

**Additional Information regarding Item 2 (Resolution on the allocation of distributable profit)**

Following the publication of the ISS voting recommendations for our Annual General Meeting on 11 May 2017, we would like to reach out to you regarding our perspective of the dividend proposal (agenda item 2).

In 2014 we have outlined our ambitious 2020 targets of doubling revenues and growing net profit with a high single digit CAGR. We have outlined that this requires significant CAPEX for organic and acquisition based growth until 2020. Those investments are opportunity based. Hence, those investments cannot be split equally over financial reporting years. It is of utmost importance to ensure the availability of funds to be able to realize the opportunities at the given point in time.

This strategy aims to continue the successful path of total shareholder return generation.

In our 20-F filing on page 118 (8.A.8. Dividend Policy) we have outlined that our goal is for dividend development to be more closely aligned with our growth in basic earnings per share, while maintaining dividend continuity. In 2016 our basic earnings per share have increased by 20% and we propose to the AGM a 20% dividend increase to 0.96 EUR. Based on the average exchange rates (USD/EUR) for the year 2016 this represents a payout ratio of 26%.

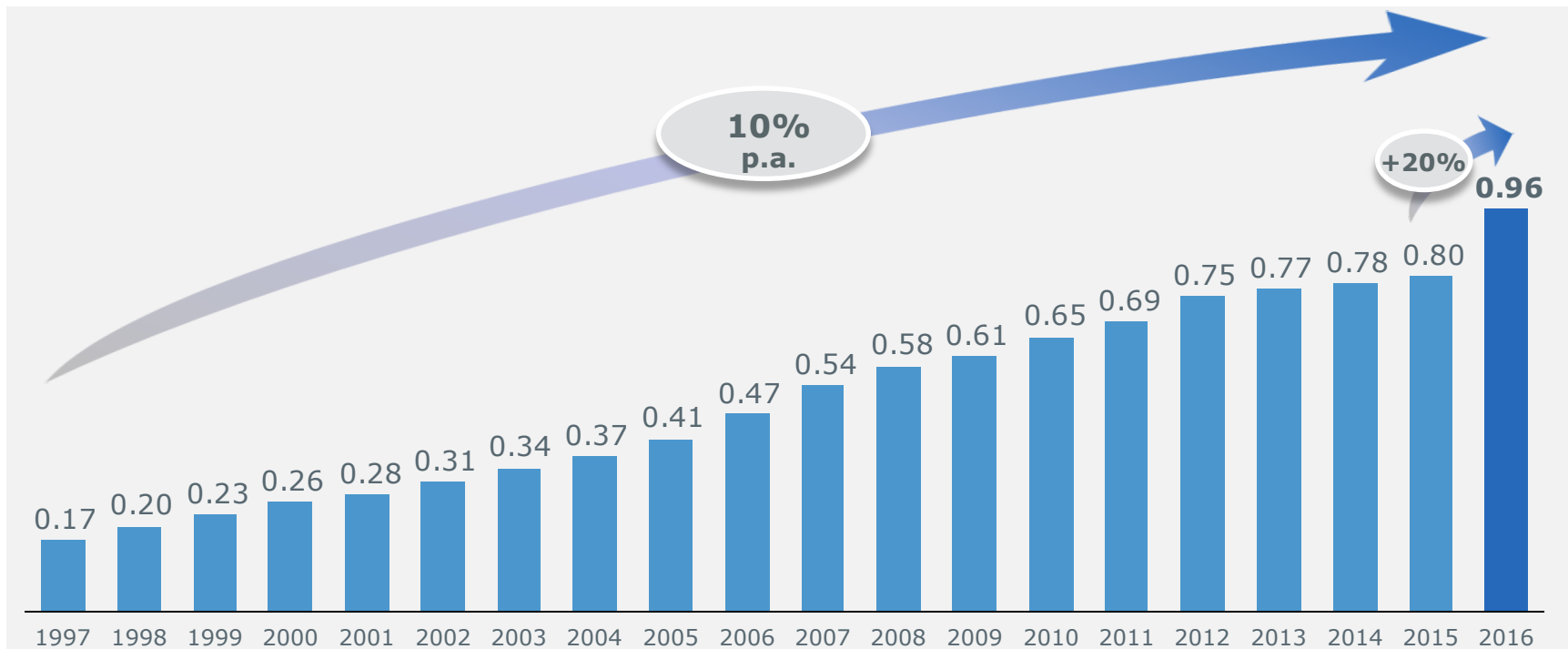
This would be the 20th consecutive dividend increase in the 20 years history of Fresenius Medical Care.

Over the past decade the Fresenius Medical Care share has delivered a compounded annual total return of around 11% and therefore outperformed significantly the German benchmark index DAX (CAGR +6%).

Kindly find attached an overview of our dividend development and total shareholder return.

# 20<sup>th</sup> consecutive dividend increase

Dividend per share in EUR

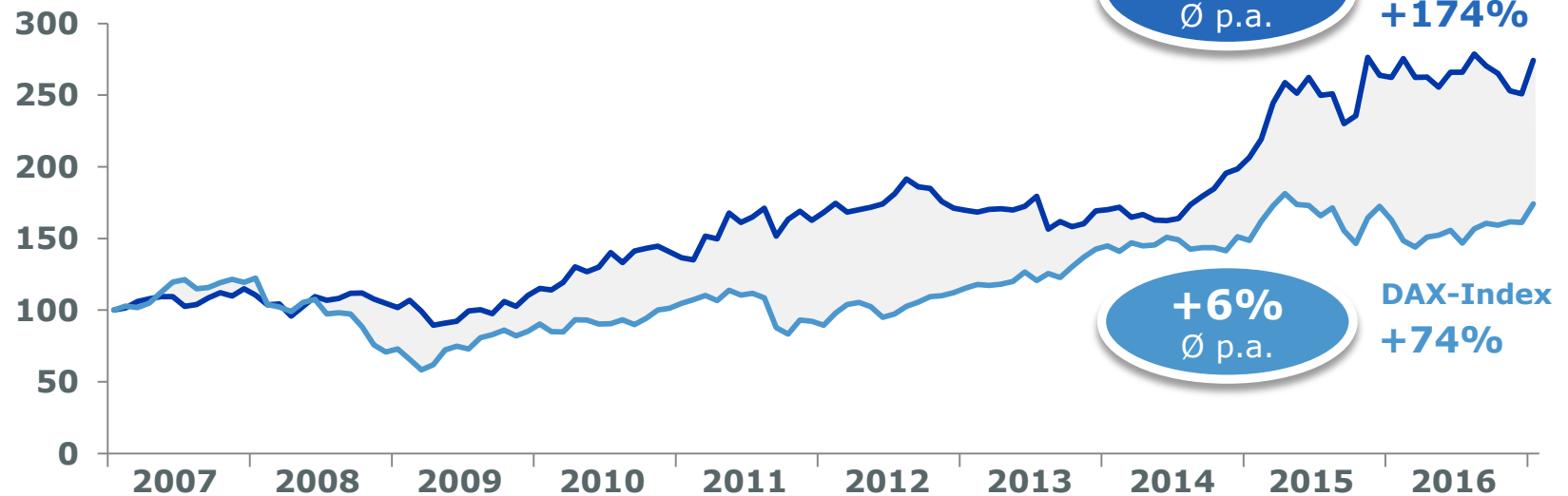


- ▶ Continuously delivering returns to shareholders
- ▶ Dividend proposal in line with net income growth

# 10-year shareholder return

## Share price\* & index performance 2007-2016

indexed, in %



- ▶ Share price development 2016: +3.5%
- ▶ Total shareholder return of 11% p.a. (CAGR)

\* dividends reinvested