>	<b>3%</b>	<b>0%</b>
Divestitures of Care Coordination activities (Q2/2018)	-	-258		
IFRS 16 effect	18	-		
NxStage operations	-79	-		
<b>Sales adjusted</b>	<b>4,284</b>	<b>3,956</b>	<b>8%</b>	<b>5%</b>
<b>EBIT reported</b>	<b>521</b>	<b>1,401</b>	<b>-63%</b>	<b>-65%</b>
Gain related to divestitures of Care Coordination activities	-11	-833		
Divestitures of Care Coordination activities (Q2/2018)	-	-10		
IFRS 16 effect	-30	-		
NxStage operations	4	-		
Transaction costs NxStage	4	-		
Expenses associated with the cost optimization program	3	-		
<b>EBIT adjusted</b>	<b>491</b>	<b>558</b>	<b>-12%</b>	<b>-17%</b>
<b>Net income reported</b>	<b>254</b>	<b>994</b>	<b>-74%</b>	<b>-76%</b>
Gain related to divestitures of Care Coordination activities	-9	-686		
Divestitures of Care Coordination activities (Q2/2018)	-	0		
IFRS 16 effect	10	-		
NxStage operations	19	-		
Transaction costs NxStage	3	-		
Expenses associated with the cost optimization program	2	-		
<b>Net income adjusted</b>	<b>279</b>	<b>308</b>	<b>-9%</b>	<b>-14%</b>

FRESENIUS MEDICAL CARE – Reconciliation according to the Fresenius Group

in Mio €	Q2/2019	Q2/2018	Growth rate	Growth rate in constant currency
<b>Sales reported</b>	<b>4,345</b>	<b>4,214</b>	<b>3%</b>	<b>0%</b>
Divestitures of Care Coordination activities (Q2/2018)	-	-258		
IFRS 16 effect	18	-		
<b>Sales on a comparable basis</b>	<b>4,363</b>	<b>3,956</b>	<b>10%</b>	<b>7%</b>
<b>EBIT reported (after special items)</b>	<b>521</b>	<b>1,401</b>	<b>-63%</b>	<b>-65%</b>
Gain related to divestitures of Care Coordination activities	-11	-833		
Transaction costs NxStage	4	-		
Expenses associated with the cost optimization program	3	-		
<b>EBIT (before special items)</b>	<b>517</b>	<b>568</b>	<b>-9%</b>	<b>-14%</b>
Divestitures of Care Coordination activities (Q2/2018)	-	-10		
IFRS 16 effect	-31	-		
<b>EBIT on a comparable basis</b>	<b>486</b>	<b>558</b>	<b>-13%</b>	<b>-17%</b>
<b>Net income reported (after special items)</b>	<b>254</b>	<b>994</b>	<b>-74%</b>	<b>-76%</b>
Gain related to divestitures of Care Coordination activities	-9	-686		
Transaction costs NxStage	3	-		
Expenses associated with the cost optimization program	2	-		
<b>Net income (before special items)</b>	<b>250</b>	<b>308</b>	<b>-19%</b>	<b>-23%</b>
Divestitures of Care Coordination activities (Q2/2018)	-	0		
IFRS 16 effect	10	-		
<b>Net income on a comparable basis</b>	<b>260</b>	<b>308</b>	<b>-16%</b>	<b>-20%</b>



## RECONCILIATION BUSINESS SEGMENTS H1

FRESENIUS MEDICAL CARE – Reconciliation according to Fresenius Medical Care

€ in millions	H1/2019	H1/2018	Growth rate	Growth rate in constant currency
<b>Sales reported</b>	<b>8,478</b>	<b>8,189</b>	<b>4%</b>	<b>-1%</b>
Divestitures of Care Coordination activities (H1/2018)	-	-509		
IFRS 16 effect	40	-		
NxStage operations	-109	-		
<b>Sales adjusted</b>	<b>8,409</b>	<b>7,680</b>	<b>9%</b>	<b>5%</b>
<b>EBIT reported</b>	<b>1,058</b>	<b>1,898</b>	<b>-44%</b>	<b>-47%</b>
Gain related to divestitures of Care Coordination activities	-11	-820		
Divestitures of Care Coordination activities (H1/2018)	-	-14		
IFRS 16 effect	-48	-		
NxStage operations	16	-		
Transaction costs NxStage	20	-		
Expenses associated with the cost optimization program	7	-		
<b>EBIT adjusted</b>	<b>1,042</b>	<b>1,064</b>	<b>-2%</b>	<b>-7%</b>
<b>Net income reported</b>	<b>525</b>	<b>1,273</b>	<b>-59%</b>	<b>-61%</b>
Gain related to divestitures of Care Coordination activities	-9	-674		
Divestitures of Care Coordination activities (H1/2018)	-	5		
IFRS 16 effect	28	-		
NxStage operations	33	-		
Transaction costs NxStage	15	-		
Expenses associated with the cost optimization program	5	-		
<b>Net income adjusted</b>	<b>597</b>	<b>604</b>	<b>-1%</b>	<b>-6%</b>

FRESENIUS MEDICAL CARE – Reconciliation according to the Fresenius Group

in Mio €	H1/2019	H1/2018	Growth rate	Growth rate in constant currency
<b>Sales reported</b>	<b>8,478</b>	<b>8,189</b>	<b>4%</b>	<b>-1%</b>
Divestitures of Care Coordination activities (H1/2018)	-	-509		
IFRS 16 effect	40	-		
<b>Sales on a comparable basis</b>	<b>8,518</b>	<b>7,680</b>	<b>11%</b>	<b>7%</b>
<b>EBIT reported (after special items)</b>	<b>1,058</b>	<b>1,898</b>	<b>-44%</b>	<b>-47%</b>
Gain related to divestitures of Care Coordination activities	-11	-820		
Transaction costs NxStage	20	-		
Expenses associated with the cost optimization program at FMC	7	-		
<b>EBIT (before special items)</b>	<b>1,074</b>	<b>1,078</b>	<b>0%</b>	<b>-5%</b>
Divestitures of Care Coordination activities (H1/2018)	-	-14		
IFRS 16 effect	-48	-		
<b>EBIT on a comparable basis</b>	<b>1,026</b>	<b>1,064</b>	<b>-4%</b>	<b>-8%</b>
<b>Net income reported (after special items)</b>	<b>525</b>	<b>1,273</b>	<b>-59%</b>	<b>-61%</b>
Gain related to divestitures of Care Coordination activities	-9	-674		
Transaction costs NxStage	15	-		
Expenses associated with the cost optimization program at FMC	5	-		
<b>Net income (before special items)</b>	<b>536</b>	<b>599</b>	<b>-11%</b>	<b>-15%</b>
Divestitures of Care Coordination activities (H1/2018)	-	5		
IFRS 16 effect	28	-		
<b>Net income on a comparable basis</b>	<b>564</b>	<b>604</b>	<b>-7%</b>	<b>-11%</b>

## RECONCILIATION BUSINESS SEGMENTS Q2

### FRESENIUS KABI

€ in millions	Q2/2019	Q2/2018	Growth rate	Growth rate in constant currency
<b>Sales reported</b>	<b>1,691</b>	<b>1,604</b>	<b>5%</b>	<b>5%</b>
Transaction costs Akorn	1	34		
Revaluations of biosimilars contingent liabilities	3	-		
<b>EBIT (before special items)</b>	<b>309</b>	<b>289</b>	<b>7%</b>	<b>5%</b>
IFRS 16 effect	-1	-		
<b>EBIT on a comparable basis</b>	<b>308</b>	<b>289</b>	<b>7%</b>	<b>4%</b>
Transaction costs Akorn	0	27		
Revaluations of biosimilars contingent liabilities	2	-		
<b>Net income (before special items)</b>	<b>209</b>	<b>185</b>	<b>13%</b>	<b>11%</b>
IFRS 16 effect	2	-		
<b>Net income on a comparable basis</b>	<b>211</b>	<b>185</b>	<b>14%</b>	<b>12%</b>

### FRESENIUS HELIOS

€ in millions	Q2/2019	Q2/2018	Growth rate	Growth rate in constant currency
<b>Sales reported</b>	<b>2,349</b>	<b>2,343</b>	<b>0%</b>	<b>0%</b>
German post-acute care business transferred from Fresenius Helios to Fresenius Vamed	-	-117		
<b>Sales adjusted for German post-acute care business</b>	<b>2,349</b>	<b>2,226</b>	<b>6%</b>	<b>5%</b>
<b>EBIT reported</b>	<b>276</b>	<b>293</b>	<b>-6%</b>	<b>-6%</b>
IFRS 16 effect	-2	-		
<b>EBIT adjusted for IFRS 16 effect</b>	<b>274</b>	<b>293</b>	<b>-6%</b>	<b>-6%</b>
German post-acute care business transferred from Fresenius Helios to Fresenius Vamed	-	-7		
<b>EBIT adjusted for IFRS 16 and German post-acute care business</b>	<b>274</b>	<b>286</b>	<b>-4%</b>	<b>-4%</b>

### FRESENIUS VAMED

€ in millions	Q2/2019	Q2/2018	Growth rate	Growth rate in constant currency
<b>Sales reported</b>	<b>467</b>	<b>266</b>	<b>76%</b>	<b>75%</b>
German post-acute care business acquired from Fresenius Helios	-119	-		
<b>Sales adjusted for German post-acute care business</b>	<b>348</b>	<b>266</b>	<b>31%</b>	<b>30%</b>
<b>EBIT reported</b>	<b>22</b>	<b>12</b>	<b>83%</b>	<b>83%</b>
IFRS 16 effect	-2	-		
<b>EBIT adjusted for IFRS 16 effect</b>	<b>20</b>	<b>12</b>	<b>67%</b>	<b>67%</b>
German post-acute care business acquired from Fresenius Helios	-12	-		
<b>EBIT adjusted for IFRS 16 and German post-acute care business</b>	<b>8</b>	<b>12</b>	<b>-33%</b>	<b>-33%</b>

## RECONCILIATION BUSINESS SEGMENTS H1

### FRESENIUS KABI

€ in millions	H1/2019	H1/2018	Growth rate	Growth rate in constant currency
<b>Sales reported</b>	<b>3,392</b>	<b>3,207</b>	<b>6%</b>	<b>4%</b>
Transaction costs Akorn	3	39		
Revaluations of biosimilars contingent liabilities	-4	-		
<b>EBIT (before special items)</b>	<b>613</b>	<b>557</b>	<b>10%</b>	<b>6%</b>
IFRS 16 effect	-2	-		
<b>EBIT on a comparable basis</b>	<b>611</b>	<b>557</b>	<b>10%</b>	<b>6%</b>
Transaction costs Akorn	2	31		
Revaluations of biosimilars contingent liabilities	-1	-		
<b>Net income (before special items)</b>	<b>411</b>	<b>355</b>	<b>16%</b>	<b>11%</b>
IFRS 16 effect	3	-		
<b>Net income on a comparable basis</b>	<b>414</b>	<b>355</b>	<b>17%</b>	<b>12%</b>

### FRESENIUS HELIOS

€ in millions	H1/2019	H1/2018	Growth rate	Growth rate in constant currency
<b>Sales reported</b>	<b>4,660</b>	<b>4,674</b>	<b>0%</b>	<b>0%</b>
German post-acute care business transferred from Fresenius Helios to Fresenius Vamed	-	-227		
<b>Sales adjusted for German post-acute care business</b>	<b>4,660</b>	<b>4,447</b>	<b>5%</b>	<b>5%</b>
<b>EBIT reported</b>	<b>544</b>	<b>571</b>	<b>-5%</b>	<b>-5%</b>
IFRS 16 effect	-4	-		
<b>EBIT adjusted for IFRS 16 effect</b>	<b>540</b>	<b>571</b>	<b>-5%</b>	<b>-5%</b>
German post-acute care business transferred from Fresenius Helios to Fresenius Vamed	-	-10		
<b>EBIT adjusted for IFRS 16 and German post-acute care business</b>	<b>540</b>	<b>561</b>	<b>-4%</b>	<b>-4%</b>

### FRESENIUS VAMED

€ in millions	H1/2019	H1/2018	Growth rate	Growth rate in constant currency
<b>Sales reported</b>	<b>907</b>	<b>515</b>	<b>76%</b>	<b>76%</b>
German post-acute care business acquired from Fresenius Helios	-229	-		
<b>Sales adjusted for German post-acute care business</b>	<b>678</b>	<b>515</b>	<b>32%</b>	<b>31%</b>
<b>EBIT reported</b>	<b>34</b>	<b>18</b>	<b>89%</b>	<b>89%</b>
IFRS 16 effect	-3	-		
<b>EBIT adjusted for IFRS 16 effect</b>	<b>31</b>	<b>18</b>	<b>72%</b>	<b>72%</b>
German post-acute care business acquired from Fresenius Helios	-16	-		
<b>EBIT adjusted for IFRS 16 and German post-acute care business</b>	<b>15</b>	<b>18</b>	<b>-17%</b>	<b>-17%</b>

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

€ in millions	Q2/2019	Q2/2018	H1/2019	H1/2018
Sales	8,761	8,382	17,256	16,503
Cost of sales	-6,203	-5,900	-12,194	-11,683
<b>Gross profit</b>	<b>2,558</b>	<b>2,482</b>	<b>5,062</b>	<b>4,820</b>
Selling, general and administrative expenses	-1,314	-1,206	-2,550	-2,336
Gain related to divestitures of care coordination activities	11	833	11	820
Research and development expenses	-137	-166	-290	-325
<b>Operating income (EBIT)</b>	<b>1,118</b>	<b>1,943</b>	<b>2,233</b>	<b>2,979</b>
Net interest	-179	-155	-363	-307
<b>Income before income taxes</b>	<b>939</b>	<b>1,788</b>	<b>1,870</b>	<b>2,672</b>
Income taxes	-213	-372	-430	-558
<b>Net income</b>	<b>726</b>	<b>1,416</b>	<b>1,440</b>	<b>2,114</b>
Noncontrolling interest	255	764	516	1,022
<b>Net income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>	<b>471</b>	<b>652</b>	<b>924</b>	<b>1,092</b>
<b>Earnings per share in €</b>	<b>0.85</b>	<b>1.18</b>	<b>1.66</b>	<b>1.97</b>
Fully diluted earnings per share in €	0.85	1.17	1.66	1.96

The following notes are an integral part of the unaudited condensed interim financial statements.

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

€ in millions	Q2/2019	Q2/2018	H1/2019	H1/2018
<b>Net income</b>	<b>726</b>	<b>1,416</b>	<b>1,440</b>	<b>2,114</b>
<b>Other comprehensive income (loss)</b>				
<b>Positions which will be reclassified into net income in subsequent years</b>				
Foreign currency translation	-114	511	169	84
Cash flow hedges	-9	2	-22	10
Change of fair value of available for sale financial assets	-	-	0	0
Income taxes on positions which will be reclassified	3	-14	6	-10
<b>Positions which will not be reclassified into net income in subsequent years</b>				
Actuarial gains on defined benefit pension plans	0	0	0	1
Income taxes on positions which will not be reclassified	-	-	-	-
<b>Other comprehensive income (loss), net</b>	<b>-120</b>	<b>499</b>	<b>153</b>	<b>85</b>
<b>Total comprehensive income</b>	<b>606</b>	<b>1,915</b>	<b>1,593</b>	<b>2,199</b>
<b>Comprehensive income attributable to noncontrolling interest</b>	<b>204</b>	<b>1,029</b>	<b>566</b>	<b>1,098</b>
<b>Comprehensive income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>	<b>402</b>	<b>886</b>	<b>1,027</b>	<b>1,101</b>

The following notes are an integral part of the unaudited condensed interim financial statements.

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

#### ASSETS

€ in millions	June 30, 2019	December 31, 2018
Cash and cash equivalents	1,463	2,709
Trade accounts and other receivables, less allowance for doubtful accounts	7,190	6,540
Accounts receivable from and loans to related parties	37	29
Inventories	3,601	3,218
Other current assets	2,560	2,294
<b>I. Total current assets</b>	<b>14,851</b>	<b>14,790</b>
Property, plant and equipment	10,637	10,366
Right-of-use assets	5,777	0
Goodwill	27,094	25,713
Other intangible assets	3,880	3,130
Other non-current assets	1,917	1,927
Deferred taxes	773	777
<b>II. Total non-current assets</b>	<b>50,078</b>	<b>41,913</b>
<b>Total assets</b>	<b>64,929</b>	<b>56,703</b>

#### LIABILITIES AND SHAREHOLDERS' EQUITY

€ in millions	June 30, 2019	December 31, 2018
Trade accounts payable	1,719	1,823
Short-term accounts payable to related parties	92	67
Short-term provisions and other short-term liabilities	6,111	6,240
Short-term debt	2,689	2,354
Short-term debt from related parties	3	–
Current portion of long-term debt	344	353
Current portion of long-term lease liabilities	748	0
Current portion of bonds	949	1,744
Current portion of convertible bonds	894	493
Short-term accruals for income taxes	196	201
<b>A. Total short-term liabilities</b>	<b>13,745</b>	<b>13,275</b>
Long-term debt, less current portion	6,666	5,944
Long-term lease liabilities, less current portion	5,439	0
Bonds, less current portion	8,686	7,246
Convertible bonds, less current portion	461	850
Long-term provisions and other long-term liabilities	1,661	1,634
Pension liabilities	1,271	1,235
Long-term accruals for income taxes	231	227
Deferred taxes	1,387	1,284
<b>B. Total long-term liabilities</b>	<b>25,802</b>	<b>18,420</b>
<b>I. Total liabilities</b>	<b>39,547</b>	<b>31,695</b>
<b>A. Noncontrolling interest</b>	<b>9,502</b>	<b>9,597</b>
Subscribed capital	557	556
Capital reserve	3,964	3,933
Other reserves	11,586	11,252
Accumulated other comprehensive loss	-227	-330
<b>B. Total Fresenius SE &amp; Co. KGaA shareholders' equity</b>	<b>15,880</b>	<b>15,411</b>
<b>II. Total shareholders' equity</b>	<b>25,382</b>	<b>25,008</b>
<b>Total liabilities and shareholders' equity</b>	<b>64,929</b>	<b>56,703</b>

The following notes are an integral part of the unaudited condensed interim financial statements.

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

€ in millions	H1/2019	H1/2018
<b>Operating activities</b>		
Net income	1,440	2,114
<b>Adjustments to reconcile net income to cash and cash equivalents provided by operating activities</b>		
Depreciation and amortization	1,156	713
Gain on sale of investments and divestitures	-21	-822
Change in deferred taxes	50	-6
Gain on sale of fixed assets	-4	-
<b>Changes in assets and liabilities, net of amounts from businesses acquired or disposed of</b>		
Trade accounts and other receivables, net	-580	-745
Inventories	-303	-137
Other current and non-current assets	-219	-183
Accounts receivable from/payable to related parties	21	17
Trade accounts payable, provisions and other short-term and long-term liabilities	-37	163
Accruals for income taxes	-9	142
<b>Net cash provided by operating activities</b>	<b>1,494</b>	<b>1,256</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	-1,026	-861
Proceeds from sales of property, plant and equipment	13	30
Acquisitions and investments, net of cash acquired and net purchases of intangible assets	-2,061	-372
Proceeds from sale of investments and divestitures	23	1,662
<b>Net cash used in/provided by investing activities</b>	<b>-3,051</b>	<b>459</b>
<b>Financing activities</b>		
Proceeds from short-term debt	621	656
Repayments of short-term debt	-265	-256
Proceeds from long-term debt	1,103	116
Repayments of long-term debt	-596	-580
Repayments of lease liabilities	-392	0
Proceeds from the issuance of bonds	1,433	0
Repayments of liabilities from bonds	-800	0
Payments for the share buy-back program of Fresenius Medical Care	-299	-37
Proceeds/Payments of the accounts receivable securitization program	266	-292
Proceeds from the exercise of stock options	27	30
Dividends paid	-809	-773
Change in noncontrolling interest	5	5
<b>Net cash provided by/used in financing activities</b>	<b>294</b>	<b>-1,131</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>17</b>	<b>47</b>
<b>Net decrease/increase cash and cash equivalents</b>	<b>-1,246</b>	<b>631</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>2,709</b>	<b>1,636</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,463</b>	<b>2,267</b>

#### ADDITIONAL INFORMATION ON PAYMENTS THAT ARE INCLUDED IN NET CASH PROVIDED BY OPERATING ACTIVITIES

€ in millions	H1/2019	H1/2018
Received interest	30	29
Paid interest	-241	-255
Income taxes paid	-441	-520

The following notes are an integral part of the unaudited condensed interim financial statements.

## FRESENIUS SE &amp; CO. KGAA

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Subscribed Capital			Reserves	
	Number of ordinary shares in thousand	Amount € in thousands	Amount € in millions	Capital reserve € in millions	Other reserves € in millions
<b>As of December 31, 2017</b>	554,710	554,710	555	3,848	9,656
Adjustment due to the initial application of IFRS 9 and IFRS 15	0	0	0	0	-28
<b>As of January 1, 2018, adjusted</b>	554,710	554,710	555	3,848	9,628
Proceeds from the exercise of stock options	906	906	1	25	
Compensation expense related to stock options				14	
Dividends paid					-416
Purchase of noncontrolling interest					
Noncontrolling interest subject to put provisions					21
Comprehensive income (loss)					
Net income					1,092
Other comprehensive income (loss)					
Cash flow hedges					
Foreign currency translation					
Actuarial gains on defined benefit pension plans					
Comprehensive income (loss)					1,092
<b>As of June 30, 2018</b>	555,616	555,616	556	3,887	10,325
<b>As of December 31, 2018</b>	556,225	556,225	556	3,933	11,252
Adjustment due to the initial application of IFRS 16	0	0	0	0	-46
<b>As of January 1, 2019, adjusted</b>	556,225	556,225	556	3,933	11,206
Proceeds from the exercise of stock options	617	617	1	19	
Compensation expense related to stock options				12	
Dividends paid					-445
Purchase of noncontrolling interest					
Share buy-back program of Fresenius Medical Care AG & Co. KGaA					-93
Noncontrolling interest subject to put provisions					-6
Comprehensive income (loss)					
Net income					
Other comprehensive income (loss)					924
Cash flow hedges					
Foreign currency translation					
Comprehensive income (loss)					924
<b>As of June 30, 2019</b>	556,842	556,842	557	3,964	11,586

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Accumulated other comprehensive income (loss) € in millions						Total shareholders' equity € in millions
	Foreign currency translation € in millions	Cash flow hedges € in millions	Pensions € in millions	Equity investments	Total Fresenius SE & Co. KGaA shareholders' equity € in millions	Non-controlling interest € in millions	
<b>As of December 31, 2017</b>	-61	-60	-277	0	13,661	8,059	21,720
Adjustment due to the initial application of IFRS 9 and IFRS 15	0	0	0	0	-28	-2	-30
<b>As of January 1, 2018, adjusted</b>	-61	-60	-277	0	13,633	8,057	21,690
Proceeds from the exercise of stock options					26	4	30
Compensation expense related to stock options					14	3	17
Dividends paid					-416	-357	-773
Purchase of noncontrolling interest					0	36	36
Noncontrolling interest subject to put provisions					21	46	67
Comprehensive income (loss)							
Net income					1,092	1,022	2,114
Other comprehensive income (loss)							
Cash flow hedges		-			0	7	7
Foreign currency translation	12	-	-2		10	70	80
Actuarial gains on defined benefit pension plans			1		1	0	1
Comprehensive income (loss)	12	-	-1	0	1,103	1,099	2,202
<b>As of June 30, 2018</b>	-49	-60	-278	0	14,381	8,888	23,269
<b>As of December 31, 2018</b>	38	-61	-311	4	15,411	9,597	25,008
Adjustment due to the initial application of IFRS 16	0	0	0	0	-46	-99	-145
<b>As of January 1, 2019, adjusted</b>	38	-61	-311	4	15,365	9,498	24,863
Proceeds from the exercise of stock options					20	7	27
Compensation expense related to stock options					12	2	14
Dividends paid					-445	-364	-809
Purchase of noncontrolling interest					0	11	11
Share buy-back program of Fresenius Medical Care AG & Co. KGaA					-93	-206	-299
Noncontrolling interest subject to put provisions					-6	-12	-18
Comprehensive income (loss)							
Net income					924	516	1,440
Other comprehensive income (loss)							
Cash flow hedges		-9			-9	-7	-16
Foreign currency translation	112				112	57	169
Comprehensive income (loss)	112	-9			1,027	566	1,593
<b>As of June 30, 2019</b>	150	-70	-311	4	15,880	9,502	25,382

The following notes are an integral part of the unaudited condensed interim financial statements.



## FRESENIUS SE & CO. KGAA CONSOLIDATED SEGMENT REPORTING FIRST HALF (UNAUDITED)

by business segment, € in millions	Fresenius Medical Care				Fresenius Kabi				Fresenius Helios							
	2019 <sup>2</sup>	2019 <sup>2</sup>	2018 <sup>3</sup>	Growth	adj. for IFRS 16 effect	2019 <sup>4</sup>	2019 <sup>4</sup>	2018 <sup>5</sup>	Growth	adj. for IFRS 16 effect	2019	2019	2018	Growth	adj. for IFRS 16 effect	Growth
	8,478	8,518	8,189	4%	3,392	3,392	3,392	3,207	6%	4,660	4,660	4,660	4,674	0%	4,660	0%
Sales	8,478	8,518	8,189	4%	3,392	3,392	3,392	3,207	6%	4,660	4,660	4,660	4,674	0%	4,660	0%
thereof contribution to consolidated sales	8,459	8,499	8,173	3%	3,367	3,367	3,367	3,179	6%	4,653	4,653	4,653	4,667	0%	4,653	0%
thereof intercompany sales	19	19	16	19%	25	25	25	28	-11%	7	7	7	7	0%	7	0%
contribution to consolidated sales	49%	49%	50%		20%	20%	20%	19%		27%	27%	27%	28%		27%	
EBITDA	1,823	1,438	1,433	27%	780	747	747	699	12%	750	718	718	776	-3%	750	-7%
Depreciation and amortization	749	412	355	111%	167	136	142	18%	-4%	206	178	205	0%	0%	178	-13%
EBIT	1,074	1,026	1,078	0%	613	611	557	10%	10%	544	540	571	-5%	-5%	544	-5%
Net interest	-222	-135	-168	-32%	-42	-36	-60	30%	40%	-86	-76	-80	-8%	5%	-86	5%
Income taxes	-198	-209	-199	1%	-137	-138	-124	-10%	-11%	-96	-97	-97	1%	0%	-97	0%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	536	564	599	-11%	411	414	355	16%	17%	355	359	388	-9%	-7%	355	-7%
Operating cash flow	928	635	611	52%	360	333	454	-21%	-27%	311	288	259	20%	11%	311	11%
Cash flow before acquisitions and dividends	435	142	165	164%	55	28	254	-78%	-89%	147	124	95	55%	31%	147	31%
Total assets <sup>1</sup>	31,956	27,784	26,242	22%	13,185	12,810	12,638	4%	1%	17,895	17,017	16,504	8%	3%	17,895	3%
Debt <sup>1</sup>	13,410	9,097	7,546	78%	4,240	3,861	3,867	10%	0%	7,267	6,383	6,219	17%	3%	7,267	3%
Other operating liabilities <sup>1</sup>	5,046	5,046	5,168	-2%	3,078	3,078	3,107	-1%	-1%	2,143	2,143	2,051	4%	4%	2,143	4%
Capital expenditure, gross	497	497	466	7%	290	290	173	68%	68%	164	164	170	-4%	-4%	164	-4%
Acquisitions, gross/investments	1,965	1,965	352	--	79	79	1	--	--	102	102	11	--	--	102	--
Research and development expenses	75	75	70	7%	213	213	256	-17%	-17%	1	1	--	--	--	1	--
Employees	126,913	126,913	120,328	5%	39,198	39,198	37,843	4%	4%	103,147	103,147	100,144	3%	3%	103,147	3%
(per capita on balance sheet date) <sup>1</sup>																
Key figures																
EBITDA margin	21.5%	16.9%	17.5%		23.0%	22.0%	21.8%			16.1%	15.4%	16.6%			15.4%	
EBIT margin	12.7%	12.0%	13.2%		18.1%	18.0%	17.4%			11.7%	11.6%	12.2%			11.6%	
Depreciation and amortization in % of sales	8.8%	4.8%	4.3%		4.9%	4.0%	4.4%			4.4%	3.8%	4.4%			3.8%	
Operating cash flow in % of sales	10.9%	7.5%	7.5%		10.6%	9.8%	14.2%			6.7%	6.2%	5.5%			6.2%	
ROOA <sup>1</sup>	7.6%	8.4%	10.0%		10.7%	11.1%	11.1%			6.2%	6.5%	6.8%			6.5%	

<sup>1</sup> 2018: December 31<sup>2</sup> Before transaction-related expenses, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program<sup>3</sup> Before gain related to divestitures of Care Coordination activities<sup>4</sup> Before transaction-related expenses and revaluations of biosimilars contingent liabilities<sup>5</sup> Before transaction-related expenses

# FRESENIUS SE & CO. KGAA

## CONSOLIDATED SEGMENT REPORTING FIRST HALF (UNAUDITED)

by business segment, € in millions	Fresenius Vamed				Corporate/Other				Fresenius Group							
	2019	2019	2018	Growth	adj. for IFRS 16 effect	2019 <sup>6</sup>	2018 <sup>7</sup>	Growth	adj. for IFRS 16 effect	2019	2018	Growth	adj. for IFRS 16 effect	Growth		
	907	907	515	76%	-181	-181	-82	-121%	17,256	17,296	16,503	5%	17,256	17,296	16,503	5%
Sales	907	907	515	76%	-181	-181	-82	-121%	17,256	17,296	16,503	5%	17,256	17,296	16,503	5%
thereof contribution to consolidated sales	776	776	484	60%	1	1	0		17,256	17,296	16,503	5%	17,256	17,296	16,503	5%
thereof intercompany sales	131	131	31	--	-182	-182	-82	-122%	0	0	0		0	0	0	
contribution to consolidated sales	4%	4%	3%		0%	0%	0%		100%	100%	100%		100%	100%	100%	
EBITDA	68	50	24	183%	-32	-26	760	-104%	3,389	2,927	3,692	-8%	3,389	2,927	3,692	-8%
Depreciation and amortization	34	19	6	--	0	5	5	-100%	1,156	750	713	62%	1,156	750	713	62%
EBIT	34	31	18	89%	-32	-31	755	-104%	2,233	2,177	2,979	-25%	2,233	2,177	2,979	-25%
Net interest	-9	-5	-1	--	-4	-5	2	--	-363	-257	-307	-18%	-363	-257	-307	-18%
Income taxes	-6	-6	-5	-20%	7	7	-133	105%	-430	-443	-558	23%	-430	-443	-558	23%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	18	19	11	64%	-396	-415	-261	-52%	924	941	1,092	-15%	924	941	1,092	-15%
Operating cash flow	-50	-65	-56	11%	-55	-50	-12	--	1,494	1,141	1,256	19%	1,494	1,141	1,256	19%
Cash flow before acquisitions and dividends	-61	-76	-61	0%	-95	-90	-28	--	481	128	425	13%	481	128	425	13%
Total assets <sup>1</sup>	2,404	2,093	2,160	11%	-511	-362	-841	39%	64,929	59,342	56,703	15%	64,929	59,342	56,703	15%
Debt <sup>1</sup>	874	559	535	63%	1,088	1,206	817	33%	26,879	21,106	18,984	42%	26,879	21,106	18,984	42%
Other operating liabilities <sup>1</sup>	824	824	912	-10%	190	190	189	1%	11,281	11,281	11,427	-1%	11,281	11,281	11,427	-1%
Capital expenditure, gross	13	13	15	-13%	42	42	7	--	1,006	1,006	831	21%	1,006	1,006	831	21%
Acquisitions, gross/investments	12	12	22	-45%	-1	-1	0		2,157	2,157	386	--	2,157	2,157	386	--
Research and development expenses	0	0	0		1	1	-1	200%	290	290	325	-11%	290	290	325	-11%
Employees	18,035	18,035	17,299	4%	1,166	1,166	1,136	3%	288,459	288,459	276,750	4%	288,459	288,459	276,750	4%
Key figures																
EBITDA margin	7.5%	5.5%	4.7%						19.7% <sup>8</sup>	17.0% <sup>8</sup>	17.6% <sup>8</sup>		19.7% <sup>8</sup>	17.0% <sup>8</sup>	17.6% <sup>8</sup>	
EBIT margin	3.7%	3.4%	3.5%						13.0% <sup>8</sup>	12.7% <sup>8</sup>	13.3% <sup>8</sup>		13.0% <sup>8</sup>	12.7% <sup>8</sup>	13.3% <sup>8</sup>	
Depreciation and amortization in % of sales	3.7%	2.1%	1.2%						6.7%	4.3%	4.3%		6.7%	4.3%	4.3%	
Operating cash flow in % of sales	-5.5%	-7.2%	-10.9%						8.7%	6.6%	7.6%		8.7%	6.6%	7.6%	
ROOA <sup>1</sup>	7.3%	8.5%	9.1%						7.8% <sup>9</sup>	8.4% <sup>9</sup>	9.0% <sup>10</sup>		7.8% <sup>9</sup>	8.4% <sup>9</sup>	9.0% <sup>10</sup>	

<sup>1</sup> 2018: December 31

<sup>2</sup> Before transaction-related expenses, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program

<sup>3</sup> Before gain related to divestitures of Care Coordination activities

<sup>4</sup> Before transaction-related expenses and revaluations of biosimilars contingent liabilities

<sup>5</sup> Before transaction-related expenses

<sup>6</sup> After transaction-related expenses, revaluations of biosimilars contingent liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC

<sup>7</sup> After transaction-related expenses and gain related to divestitures of Care Coordination activities

<sup>8</sup> Before transaction-related expenses, revaluations of biosimilars contingent liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC

<sup>9</sup> The underlying pro forma EBIT does not include transaction-related expenses, revaluations of biosimilars contingent liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC.

<sup>10</sup> The underlying pro forma EBIT does not include transaction-related expenses, revaluations of biosimilars contingent liabilities, gain related to divestitures of Care Coordination activities and the impact of FCPA related charge.

The consolidated segment reporting is an integral part of the notes.

The following notes are an integral part of the unaudited condensed interim financial statements.

## FRESENIUS SE & CO. KGAA CONSOLIDATED SEGMENT REPORTING SECOND QUARTER (UNAUDITED)

	Fresenius Medical Care				Fresenius Kabi				Fresenius Helios				
	2019 <sup>1</sup>	2018 <sup>2</sup>	2019 <sup>3</sup>	adj. for IFRS 16 effect	2018 <sup>4</sup>	2019 <sup>3</sup>	adj. for IFRS 16 effect	2019	2018	2019	adj. for IFRS 16 effect	2018	adj. for IFRS 16 effect
			Growth	Growth		Growth	Growth	Growth		Growth		Growth	Growth
by business segment, € in millions	4,345	4,213	3%	4%	1,691	1,604	5%	5%	2,349	2,343	0%	0%	0%
Sales	4,336	4,205	3%	4%	1,679	1,590	6%	6%	2,344	2,336	0%	0%	0%
thereof contribution to consolidated sales	9	8	13%	13%	12	14	-14%	-14%	5	7	-29%	-29%	-29%
thereof intercompany sales	49%	50%			19%	19%			27%	28%			
contribution to consolidated sales	904	748	21%	-6%	386	361	7%	2%	380	400	-5%	-9%	-9%
EBITDA	387	217	180	115%	77	61	7%	-15%	104	107	-3%	-17%	-17%
Depreciation and amortization	517	486	568	-9%	309	289	7%	7%	276	293	-6%	-6%	-6%
EBIT	-114	-69	-85	-35%	-18	-15	-31	42%	-43	-37	-40	-8%	8%
Net interest	-92	-96	-115	20%	-70	-70	-64	-9%	-49	-50	-52	6%	4%
Income taxes	250	307	-19%	-15%	209	211	185	13%	14%	183	197	-8%	-7%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	852	700	656	30%	215	201	228	-6%	-12%	208	197	162	28%
Operating cash flow	558	406	428	30%	50	36	124	-60%	-71%	132	121	63	110%
Cash flow before acquisitions and dividends	296	296	245	21%	169	169	95	78%	78%	75	75	100	-25%
Capital expenditure, gross	130	130	168	-23%	20	20	1	--	--	73	73	8	--
Acquisitions, gross/investments	41	41	38	8%	92	92	129	-29%	-29%	--	--	--	--
Research and development expenses													
Key figures													
EBITDA margin	20.8%	16.1%	17.8%		22.8%	21.8%	22.5%			16.2%	15.5%	17.1%	
EBIT margin	11.9%	11.1%	13.5%		18.3%	18.2%	18.0%			11.7%	11.7%	12.5%	
Depreciation and amortization in % of sales	8.9%	5.0%	4.3%		4.6%	3.6%	4.5%			4.4%	3.8%	4.6%	
Operating cash flow in % of sales	19.6%	16.0%	15.6%		12.7%	11.9%	14.2%			8.9%	8.4%	6.9%	

<sup>1</sup> Before transaction-related expenses, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program

<sup>2</sup> Before gain related to divestitures of Care Coordination activities

<sup>3</sup> Before transaction-related expenses and revaluations of biosimilars contingent liabilities

<sup>4</sup> Before transaction-related expenses

## FRESENIUS SE & CO. KGAA CONSOLIDATED SEGMENT REPORTING SECOND QUARTER (UNAUDITED)

by business segment, € in millions	Fresenius Vamed				Corporate/Other				Fresenius Group			
	adj. for IFRS 16 effect		Growth		adj. for IFRS 16 effect		Growth		adj. for IFRS 16 effect		Growth	
	2019	2018	2019 <sup>5</sup>	2018 <sup>6</sup>	2019 <sup>5</sup>	2018 <sup>6</sup>	2019	2018	2019	2018	2019	2018
Sales	467	266	467	76%	-91	-44	8,761	8,382	8,761	8,382	8,779	8,382
thereof contribution to consolidated sales	401	251	401	60%	1	0	8,761	8,382	8,761	8,382	8,779	8,382
thereof intercompany sales	66	15	66	--	-92	-44	0	0	0	0	0	0
contribution to consolidated sales	5%	3%	5%		0%	0%	100%	100%	100%	100%	100%	100%
EBITDA	39	15	39	100%	-6	-4	1,703	2,307	1,703	2,307	1,461	2,307
Depreciation and amortization	17	3	17	--	0	2	585	364	585	364	380	364
EBIT	22	12	20	83%	-6	-7	1,118	1,943	1,118	1,943	1,081	1,943
Net interest	-5	-1	-2	--	1	2	-179	-155	-179	-155	-121	-155
Income taxes	-4	-3	-4	-33%	2	2	-213	-372	-213	-372	-218	-372
Net income attributable to shareholders of Fresenius SE & Co. KGaA	12	7	13	86%	-181	-187	471	652	471	652	480	652
Operating cash flow	-35	-14	-42	-200%	-35	-33	1,205	1,020	1,205	1,020	1,023	1,020
Cash flow before acquisitions and dividends	-40	-17	-47	-176%	-51	-49	649	580	649	580	467	580
Capital expenditure, gross	7	12	7	-42%	18	18	565	451	565	451	565	451
Acquisitions, gross/investments	12	17	12	-29%	-1	-1	234	194	234	194	234	194
Research and development expenses	0	0	0		3	3	137	166	137	166	137	166
Key figures												
EBITDA margin	8.4%	5.6%	8.4%		19.4% <sup>7</sup>	16.6% <sup>7</sup>	19.4% <sup>7</sup>	18.0% <sup>7</sup>	19.4% <sup>7</sup>	16.6% <sup>7</sup>	16.6% <sup>7</sup>	18.0% <sup>7</sup>
EBIT margin	4.7%	4.5%	4.7%		12.8% <sup>7</sup>	12.3% <sup>7</sup>	12.8% <sup>7</sup>	13.7% <sup>7</sup>	12.8% <sup>7</sup>	12.3% <sup>7</sup>	12.3% <sup>7</sup>	13.7% <sup>7</sup>
Depreciation and amortization in % of sales	3.6%	1.1%	3.6%		6.7%	4.3%	6.7%	4.3%	6.7%	4.3%	4.3%	4.3%
Operating cash flow in % of sales	-7.5%	-5.3%	-7.5%		13.8%	11.7%	13.8%	12.2%	13.8%	11.7%	11.7%	12.2%

<sup>1</sup> Before transaction-related expenses, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program

<sup>2</sup> Before gain related to divestitures of Care Coordination activities

<sup>3</sup> Before transaction-related expenses and revaluations of biosimilars contingent liabilities

<sup>4</sup> Before transaction-related expenses

<sup>5</sup> After transaction-related expenses, revaluations of biosimilars contingent liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC

<sup>6</sup> After transaction-related expenses and gain related to divestitures of Care Coordination activities

<sup>7</sup> Before transaction-related expenses, revaluations of biosimilars contingent liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC

The consolidated segment reporting is an integral part of the notes.

The following notes are an integral part of the unaudited condensed interim financial statements.

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## GENERAL NOTES

### 1. PRINCIPLES

#### I. GROUP STRUCTURE

Fresenius is a global health care group with products and services for dialysis, hospitals and outpatient medical care. In addition, the Fresenius Group focuses on hospital operations and also manages projects and provides services for hospitals and other health care facilities worldwide. Besides the activities of the parent company Fresenius SE & Co. KGaA, Bad Homburg v. d. H., the operating activities were split into the following legally independent business segments as of June 30, 2019:

- ▶ Fresenius Medical Care
- ▶ Fresenius Kabi
- ▶ Fresenius Helios
- ▶ Fresenius Vamed

The reporting currency in the Fresenius Group is the euro. In order to make the presentation clearer, amounts are mostly shown in million euros. Amounts under €1 million after rounding are marked with “-”.

#### II. BASIS OF PRESENTATION

Fresenius SE & Co. KGaA, as a stock exchange listed company with a domicile in a member state of the European Union, fulfills its obligation to prepare and publish the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) applying Section 315e of the German Commercial Code (HGB).

The accompanying condensed interim financial statements comply with the International Accounting Standard (IAS) 34. They have been prepared in accordance with the IFRS in force on the reporting date and adopted by the European Union.

The Fresenius Group has applied IFRS 16, Leases, since January 1, 2019. As a result of the implementation, the Fresenius Group has updated its accounting policies accordingly. Changes in the accounting policies due to the implementation of IFRS 16 are described in note 1.IV, Recent pronouncements, applied.

For all other issues, the accounting policies applied in the accompanying consolidated financial statements are the same as those applied in the consolidated financial statements as of December 31, 2018.

#### III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Principles of consolidation

The condensed consolidated financial statements and management report for the first half and the second quarter ended June 30, 2019 have not been audited nor reviewed and should be read in conjunction with the notes included and published in the consolidated financial statements as of December 31, 2018 applying Section 315e HGB in accordance with IFRS.

Except for the reported acquisitions (see note 2, Acquisitions, divestitures and investments), there have been no other major changes in the entities consolidated.

The consolidated financial statements for the first half and the second quarter ended June 30, 2019 include all adjustments that, in the opinion of the Management Board, are of a normal and recurring nature and are necessary to provide an appropriate view of the assets and liabilities, financial position and results of operations of the Fresenius Group.

The results of operations for the first half ended June 30, 2019 are not necessarily indicative of the results of operations for the fiscal year 2019.

##### Classifications

As of December 31, 2018, property, plant and equipment included leased fixed assets of €142 million recognized in accordance with IAS 17. These were transferred to the line item right-of-use assets as of the beginning of fiscal year 2019.

As of December 31, 2018, the item of the statement of financial position current portion of long-term debt included short-term liabilities from capital leases in accordance with IAS 17 of €22 million. From fiscal year 2019, these are included in current portion of long-term lease liabilities.

As of December 31, 2018, the statement of financial position item long-term debt, less current portion included long-term liabilities from capital leases in accordance with IAS 17 of €197 million. From fiscal year 2019, these are included in long-term lease liabilities, less current portion.

In the consolidated statement of cash flows, in the comparative information for the first half of 2018, the line item repayments of long-term debt (in prior year designated as: repayments of long-term debt and capital lease obligations) included repayments of liabilities from capital leases in accordance with IAS 17 of €16 million. From fiscal year 2019, these repayments are included in the line item repayments of lease liabilities in accordance with IFRS 16.

### Use of estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

## IV. RECENT PRONOUNCEMENTS, APPLIED

The Fresenius Group has prepared its consolidated financial statements at June 30, 2019 in conformity with IFRS in force for the interim periods on January 1, 2019.

In the first half of 2019, the Fresenius Group applied the following new standard relevant for its business for the first time:

### IFRS 16

In January 2016, the IASB issued **IFRS 16, Leases**, which supersedes the current standard on lease accounting, IAS 17, as well as the interpretations IFRIC 4, SIC-15 and SIC-27. IFRS 16 significantly changes lessee accounting. For almost all leases, a lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a

lease liability representing its obligation to make lease payments. Only leases with a total maximum term of 12 months (short-term leases) and leases for underlying assets of low value may optionally be exempted from balance sheet recognition by applying an accounting policy choice. Depreciation of the right-of-use asset and interest on the lease liability must be recognized in the consolidated statement of income for every lease contract recognized in the balance sheet. Therefore, straight-line rental expenses will no longer be shown for the vast majority of the leases. The lessor accounting requirements in IAS 17 are substantially carried forward.

The Fresenius Group applies the modified retrospective method in accordance with IFRS 16 as the transition method. Accordingly, the cumulative effect from first-time application was recognized in the opening balance of retained earnings as of January 1, 2019 without adjustments to the comparative information of the previous period.

In the application of the modified retrospective method, the carrying amount of the lease liability at the date of the initial application is determined by discounting the remaining lease payments of lease agreements that were classified as operating leases under IAS 17 using the term-, country- and currency-specific incremental borrowing rate at date of initial application. Furthermore, right-of-use assets are to be recognized. In the application of the modified retrospective method, the carrying amount of the right-of-use asset equals the carrying amount of the lease liability, adjusted for any prepaid or accrued lease payments. For a part of the existing contracts, the Fresenius Group recognizes the right-of-use asset with its carrying amount assuming the new standard had been applied since the commencement date of the lease discounted using its term-, country- and currency-specific incremental borrowing rate at the date of initial application.

Regarding the options and exemptions available upon the initial application of IFRS 16, the Fresenius Group adopted the following approach:

- ▶ IFRS 16 is only applied to contracts that were previously identified as leases under IAS 17 and IFRIC 4.
- ▶ Recognition, valuation and disclosure principles of IFRS 16 are not applied to lease contracts with a lease term ending in less than 12 months from the date of the initial application. The respective lease contracts are accounted for as if they were short-term leases and recognized as an expense accordingly.
- ▶ Material initial direct costs are included in the measurement of a right-of-use asset with the carrying amount assuming the new standard was applied since the commencement date of the lease.
- ▶ Upon initial recognition, no impairment review was performed. The right-of-use assets were adjusted for onerous contract provisions, recognized on the consolidated statement of financial position immediately before the date of initial application.

Right-of-use assets from lease contracts are classified in accordance with the Fresenius Group's classification of property plant and equipment:

- ▶ Right-of-use assets: land
- ▶ Right-of-use assets: buildings and improvements
- ▶ Right-of-use assets: machinery and equipment

In addition to the right-of-use asset categories above, prepayments on right-of-use assets are presented separately. Right-of-use assets from lease contracts and lease liabilities are presented separately from property, plant and equipment and other financial debt in the consolidated statement of financial position.

For lease contracts that include both lease and non-lease components that are not separable from lease components, no allocation is performed. Each lease component and any associated non-lease components are accounted for as a single lease.

For the impacts of IFRS 16, please see note 20, Leases.

## V. RECENT PRONOUNCEMENTS, NOT YET APPLIED

The International Accounting Standards Board (IASB) issued the following new standard relevant for the Fresenius Group's business:

In May 2017, the IASB issued **IFRS 17, Insurance Contracts**. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure related to the issuance of insurance contracts. IFRS 17 replaces IFRS 4, Insurance Contracts, which was brought in as an interim standard in 2004. IFRS 4 permitted the use of national accounting standards for the accounting of insurance contracts under IFRS. As a result of the varied application for insurance contracts, there was a lack of comparability among peer groups. IFRS 17 eliminates this diversity in practice by requiring all insurance contracts to be accounted for using current values. The frequent updates to the insurance values are expected to provide more useful information to users of financial statements. IFRS 17 is effective for fiscal years beginning on or after January 1, 2021. Earlier adoption is permitted for entities that have also adopted IFRS 9, Financial Instruments, and IFRS 15, Revenue from Contracts with Customers. The Fresenius Group is currently evaluating the impact of IFRS 17 on the consolidated financial statements.

The EU Commission's endorsement of IFRS 17 is still outstanding.

In the Fresenius Group's view, all other pronouncements issued by the IASB do not have a material impact on the consolidated financial statements, as expected.



## 2. ACQUISITIONS, DIVESTITURES AND INVESTMENTS

The Fresenius Group made acquisitions, investments and purchases of intangible assets of €2,157 million and €386 million in the first half of 2019 and 2018, respectively. Of this amount, €2,061 million was paid in cash and €96 million was assumed obligations in the first half of 2019.

### FRESENIUS MEDICAL CARE

In the first half of 2019, Fresenius Medical Care spent €1,965 million on acquisitions, mainly on the purchase of NxStage Medical, Inc. (NxStage).

#### Acquisition of NxStage Medical, Inc., USA

On February 21, 2019, Fresenius Medical Care acquired all of the outstanding shares of NxStage for US\$30.00 per common share. The total acquisition value of this business combination, net of cash acquired, is US\$1,976 million (€1,741 million at date of closing). NxStage is a leading medical technology company that develops, produces and markets an innovative product portfolio of medical devices for use in home dialysis and in the critical care setting. NxStage has been consolidated as of February 21, 2019.

The transaction was accounted for as a business combination. The following table summarizes the current estimated fair values of assets acquired and liabilities assumed at the date of the acquisition. This allocation of the purchase price is based upon the best information available to management at present. Due to the relatively short interval between the closing date of the acquisition and the date of the statement of

financial position, this information may be incomplete. Any adjustments to acquisition accounting, net of related income tax effects, will be recorded with a corresponding adjustment to goodwill.

US\$ in millions	
Cash and cash equivalents	47
Trade accounts and other receivables	34
Inventories	65
Other current assets	19
Property, plant and equipment	96
Right-of-use assets	22
Intangible assets and other assets	827
Goodwill	1,160
Accounts payable, current provisions and other current liabilities	-72
Income tax payable and deferred taxes	-121
Lease liabilities	-22
Other liabilities	-26
Noncontrolling interest	-4
<b>Total acquisition cost</b>	<b>2,023</b>
Less cash acquired	-47
<b>Net cash paid</b>	<b>1,976</b>

As of the acquisition date, it is estimated that amortizable intangible assets acquired in this acquisition will have weighted-average useful lives of 13 years.

Goodwill in the amount of US\$1,160 million was acquired as part of the NxStage acquisition.

NxStage's results have been included in the Fresenius Group's consolidated statement of income since February 21, 2019. Specifically, NxStage has contributed US\$123 million (€109 million) to sales and -US\$28 million (-€25 million) to the operating income (EBIT) of the Fresenius Group for the first half of 2019. This operating loss amount does not include synergies which may have resulted at consolidated entities outside NxStage since the acquisition closed.

**FRESENIUS KABI**

In the first half of 2019, Fresenius Kabi spent €79 million on acquisitions, mainly for already planned acquisition related milestone payments relating to the acquisition of the biosimilars business.

**Termination of the merger agreement with Akorn, Inc.**

On April 24, 2017, Fresenius announced that Fresenius Kabi has agreed to acquire Akorn, Inc. (Akorn), a U.S.-based manufacturer and marketer of prescription and over-the-counter pharmaceutical products, for approximately US\$4.3 billion, or US\$34 per share, plus the prevailing net debt at closing of the transaction.

Fresenius conducted an independent investigation, using external experts, into alleged breaches of FDA data integrity requirements relating to product development at Akorn.

Fresenius decided on April 22, 2018 to terminate the merger agreement with Akorn, due to Akorn's failure to fulfill several closing conditions.

Fresenius' decision was based on, among other factors, material breaches of FDA data integrity requirements relating to Akorn's operations found during Fresenius' independent investigation. Fresenius offered to delay its decision in order to allow Akorn additional opportunity to complete its own investigation and present any information it wished Fresenius to consider, but Akorn declined that offer.

Akorn disagreed with Fresenius' position and filed a lawsuit on April 23, 2018 purporting to enforce the merger agreement.

Fresenius filed a counterclaim on April 30, 2018. The trial of the lawsuit took place in the Delaware Court of Chancery from July 9 to 13 and on August 23, 2018.

On October 1, 2018, the Court of Chancery in the U.S. state of Delaware ruled in favor of Fresenius in the lawsuit by Akorn, Inc. against Fresenius for the consummation of the April 2017 merger agreement.

Akorn appealed on October 18, 2018 against this ruling to the Delaware Supreme Court. On December 7, 2018, the Delaware Supreme Court, being the highest court and final instance in Delaware, affirmed the ruling of the Court of Chancery in favor of Fresenius. Fresenius has sued Akorn for damages suffered as a result of lost acquisition expenses.

**FRESENIUS HELIOS**

In the first half of 2019, Fresenius Helios spent €102 million on acquisitions, mainly for the purchase of Clínica Medellín, S.A., Colombia, Mitteldeutsches Institut für Arbeitsmedizin GmbH and outpatient clinics in Germany.

**FRESENIUS VAMED**

In the first half of 2019, Fresenius Vamed spent €12 million on acquisitions, mainly for the increased shareholding in a post-acute clinic in Austria.

## NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

### 3. SPECIAL ITEMS

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the first half of 2019 in the amount of €924 million includes special items relating to the acquisition of NxStage and the cost optimization program of Fresenius Medical Care. Furthermore, special items due to divestitures of Care Coordination activities, the revaluation of biosimilars contingent liabilities as well as the terminated merger agreement with Akorn, Inc. are included in net income attributable to shareholders of Fresenius SE & Co. KGaA.

The special items had the following impact on the consolidated statement of income:

€ in millions	EBIT	Interest expenses	Net income attributable to shareholders of Fresenius SE & Co. KGaA
<b>Earnings H1/2019, before special items</b>	<b>2,248</b>	<b>-361</b>	<b>928</b>
Transaction-related effects of NxStage	-20	0	-4
Cost optimization program Fresenius Medical Care	-7	0	-2
Gain related to divestitures of Care Coordination activities	11	0	3
Transaction-related effects of biosimilars	4	-2	2
Transaction-related effects of Akorn	-3	0	-3
<b>Earnings H1/2019 according to IFRS</b>	<b>2,233</b>	<b>-363</b>	<b>924</b>

### 4. SALES

In the first half of 2019, sales by activity were as follows:

€ in millions	H1/2019	H1/2018
Sales from contracts with customers	<b>17,070</b>	16,352
thereof sales of services	<b>11,888</b>	11,471
thereof sales of products and related services	<b>4,950</b>	4,687
thereof sales from long-term production contracts	<b>228</b>	191
thereof further sales from contracts with customers	<b>4</b>	3
Other sales	<b>186</b>	151
<b>Sales</b>	<b>17,256</b>	16,503

Other sales include sales from insurance and lease contracts.

### 5. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of €290 million (H1/2018: €325 million) included expenditures for research and non-capitalizable development costs as well as regular depreciation and amortization expenses relating to capitalized development costs of €8 million (H1/2018: €8 million). Furthermore, in the first half of 2019, research and development expenses included reversals of write-downs on capitalized development expenses of €16 million. The expenses for the further development of the biosimilars business included in the research and development expenses amounted to €40 million in the first half of 2019 (H1/2018: €72 million).

### 6. TAXES

During the first half of 2019, there were no material changes relating to accruals for income taxes as well as recognized and accrued payments for interest and penalties. Further information can be found in the consolidated financial statements as of December 31, 2018 applying Section 315e HGB in accordance with IFRS.

### 7. EARNINGS PER SHARE

The following table shows the earnings per share including and excluding the dilutive effect from stock options issued:

	H1/2019	H1/2018
<b>Numerators, € in millions</b>		
Net income attributable to shareholders of Fresenius SE & Co. KGaA	<b>924</b>	1,092
less effect from dilution due to Fresenius Medical Care shares	-	1
Income available to all ordinary shares	<b>924</b>	1,091
<b>Denominators in number of shares</b>		
Weighted-average number of ordinary shares outstanding	<b>556,426,725</b>	555,010,427
Potentially dilutive ordinary shares	<b>829,687</b>	2,221,223
Weighted-average number of ordinary shares outstanding assuming dilution	<b>557,256,412</b>	557,231,650
<b>Basic earnings per share in €</b>	<b>1.66</b>	1.97
<b>Fully diluted earnings per share in €</b>	<b>1.66</b>	1.96

## NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 8. CASH AND CASH EQUIVALENTS

As of June 30, 2019 and December 31, 2018, cash and cash equivalents were as follows:

€ in millions	June 30, 2019	Dec. 31, 2018
Cash	1,224	1,273
Time deposits and securities (with a maturity of up to 90 days)	239	1,436
<b>Total cash and cash equivalents</b>	<b>1,463</b>	<b>2,709</b>

€ in millions	June 30, 2019	Dec. 31, 2018
Trade accounts and other receivables	7,537	6,863
less allowance for doubtful accounts	347	323
<b>Trade accounts and other receivables, net</b>	<b>7,190</b>	<b>6,540</b>

Within trade accounts and other receivables, net, as of June 30, 2019, €7,441 million relate to revenue from contracts with customers as defined by IFRS 15. This amount includes €347 million of allowance for doubtful accounts. Further trade accounts and other receivables, net relate to lease contracts.

### 10. INVENTORIES

As of June 30, 2019 and December 31, 2018, inventories consisted of the following:

€ in millions	June 30, 2019	Dec. 31, 2018
Raw materials and purchased components	816	761
Work in process	390	326
Finished goods	2,514	2,245
less reserves	119	114
<b>Inventories, net</b>	<b>3,601</b>	<b>3,218</b>

As of June 30, 2019 and December 31, 2018, earmarked funds of €119 million and €123 million, respectively, were included in cash and cash equivalents.

### 9. TRADE ACCOUNTS AND OTHER RECEIVABLES

As of June 30, 2019 and December 31, 2018, trade accounts and other receivables were as follows:

June 30, 2019		Dec. 31, 2018	
	thereof credit impaired		thereof credit impaired
Trade accounts and other receivables	817	6,863	671
less allowance for doubtful accounts	273	323	253
<b>Trade accounts and other receivables, net</b>	<b>544</b>	<b>6,540</b>	<b>418</b>

### 11. OTHER CURRENT AND NON-CURRENT ASSETS

At equity investments as of June 30, 2019 in the amount of €654 million (December 31, 2018: €650 million) mainly related to the joint venture named Vifor Fresenius Medical Care Renal Pharma Ltd. between Fresenius Medical Care and Galenica Ltd. In the first half of 2019, income of €43 million (H1/2018: €34 million) resulting from this valuation was included in selling, general and administrative expenses in the consolidated statement of income.

## 12. GOODWILL AND OTHER INTANGIBLE ASSETS

As of June 30, 2019 and December 31, 2018, intangible assets, split into amortizable and non-amortizable intangible assets, consisted of the following:

### AMORTIZABLE INTANGIBLE ASSETS

€ in millions	June 30, 2019			December 31, 2018		
	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Technology	963	249	714	428	235	193
Capitalized development costs	926	249	677	895	255	640
Customer relationships	765	144	621	717	122	595
Tradenames	693	108	585	699	90	609
Software	926	476	450	821	433	388
Patents, product and distribution rights	734	448	286	759	432	327
Non-compete agreements	333	289	44	329	282	47
Other	578	313	265	418	289	129
<b>Total</b>	<b>5,918</b>	<b>2,276</b>	<b>3,642</b>	<b>5,066</b>	<b>2,138</b>	<b>2,928</b>

The increase of the position technology mainly relates to the acquisition of NxStage.

### NON-AMORTIZABLE INTANGIBLE ASSETS

€ in millions	June 30, 2019			December 31, 2018		
	Acquisition cost	Accumulated amortization	Carrying amount	Acquisition cost	Accumulated amortization	Carrying amount
Goodwill	27,094	0	27,094	25,713	0	25,713
Tradenames	235	0	235	199	0	199
Management contracts	3	0	3	3	0	3
<b>Total</b>	<b>27,332</b>	<b>0</b>	<b>27,332</b>	<b>25,915</b>	<b>0</b>	<b>25,915</b>

The carrying amount of goodwill has developed as follows:

€ in millions	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate/ Other	Fresenius Group
<b>Carrying amount as of January 1, 2018</b>	<b>12,104</b>	<b>5,155</b>	<b>7,902</b>	<b>118</b>	<b>6</b>	<b>25,285</b>
Additions	328	44	102	21	0	495
Disposals	-664	0	-1	-	0	-665
Reclassifications	0	0	-146	146	0	0
Foreign currency translation	442	156	0	0	0	598
<b>Carrying amount as of December 31, 2018</b>	<b>12,210</b>	<b>5,355</b>	<b>7,857</b>	<b>285</b>	<b>6</b>	<b>25,713</b>
Additions	1,212	0	59	4	0	1,275
Reclassifications	4	0	0	0	0	4
Foreign currency translation	72	30	0	0	0	102
<b>Carrying amount as of June 30, 2019</b>	<b>13,498</b>	<b>5,385</b>	<b>7,916</b>	<b>289</b>	<b>6</b>	<b>27,094</b>

The increase of goodwill mainly relates to the acquisition of NxStage.

As of June 30, 2019 and December 31, 2018, the carrying amounts of the other non-amortizable intangible assets were €221 million and €186 million, for Fresenius Medical Care as well as €17 million and €16 million for Fresenius Kabi.

## 13. DEBT

### SHORT-TERM DEBT

As of June 30, 2019 and December 31, 2018, short-term debt consisted of the following:

€ in millions	Book value	
	June 30, 2019	December 31, 2018
Fresenius SE & Co. KGaA Commercial Paper	1,000	973
Fresenius Medical Care AG & Co. KGaA Commercial Paper	990	1,000
Other short-term debt	699	381
<b>Short-term debt</b>	<b>2,689</b>	<b>2,354</b>

### LONG-TERM DEBT

As of June 30, 2019 and December 31, 2018, long-term debt net of debt issuance costs consisted of the following:

€ in millions	Book value	
	June 30, 2019	December 31, 2018
Fresenius Medical Care Credit Agreement	2,429	1,887
Fresenius Credit Agreement	2,294	2,116
Schuldschein Loans	1,476	1,629
Accounts Receivable Facility of Fresenius Medical Care	263	0
Capital lease obligations <sup>1</sup>	0	219
Other	548	446
Subtotal	7,010	6,297
less current portion	344	353
<b>Long-term debt, less current portion<sup>2</sup></b>	<b>6,666</b>	<b>5,944</b>

<sup>1</sup> The position included liabilities from capital leases in accordance with IAS 17 as of December 31, 2018. From January 1, 2019, these are transferred to current portion of long-term lease liabilities and long-term lease liabilities, less current portion.

<sup>2</sup> As of December 31, 2018, the item was designated as long-term debt and capital lease obligations, less current portion and included liabilities from capital leases in accordance with IAS 17. From January 1, 2019, these are transferred to long-term lease liabilities, less current portion.

#### Fresenius Medical Care Credit Agreement

Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) originally entered into a syndicated credit facility (Fresenius Medical Care 2012 Credit Agreement) of US\$3,850 million and a 5-year tenor on October 30, 2012.

In the years 2014 and 2017, various amendments of the Fresenius Medical Care Credit Agreement were made. These related to the amount and structure of the available tranches, among other items. In addition, the terms have been extended.

The following tables show the available and outstanding amounts under the Fresenius Medical Care Credit Agreement at June 30, 2019 and at December 31, 2018:

	June 30, 2019			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facility (in US\$) 2017/2022	US\$900 million	791	US\$0 million	0
Revolving Credit Facility (in €) 2017/2022	€600 million	600	€600 million	600
Term Loan (in US\$) 2017/2022	US\$1,290 million	1,133	US\$1,290 million	1,133
Term Loan (in €) 2017/2020	€400 million	400	€400 million	400
Term Loan (in €) 2017/2022	€301 million	301	€301 million	301
<b>Total</b>		3,225		2,434
less financing cost				5
<b>Total</b>				2,429

	December 31, 2018			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facility (in US\$) 2017/2022	US\$900 million	786	US\$0 million	0
Revolving Credit Facility (in €) 2017/2022	€600 million	600	€0 million	0
Term Loan (in US\$) 2017/2022	US\$1,350 million	1,179	US\$1,350 million	1,179
Term Loan (in €) 2017/2020	€400 million	400	€400 million	400
Term Loan (in €) 2017/2022	€315 million	315	€315 million	315
<b>Total</b>		3,280		1,894
less financing cost				7
<b>Total</b>				1,887

As of June 30, 2019, FMC-AG & Co. KGaA and its subsidiaries were in compliance with all covenants under the Fresenius Medical Care Credit Agreement.

### Fresenius Credit Agreement

On December 20, 2012, Fresenius SE & Co. KGaA and various subsidiaries entered into a delayed draw syndicated credit

agreement (2013 Credit Agreement) in the original amount of US\$1,300 million and €1,250 million. Since the initial funding of the Credit Agreement in June 2013, additional tranches were added. Furthermore, scheduled amortization payments as well as voluntary repayments have been made. In August 2017, the Credit Agreement was refinanced and replaced by new tranches with a total amount of approximately €3,800 million.

The following tables show the available and outstanding amounts under the Fresenius Credit Agreement at June 30, 2019 and at December 31, 2018:

	June 30, 2019			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facility (in €) 2017/2022	€1,000 million	1,000	€250 million	250
Revolving Credit Facility (in US\$) 2017/2022	US\$500 million	439	US\$0 million	0
Term Loan (in €) 2017/2021	€750 million	750	€750 million	750
Term Loan (in €) 2017/2022	€825 million	825	€825 million	825
Term Loan (in US\$) 2017/2022	US\$545 million	479	US\$545 million	479
<b>Total</b>		3,493		2,304
less financing cost				10
<b>Total</b>				2,294

	December 31, 2018			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facility (in €) 2017/2022	€1,000 million	1,000	€0 million	0
Revolving Credit Facility (in US\$) 2017/2022	US\$500 million	437	US\$0 million	0
Term Loan (in €) 2017/2021	€750 million	750	€750 million	750
Term Loan (in €) 2017/2022	€875 million	875	€875 million	875
Term Loan (in US\$) 2017/2022	US\$575 million	502	US\$575 million	502
<b>Total</b>		3,564		2,127
less financing cost				11
<b>Total</b>				2,116

As of June 30, 2019, the Fresenius Group was in compliance with all covenants under the Fresenius Credit Agreement.

### Schuldschein Loans

As of June 30, 2019 and December 31, 2018, Schuldschein Loans of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Interest rate fixed/variable	Book value € in millions	
				June 30, 2019	Dec 31, 2018
Fresenius SE & Co. KGaA 2014/2020	€156 million	April 2, 2020	variable	0	156
Fresenius SE & Co. KGaA 2014/2020	€106 million	April 2, 2020	2.67%	106	106
Fresenius SE & Co. KGaA 2017/2022	€372 million	Jan. 31, 2022	0.93% / variable	371	371
Fresenius SE & Co. KGaA 2015/2022	€21 million	April 7, 2022	1.61%	21	21
Fresenius SE & Co. KGaA 2017/2024	€421 million	Jan. 31, 2024	1.40% / variable	420	420
Fresenius SE & Co. KGaA 2017/2027	€207 million	Jan. 29, 2027	1.96% / variable	207	207
Fresenius US Finance II, Inc. 2016/2021	US\$342 million	March 10, 2021	2.66% / variable	299	297
Fresenius US Finance II, Inc. 2016/2023	US\$58 million	March 10, 2023	3.12% / variable	52	51
<b>Schuldschein Loans</b>				<b>1,476</b>	<b>1,629</b>

In order to optimize the capital structure and to further reduce financing costs, two floating rate tranches of Schuldschein Loans due originally on April 2, 2020 in the amount of €55 million and €101 million have been terminated and prepaid as per April 2, 2019.

As of June 30, 2019, the Fresenius Group was in compliance with all of its covenants under the Schuldschein Loans.

### CREDIT LINES

In addition to the financial liabilities described before, the Fresenius Group maintains additional credit facilities which have not been utilized, or have only been utilized in part, as of the reporting date. At June 30, 2019, the additional financial cushion resulting from unutilized credit facilities was approximately €2.7 billion. Thereof approximately €1.9 billion accounted for syndicated credit facilities.



## 14. BONDS

As of June 30, 2019 and December 31, 2018, bonds of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Interest rate	Book value € in millions	
				June 30, 2019	Dec. 31, 2018
Fresenius Finance Ireland PLC 2017/2022	€700 million	Jan. 31, 2022	0.875%	697	697
Fresenius Finance Ireland PLC 2017/2024	€700 million	Jan. 30, 2024	1.50%	697	696
Fresenius Finance Ireland PLC 2017/2027	€700 million	Feb. 1, 2027	2.125%	693	692
Fresenius Finance Ireland PLC 2017/2032	€500 million	Jan. 30, 2032	3.00%	495	494
Fresenius SE & Co. KGaA 2014/2019	€300 million	Feb. 1, 2019	2.375%	0	300
Fresenius SE & Co. KGaA 2012/2019	€500 million	Apr. 15, 2019	4.25%	0	500
Fresenius SE & Co. KGaA 2013/2020	€500 million	July 15, 2020	2.875%	499	499
Fresenius SE & Co. KGaA 2014/2021	€450 million	Feb. 1, 2021	3.00%	448	447
Fresenius SE & Co. KGaA 2014/2024	€450 million	Feb. 1, 2024	4.00%	449	450
Fresenius SE & Co. KGaA 2019/2025	€500 million	Feb. 15, 2025	1.875%	494	0
Fresenius SE & Co. KGaA 2019/2029	€500 million	Feb. 15, 2029	2.875%	494	0
Fresenius US Finance II, Inc. 2014/2021	US\$300 million	Feb. 1, 2021	4.25%	263	261
Fresenius US Finance II, Inc. 2015/2023	US\$300 million	Jan. 15, 2023	4.50%	262	260
FMC Finance VII S.A. 2011/2021	€300 million	Feb. 15, 2021	5.25%	298	297
FMC Finance VIII S.A. 2012/2019	€250 million	July 31, 2019	5.25%	246	246
Fresenius Medical Care AG & Co. KGaA 2018/2025	€500 million	July 11, 2025	1.50%	497	496
Fresenius Medical Care US Finance, Inc. 2011/2021	US\$650 million	Feb. 15, 2021	5.75%	569	565
Fresenius Medical Care US Finance II, Inc. 2012/2019	US\$800 million	July 31, 2019	5.625%	703	698
Fresenius Medical Care US Finance II, Inc. 2014/2020	US\$500 million	Oct. 15, 2020	4.125%	438	435
Fresenius Medical Care US Finance II, Inc. 2012/2022	US\$700 million	Jan. 31, 2022	5.875%	613	610
Fresenius Medical Care US Finance II, Inc. 2014/2024	US\$400 million	Oct. 15, 2024	4.75%	349	347
Fresenius Medical Care US Finance III, Inc. 2019/2029	US\$500 million	June 15, 2029	3.75%	431	0
<b>Bonds</b>				<b>9,635</b>	<b>8,990</b>

On January 21, 2019, Fresenius SE & Co. KGaA issued bonds with an aggregate volume of €1.0 billion. The bonds consist of 2 tranches with maturities of 6 and 10 years. The coupon of the 6-year tranche of €500 million is 1.875% and was issued at a price of 99.257%. The €500 million tranche with a 10-year maturity has a coupon of 2.875% and was issued at a price of 99.164%. The proceeds were used for general corporate purposes including refinancing of the bonds issued by Fresenius SE & Co. KGaA in the amount of €300 million due on February 1, 2019 and €500 million due on April 15, 2019. These were redeemed at maturity.

On June 20, 2019, Fresenius Medical Care US Finance III, Inc. issued bonds with a volume of US\$500 million. The

bonds have a maturity of 10 years and a coupon of 3.75%. The bonds were issued at a price of 98.461%. The proceeds were used for general corporate purposes and the refinancing of maturing liabilities.

As of June 30, 2019, the bonds issued by FMC Finance VIII S.A. in the amount of €250 million and the bonds issued by Fresenius Medical Care US Finance II, Inc. in the amount of US\$800, due on July 31, 2019, are shown as current portion of bonds in the consolidated statement of financial position.

As of June 30, 2019, the Fresenius Group was in compliance with all of its covenants under the bonds.

## 15. CONVERTIBLE BONDS

As of June 30, 2019 and December 31, 2018, the convertible bonds of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Coupon	Current conversion price	Book value € in millions	
					June 30, 2019	Dec. 31, 2018
Fresenius SE & Co. KGaA 2014/2019	€500 million	Sept. 24, 2019	0.000%	€48.6457	498	493
Fresenius SE & Co. KGaA 2017/2024	€500 million	Jan. 31, 2024	0.000%	€106.4928	461	457
Fresenius Medical Care AG & Co. KGaA 2014/2020	€400 million	Jan. 31, 2020	1.125%	€72.7803	396	393
<b>Convertible bonds</b>					<b>1,355</b>	<b>1,343</b>

The fair value of the derivatives embedded in the convertible bonds of Fresenius SE & Co. KGaA was €21 million at June 30, 2019. The derivative embedded in the convertible bonds of Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) was recognized with a fair value of €16 million at June 30, 2019. Fresenius SE & Co. KGaA and FMC-AG & Co. KGaA have purchased stock options (call options) to hedge future fair value fluctuations of these derivatives. As of June 30, 2019, the call options had a corresponding aggregate fair value of €21 million and €16 million, respectively.

The conversions will be cash-settled. Any increase of Fresenius' share price and of Fresenius Medical Care's share price above the conversion price would be offset by a corresponding value increase of the call options.

The derivatives embedded in the convertible bonds and the call options are recognized in other current and other non-current liabilities/assets in the consolidated statement of financial position.

The convertible bonds issued by Fresenius SE & Co. KGaA in the amount of €500 million due on September 24, 2019 as well as the convertible bonds issued by FMC-AG & Co. KGaA in the amount of €400 million due on January 31, 2020, are shown as current portion of convertible bonds in the consolidated statement of financial position.

## 16. PENSIONS AND SIMILAR OBLIGATIONS

### DEFINED BENEFIT PENSION PLANS

At June 30, 2019, the pension liability of the Fresenius Group was €1,293 million. The current portion of the pension liability of €22 million is recognized in the consolidated statement of financial position within short-term provisions and other short-term liabilities. The non-current portion of €1,271 million is recorded as pension liability.

Contributions to Fresenius Group's pension fund were €8 million in the first half of 2019. The Fresenius Group expects approximately €15 million contributions to the pension fund during 2019.

Defined benefit pension plans' net periodic benefit costs of €46 million (H1/2018: €43 million) were comprised of the following components:

€ in millions	H1/2019	H1/2018
Service cost	32	30
Net interest cost	14	13
<b>Net periodic benefit cost</b>	<b>46</b>	<b>43</b>

## 17. NONCONTROLLING INTEREST

As of June 30, 2019 and December 31, 2018, noncontrolling interest in the Fresenius Group was as follows:

€ in millions	June 30, 2019	Dec. 31, 2018
Noncontrolling interest in Fresenius Medical Care AG & Co. KGaA	7,990	8,143
Noncontrolling interest in VAMED AG	81	83
Noncontrolling interest in the business segments		
Fresenius Medical Care	1,192	1,144
Fresenius Kabi	101	102
Fresenius Helios	125	113
Fresenius Vamed	13	12
<b>Total noncontrolling interest</b>	<b>9,502</b>	<b>9,597</b>

Noncontrolling interest changed as follows:

€ in millions	H1/2019
<b>Noncontrolling interest as of December 31, 2018</b>	<b>9,597</b>
Adjustment due to the initial application of IFRS 16	-99
<b>As of January 1, 2019, adjusted</b>	<b>9,498</b>
Noncontrolling interest in profit	516
Purchase of noncontrolling interest	11
Stock options	9
Share buy-back program of Fresenius Medical Care AG & Co. KGaA	-206
Dividend payments	-364
Currency effects and other changes	38
<b>Noncontrolling interest as of June 30, 2019</b>	<b>9,502</b>

## 18. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

### SUBSCRIBED CAPITAL

As of January 1, 2019, the subscribed capital of Fresenius SE & Co. KGaA consisted of 556,225,154 bearer ordinary shares.

During the first half of 2019, 616,864 stock options were exercised. Consequently, as of June 30, 2019, the subscribed capital of Fresenius SE & Co. KGaA consisted of 556,842,018 bearer ordinary shares. The shares are issued as non-par

value shares. The proportionate amount of the subscribed capital is €1.00 per share.

### CONDITIONAL CAPITAL

The following Conditional Capitals exist in order to fulfill the subscription rights under the stock option plans of Fresenius SE & Co. KGaA: Conditional Capital II (Stock Option Plan 2008) and Conditional Capital IV (Stock Option Plan 2013) (see note 25, Share-based compensation plans). Another Conditional Capital III exists for the authorization to issue option bearer bonds and/or convertible bonds.

The following table shows the development of the Conditional Capital:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003	4,735,083
Conditional Capital II Fresenius SE Stock Option Plan 2008	4,296,814
Conditional Capital III option bearer bonds and/or convertible bonds	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	24,257,969
<b>Total Conditional Capital as of January 1, 2019</b>	<b>82,261,068</b>
Fresenius SE Stock Option Plan 2008 – options exercised	-552,450
Fresenius SE & Co. KGaA Stock Option Plan 2013 – options exercised	-64,414
<b>Total Conditional Capital as of June 30, 2019</b>	<b>81,644,204</b>

As of June 30, 2019, the Conditional Capital was composed as follows:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003	4,735,083
Conditional Capital II Fresenius SE Stock Option Plan 2008	3,744,364
Conditional Capital III option bearer bonds and/or convertible bonds	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	24,193,555
<b>Total Conditional Capital as of June 30, 2019</b>	<b>81,644,204</b>

### DIVIDENDS

Under the German Stock Corporation Act (AktG), the amount of dividends available for distribution to shareholders is based upon the unconsolidated retained earnings of Fresenius SE & Co. KGaA as reported in its statement of financial position determined in accordance with the German Commercial Code (HGB).

In May 2019, a dividend of €0.80 per bearer ordinary share was approved by Fresenius SE & Co. KGaA's shareholders at the Annual General Meeting and paid afterwards. The total dividend payment was €445 million.

### TREASURY STOCK OF FRESENIUS MEDICAL CARE

During the first half of 2019, Fresenius Medical Care repurchased 4,275,444 ordinary shares for an amount of €304 million.

## OTHER NOTES

### 19. LEGAL AND REGULATORY MATTERS

The Fresenius Group is routinely involved in claims, lawsuits, regulatory and tax audits, investigations and other legal matters arising, for the most part, in the ordinary course of its business of providing health care services and products. Legal matters that the Fresenius Group currently deems to be material or noteworthy are described below. For the matters described below in which the Fresenius Group believes a loss is both reasonably possible and estimable, an estimate of the loss or range of loss exposure is provided. For the other matters described below, the Fresenius Group believes that the loss probability is remote and/or the loss or range of possible losses cannot be reasonably estimated at this time. The outcome of litigation and other legal matters is always difficult to predict accurately and outcomes that are not consistent with Fresenius Group's view of the merits can occur. The Fresenius Group believes that it has valid defenses to the legal matters pending against it and is defending itself vigorously. Nevertheless, it is possible that the resolution of one or more of the legal matters currently pending or threatened could have a material adverse effect on its business, results of operations and financial condition.

Further information regarding legal disputes, court proceedings and investigations can be found in detail in the consolidated financial statements as of December 31, 2018 applying Section 315e HGB in accordance with IFRS. In the following, only changes as far as content or wording are concerned during the first half ended June 30, 2019 compared to the information provided in the consolidated financial statements are described. These changes should be read in conjunction with the overall information in the consolidated financial statements as of December 31, 2018 applying Section 315e HGB in accordance with IFRS; defined terms or abbreviations having the same meaning as in the consolidated financial statements as of December 31, 2018 applying Section 315e HGB in accordance with IFRS.

### TERMINATION OF THE MERGER AGREEMENT WITH AKORN, INC.

Fresenius has sued Akorn for damages suffered as a result of lost acquisition expenses.

### FRESENIUS MEDICAL CARE HOLDINGS – QUI TAM COMPLAINT (MASSACHUSETTS)

On June 14, 2019, the United States and Fresenius Medical Care Holdings, Inc. (FMCH) reached agreement in principle on the financial term of a settlement that would result in dismissal with prejudice of all claims in the case, including the relator's complaint. FMCH also joined the United States in requesting a stay of litigation activity while they discuss other unresolved but necessary terms. There is no assurance that any final agreement will be reached with the United States and continued litigation remains a possibility. The settlement under discussion with the United States would leave unresolved a claim for attorney's fees by the relator Drennen. FMCH believes that, if settlement can be reached with the United States that is predicated on the tentatively agreed financial term, the entire matter will be resolved within the amount previously reserved by FMCH.

### INTERNAL REVIEW

On March 29, 2019, FMC-AG & Co. KGaA entered into a non-prosecution agreement with the U.S. Department of Justice and a separate agreement with the Securities and Exchange Commission intended to resolve fully and finally the government's claims against FMC-AG & Co. KGaA arising from the investigations. FMC-AG & Co. KGaA agreed to pay a combined total in penalties and disgorgement of approximately US\$232 million to the government in connection with these agreements. As part of the settlement, FMC-AG & Co. KGaA further agreed to retain an independent compliance monitor for a period of two years and to an additional year of self-reporting. FMC-AG & Co. KGaA continues to cooperate with government authorities in Germany in their review of the issues resolved in the U.S. settlement.

### PRODUCT LIABILITY LITIGATION

All of the institutional cases have been resolved by settlement except for the claims by the State of Louisiana through its Attorney General and Blue Cross Blue Shield Louisiana, which

remain active in the combined proceeding. *State of Louisiana ex re. Caldwell and Louisiana Health Service & Indemnity Company v. Fresenius Medical Care Airline*, 2016 Civ. 11035 (U.S.D.C. D. Mass.). The Caldwell and Blue Cross Louisiana cases remain unresolved and are proceeding together in federal court in Boston but are subject to undecided motions for severance and remand. There is no trial date in either case. FMCH has increased its litigation reserves to account for anticipated resolution of these claims. However, at the present time there are no agreements in principle for resolving either case and litigation through final adjudication may be required in them.

On September 6, 2018, a special-purpose entity organized under Delaware law for the purpose of pursuing litigation filed a Pure Bill of Discovery in a Florida county court seeking discovery from FMCH related to the personal injury settlement, but no other relief. *MSP Recovery Claims Series LLC v. Fresenius Medical Care Holdings*, No. 2018-030366-CA-01 (11<sup>th</sup> Judicial Circuit, Dade County, Florida). The Pure Bill was thereafter removed to federal court and transferred into the multidistrict *Fresenius Granuflo®/Naturalyte® Dialysate Products Liability Litigation* in Boston. No. 1:13-MD-02428-DPW (D. Mass. 2013).

On March 12, 2019, plaintiff amended its Pure Bill by filing a complaint claiming rights to recover monetary damages on behalf of various persons and entities who are alleged to have assigned to plaintiff their rights to recover monetary damages arising from their having provided or paid for medical services for dialysis patients receiving treatments using FMCH's acid concentrate product. FMCH is responding to the amended complaint.

#### **SUBPOENA "MARYLAND"**

FMCH has cooperated in the investigation.

#### **CIVIL COMPLAINT "HAWAII"**

Trial in the civil litigation is scheduled for April 2020.

#### **SUBPOENA "FRESENIUS VASCULAR CARE"**

Beginning October 6, 2015, the United States Attorney for the Eastern District of New York (Brooklyn) has led an investigation through subpoenas issued under the False Claims Act, utilization and invoicing by FMCH's subsidiary Azura Vascular Care, for a period beginning after FMCH's acquisition of American Access Care, LLC (AAC) in October 2011. FMCH is cooperating in the Brooklyn United States Attorney's Office (USAO) investigation. Allegations against AAC arising in districts in Connecticut, Florida and Rhode Island relating to utilization and invoicing were settled in 2015.

#### **SUBPOENA "TEXAS (DALLAS)"**

FMCH has cooperated in the investigation.

#### **SUBPOENA "NEW YORK"**

FMCH contends that, under the asset sale provisions of its 2013 Shiel acquisition, it is not responsible for misconduct by the terminated employee or other Shiel employees prior to the date of the acquisition. The Brooklyn United States Attorney's Office continues to investigate a range of issues involving Shiel, including allegations of improper compensation (kickbacks) to physicians, and has disclosed that multiple sealed qui tam complaints underlie the investigation.

On December 12, 2017, FMCH sold to Quest Diagnostics certain Shiel operations that are the subject of this Brooklyn subpoena, including the misconduct reported to the United States Attorney. Under the Quest Diagnostics sale agreement, FMCH retains responsibility for responding to the Brooklyn investigation and for liabilities arising from conduct occurring after its 2013 acquisition of Shiel and prior to its sale of Shiel to Quest Diagnostics. FMCH is cooperating in the investigation.

#### **SUBPOENA "AMERICAN KIDNEY FUND" / CMS LITIGATION**

On April 8, 2019, United Healthcare served a demand for arbitration against FMCH. The demand asserts that FMCH unlawfully "steered" patients by waiving co-payments and

other means away from coverage under government-funded insurance plans including Medicare into United Healthcare's commercial plans, including Affordable Care Act exchange plans. FMCH is contesting United Healthcare's claims and demands. A final hearing date has been scheduled in the arbitration for September 2020.

#### LITIGATION TRICARE PROGRAM

On June 28, 2019, certain FMCH subsidiaries filed a complaint against the United States seeking to recover monies owed to them by the United States Department of Defense under the Tricare program, and to preclude Tricare from recouping monies previously paid. Bio-Medical Applications of Georgia, Inc., et al. v. United States, CA 19-947, United States Court of Federal Claims. Tricare provides reimbursement for dialysis treatments and other medical care provided to members of the military services, their dependents and retirees. The litigation challenges unpublished administrative actions by Tricare administrators reducing the rate of compensation paid for dialysis treatments provided to Tricare beneficiaries based on a recasting or "crosswalking" of codes used and followed in invoicing without objection for many years. Tricare administrators have acknowledged the unpublished administrative action and declined to change or abandon it but have not articulated a defense of the action. The United States has not yet been required to respond to the complaint and will not be required to do so before August 27, 2019. FMCH has imposed a constraint on revenue otherwise recognized from the Tricare program that it believes, in consideration of facts currently known, sufficient to account for the possibility of not prevailing in the litigation.

#### SUBPOENA "NEVADA"

The Tolling Agreement, whereby Fresenius Kabi is waiving its statutory defense rights, was further extended by mutual agreement until December 2019.

## 20. LEASES

Upon the initial application of IFRS 16 as of January 1, 2019, the Fresenius Group recognized right-of-use assets of €5,698 million and lease liabilities of €5,987 million. The cumulative effect from the first-time application is recognized in the opening balance of retained earnings (-€46 million) as well as in non-controlling interests (-€99 million) as of January 1, 2019.

The following table shows a reconciliation of the future minimum rental payments as of December 31, 2018 to the lease liabilities as of January 1, 2019:

€ in millions	2019
Future minimum rental payments as of December 31, 2018 (IAS 17)	7,389
less short-term leases	35
less leases of low-value assets	54
less other	1
<b>Lease liabilities as of January 1, 2019, gross</b>	<b>7,299</b>
Discounting	1,312
<b>Lease liabilities as a result of the initial application of IFRS 16 as of January 1, 2019<sup>1</sup></b>	<b>5,987</b>
Capital lease obligations as of December 31, 2018 (IAS 17)	219
<b>Lease liabilities as of January 1, 2019</b>	<b>6,206</b>

<sup>1</sup> As of December 31, 2018, €195 million were already included in other liabilities.

The lease liabilities were discounted using the borrowing rate as of January 1, 2019. The weighted-average discount rate was 3.33%.

#### LEASES IN THE CONSOLIDATED STATEMENT OF INCOME

The Fresenius Group decided not to apply the guidance within IFRS 16 to short-term leases as well as leases for underlying assets of low value. These lease payments will be recognized as an expense over the lease term.

The following table shows the effects on the consolidated statement of income for the first half of 2019:

€ in millions	H1/2019
Depreciation on right-of-use assets	415
Expenses relating to short-term leases	35
Expenses relating to leases of low-value assets	18
Expenses relating to variable lease payments	14
Other expenses from lease agreements	10
Interest expenses from lease liabilities	107

## LEASES IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30, 2019, the carrying amounts of right-of-use assets consisted of the following:

€ in millions	June 30, 2019
Right-of-use assets: Land	83
Right-of-use assets: Buildings and improvements	5,234
Right-of-use assets: Machinery and equipment	458
Right-of-use assets: Advanced Payments	2
<b>Right-of-use assets</b>	<b>5,777</b>

In the first half of 2019, additions to right-of-use assets were €335 million.

## 21. FINANCIAL INSTRUMENTS

### MEASUREMENT OF FINANCIAL INSTRUMENTS

#### Carrying amounts of financial instruments

As of June 30, 2019 and December 31, 2018, the carrying amounts of financial instruments by item of the statement of financial position and structured according to categories were as follows:

€ in millions	June 30, 2019						
	Carrying amount	Amortized cost	Fair value through profit and loss <sup>1</sup>	Fair value through other comprehensive income <sup>2</sup>	Relating to no category		Valuation according to IFRS 16 for leasing receivables and liabilities
				Derivatives designated as cash flow hedging instruments at fair value	Noncontrolling interest subject to put provisions measured at fair value		
<b>Financial assets</b>							
Cash and cash equivalents	1,463	1,241	222				
Trade accounts and other receivables, less allowance for doubtful accounts	7,190	7,076	1	43			70
Accounts receivable from and loans to related parties	37	37					
Other financial assets <sup>3</sup>	1,503	729	268	388	11		107
<b>Financial assets</b>	<b>10,193</b>	<b>9,083</b>	<b>491</b>	<b>431</b>	<b>11</b>	<b>0</b>	<b>177</b>
<b>Financial liabilities</b>							
Trade accounts payable	1,719	1,719					
Short-term accounts payable to related parties	92	92					
Short-term debt	2,689	2,689					
Short-term debt from related parties	3	3					
Long-term debt	7,010	7,010					
Long-term lease liabilities	6,187						6,187
Bonds	9,635	9,635					
Convertible bonds	1,355	1,355					
Other financial liabilities <sup>4</sup>	4,675	3,114	686		14	861	
<b>Financial liabilities</b>	<b>33,365</b>	<b>25,617</b>	<b>686</b>	<b>0</b>	<b>14</b>	<b>861</b>	<b>6,187</b>

<sup>1</sup> All included financial assets and liabilities are mandatorily measured at fair value through profit and loss according to IFRS 9.

<sup>2</sup> The option to measure equity instruments at fair value through other comprehensive income upon implementation of IFRS 9 has been exercised. The option has been used for €121 million other investments (included in other financial assets).

<sup>3</sup> Other financial assets are included in the item other current and non-current assets in the consolidated statement of financial position.

<sup>4</sup> Other financial liabilities are included in the items short-term provisions and other short-term liabilities and long-term provisions and other long-term liabilities in the consolidated statement of financial position.

December 31, 2018

€ in millions	Carrying amount	Amortized cost	Fair value through profit and loss <sup>1</sup>	Fair value through other comprehensive income <sup>2</sup>	Relating to no category		
					Derivatives designated as cash flow hedging instruments at fair value	Noncontrolling interest subject to put provisions measured at fair value	Valuation according to IAS 17 for leasing receivables and liabilities
<b>Financial assets</b>							
Cash and cash equivalents	2,709	1,291	1,418				
Trade accounts and other receivables, less allowance for doubtful accounts	6,540	6,445	4	41			50
Accounts receivable from and loans to related parties	29	29					
Other financial assets <sup>3</sup>	1,490	726	262	375	19		108
<b>Financial assets</b>	<b>10,768</b>	<b>8,491</b>	<b>1,684</b>	<b>416</b>	<b>19</b>	<b>0</b>	<b>158</b>
<b>Financial liabilities</b>							
Trade accounts payable	1,823	1,823					
Short-term accounts payable to related parties	67	67					
Short-term debt	2,354	2,354					
Short-term debt from related parties	–	–					
Long-term debt and capital lease obligations	6,297	6,078					219
Bonds	8,990	8,990					
Convertible bonds	1,343	1,343					
Other financial liabilities <sup>4</sup>	4,685	3,041	793		12	839	
<b>Financial liabilities</b>	<b>25,559</b>	<b>23,696</b>	<b>793</b>	<b>0</b>	<b>12</b>	<b>839</b>	<b>219</b>

<sup>1</sup> All included financial assets and liabilities are mandatorily measured at fair value through profit and loss according to IFRS 9.

<sup>2</sup> The option to measure equity instruments at fair value through other comprehensive income upon implementation of IFRS 9 has been exercised. The option has been used for €124 million (included in other financial assets).

<sup>3</sup> Other financial assets are included in the item other current and non-current assets in the consolidated statement of financial position.

<sup>4</sup> Other financial liabilities are included in the items short-term provisions and other short-term liabilities and long-term provisions and other long-term liabilities in the consolidated statement of financial position.



## Fair value of financial instruments

The following table shows the carrying amounts and the fair value hierarchy levels as of June 30, 2019 and December 31, 2018:

€ in millions	June 30, 2019				December 31, 2018			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial assets</b>								
Cash and cash equivalents <sup>1</sup>	222	222			1,418	1,418		
Trade accounts and other receivables, less allowance for doubtful accounts <sup>1</sup>	44		44		45		45	
Other financial assets <sup>1</sup>								
Debt instruments	364	360	4		334	330	4	
Equity investments	251	12	239		245	14	231	
Derivatives designated as cash flow hedging instruments	11		11		19		19	
Derivatives not designated as hedging instruments	41		41		58		58	
<b>Financial liabilities</b>								
Long-term debt	7,010		7,070		6,297		6,294	
Bonds	9,635	10,285			8,990	9,245		
Convertible bonds	1,355	1,431			1,343	1,416		
Other financial liabilities <sup>1</sup>								
Noncontrolling interest subject to put provisions	861		861		839		839	
Accrued contingent payments outstanding for acquisitions	640		640		731		731	
Derivatives designated as cash flow hedging instruments	14		14		12		12	
Derivatives not designated as hedging instruments	46		46		62		62	

<sup>1</sup> Fair value information is not provided for financial instruments, if the carrying amount is a reasonable estimate of the fair value due to the relatively short period of maturity of these instruments.

Explanations regarding the significant methods and assumptions used to estimate the fair values of financial instruments and classification of fair value measurements according to the three-tier fair value hierarchy as well as explanations

with regard to existing and expected risks from financial instruments and hedging can be found in the consolidated financial statements as of December 31, 2018 applying Section 315e HGB in accordance with IFRS.

The following table shows the changes of the fair values of financial instruments classified as level 3 in the first half of 2019:

€ in millions	Accrued contingent payments outstanding for acquisitions	Noncontrolling interest subject to put provisions
<b>As of January 1, 2019</b>	<b>731</b>	<b>839</b>
Additions	5	37
Disposals	-60	-10
Gain/loss recognized in profit or loss	-37	72
Gain/loss recognized in equity	0	-24
Dividend payments	0	-63
Currency effects and other changes	1	10
<b>As of June 30, 2019</b>	<b>640</b>	<b>861</b>

## 22. SUPPLEMENTARY INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of June 30, 2019, the equity ratio was 39.1% and the debt ratio (debt/total assets) was 41.4%. As of June 30, 2019, the leverage ratio (before special items) on the basis of net debt/EBITDA was 3.6, including IFRS 16; excluding IFRS 16: 3.2.

The aims of the capital management and further information can be found in the consolidated financial statements as of December 31, 2018 applying Section 315e HGB in accordance with IFRS.

The Fresenius Group is covered by the rating agencies Moody's, Standard & Poor's and Fitch.

The following table shows the company rating of Fresenius SE & Co. KGaA:

	June 30, 2019	Dec. 31, 2018
Standard & Poor's		
Corporate Credit Rating	<b>BBB</b>	BBB-
Outlook	<b>stable</b>	positive
Moody's		
Corporate Credit Rating	<b>Baa3</b>	Baa3
Outlook	<b>stable</b>	stable
Fitch		
Corporate Credit Rating	<b>BBB-</b>	BBB-
Outlook	<b>stable</b>	stable

On May 23, 2019, Standard & Poor's has upgraded Fresenius' corporate credit rating to BBB with a stable outlook from BBB- with a positive outlook.

## 23. SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

Cash paid for acquisitions (without investments in licenses) consisted of the following:

€ in millions	H1/2019	H1/2018
Assets acquired	<b>2,502</b>	153
Liabilities assumed	<b>-281</b>	-7
Noncontrolling interest	<b>-49</b>	-44
Notes assumed in connection with acquisitions	<b>-71</b>	-13
Cash paid	<b>2,101</b>	89
Cash acquired	<b>-79</b>	-3
<b>Cash paid for acquisitions, net</b>	<b>2,022</b>	86
Cash paid for investments, net of cash acquired	<b>15</b>	245
Cash paid for intangible assets, net	<b>24</b>	41
<b>Total cash paid for acquisitions and investments, net of cash acquired, and net purchases of intangible assets</b>	<b>2,061</b>	372

## 24. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

### GENERAL

The consolidated segment reporting shown on pages 33 to 36 of this interim report is an integral part of the notes. For the first half and the second quarter of 2019, the information given both includes and excludes IFRS 16. Prior year figures have not been adjusted.

The Fresenius Group has identified the business segments Fresenius Medical Care, Fresenius Kabi, Fresenius Helios and Fresenius Vamed, which corresponds to the internal organizational and reporting structures (Management Approach) at June 30, 2019.

The business segments were identified in accordance with IFRS 8, Operating Segments, which defines the segment reporting requirements in the annual financial statements and interim reports with regard to the operating business, product and service businesses and regions. Further explanations with regard to the business segments can be found in the consolidated financial statements as of December 31, 2018 applying Section 315e HGB in accordance with IFRS.

### NOTES ON THE BUSINESS SEGMENTS

Explanations regarding the notes on the business segments can be found in the consolidated financial statements as of December 31, 2018 applying Section 315e HGB in accordance with IFRS.

### RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS

€ in millions	H1/2019	H1/2018
Total EBIT of reporting segments	<b>2,265</b>	2,224
Special items	<b>-15</b>	780
General corporate expenses Corporate/Other (EBIT)	<b>-17</b>	-25
<b>Group EBIT</b>	<b>2,233</b>	2,979
Net interest	<b>-363</b>	-304
<b>Income before income taxes</b>	<b>1,870</b>	2,675

## RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	June 30, 2019	Dec. 31, 2018
Short-term debt	2,689	2,354
Short-term debt from related parties	3	–
Current portion of long-term debt	344	353
Current portion of long-term lease liabilities	748	0
Current portion of Bonds	949	1,744
Current portion of convertible bonds	894	493
Long-term debt, less current portion	6,666	5,944
Long-term lease liabilities, less current portion	5,439	0
Bonds, less current portion	8,686	7,246
Convertible bonds, less current portion	461	850
<b>Debt</b>	<b>26,879</b>	<b>18,984</b>
less cash and cash equivalents	1,463	2,709
<b>Net debt</b>	<b>25,416</b>	<b>16,275</b>
<b>Net debt excluding lease liabilities</b>	<b>19,229</b>	<b>16,275</b>

## 25. SHARE-BASED COMPENSATION PLANS

## SHARE-BASED COMPENSATION PLANS OF FRESENIUS SE &amp; CO. KGAA

As of June 30, 2019, Fresenius SE & Co. KGaA had three share-based compensation plans in place: the stock option based Fresenius SE Stock Option Plan 2008 (2008 Plan), the Fresenius SE & Co. KGaA Long Term Incentive Program 2013 (2013 LTIP) which is based on stock options and phantom stocks and the Long Term Incentive Plan 2018 (LTIP 2018) which is solely based on performance shares. Currently, solely LTIP 2018 can be used to grant performance shares.

## Transactions during the first half of 2019

During the first half of 2019, Fresenius SE & Co. KGaA received cash of €17 million from the exercise of 616,864 stock options.

At June 30, 2019, out of 296,677 outstanding and exercisable stock options issued under the 2008 Plan, 85,140 were held by the members of the Fresenius Management SE Management Board. Out of 8,867,589 outstanding stock options issued under the 2013 LTIP 2,621,440 were exercisable at June 30, 2019. The members of the Fresenius Management SE Management Board held 1,434,375 stock options. 649,769 phantom stocks issued under the 2013 LTIP were outstanding at June 30, 2019. The members of the Fresenius Management SE Management Board held 114,762 phantom stocks. At June 30, 2019, the Management Board members of Fresenius Management SE held 133,434 performance shares and employees of Fresenius SE & Co. KGaA held 414,421 performance shares under the LTIP 2018. As of June 30, 2019, 2,918,117 options for ordinary shares were outstanding and exercisable.

On June 30, 2019, total unrecognized compensation cost related to non-vested options granted under the 2013 LTIP was €23 million. This cost is expected to be recognized over a weighted-average period of 1.7 years.

## SHARE-BASED COMPENSATION PLANS OF FRESENIUS MEDICAL CARE AG &amp; CO. KGAA

During the first half of 2019, 228,418 stock options were exercised. Fresenius Medical Care AG & Co. KGaA received cash of €11.8 million upon exercise of these stock options.

## 26. SUBSEQUENT EVENTS

There have been no significant changes in the Fresenius Group's operating environment following the end of the first half of 2019. No other events of material importance on the assets and liabilities, financial position, and results of operations of the Group have occurred following the end of the first half of 2019.

## 27. CORPORATE GOVERNANCE

For each consolidated stock exchange listed entity, the declaration pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz) has been issued and made available to shareholders on the website of Fresenius SE & Co. KGaA ([www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance)), and of Fresenius Medical Care AG & Co. KGaA ([www.freseniusmedicalcare.com](http://www.freseniusmedicalcare.com)).

## 27. RESPONSIBILITY STATEMENT

“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and

profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.”

Bad Homburg v. d. H., July 31, 2019

Fresenius SE & Co. KGaA,  
represented by:  
Fresenius Management SE, its General Partner

The Management Board



S. Sturm



Dr. F. De Meo



R. Empey



Dr. J. Götz



M. Henriksson



R. Powell



Dr. E. Wastler

# FINANCIAL CALENDAR

Report on 1 <sup>st</sup> –3 <sup>rd</sup> quarter 2019 Conference call, Live webcast	October 29, 2019
Annual General Meeting, Frankfurt am Main Live webcast of the speech of the Chairman of the Management Board	May 20, 2020

Subject to change

# FRESENIUS SHARE / ADR

	Ordinary share		ADR
Securities identification no.	578 560	CUSIP	35804M105
Ticker symbol	FRE	Ticker symbol	FSNUY
ISIN	DE0005785604	ISIN	US35804M1053
Bloomberg symbol	FRE GR	Structure	Sponsored Level 1 ADR
Reuters symbol	FREG.de	Ratio	4 ADR = 1 Share
Main trading location	Frankfurt/Xetra	Trading platform	OTCQX

## Corporate Headquarters

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Commercial Register: Bad Homburg v. d. H.; HRB 11852  
Chairman of the Supervisory Board: Dr. Gerd Krick

General Partner: Fresenius Management SE

Registered Office and Commercial Register: Bad Homburg v. d. H.; HRB 11673

Management Board: Stephan Sturm (President and CEO), Dr. Francesco De Meo, Rachel Empey, Dr. Jürgen Götz, Mats Henriksson, Rice Powell, Dr. Ernst Wastler  
Chairman of the Supervisory Board: Dr. Gerd Krick

For additional information on the performance indicators used please refer to our website <https://www.fresenius.com/alternative-performance-measures>.

## Forward-looking statements:

This Half-Year Financial Report contains forward-looking statements. These statements represent assessments which we have made on the basis of the information available to us at the time. Should the assumptions on which the statements are based on not occur, or if risks should arise – as mentioned in the consolidated financial statements and the management report as of December 31, 2018 applying Section 315e HBG in accordance with IFRS and the SEC filings of Fresenius Medical Care AG & Co. KGaA – the actual results could differ materially from the results currently expected.