SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13A-16 OR 15D-16 OF THE
SECURITIES EXCHANGE ACT OF 1934
For the month of November 2017

FRESENIUS MEDICAL CARE AG & Co. KGaA

(Translation of registrant's name into English)

Else-Kröner Strasse 1

61346 Bad Homburg

Germany

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.
Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):_____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):_____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.
Yes ☐ No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82 – _____.

FRESENIUS MEDICAL CARE AG & Co. KGaA

Interim Report of Financial Condition and Results of Operations for the three and nine months ended September 30, 2017 and 2016

FRESENIUS MEDICAL CARE AG & Co. KGaA

Interim Report of Financial Condition and Results of Operations
for the three and nine months ended September 30, 2017 and 2016

FINANCIAL INFORMATION

Management's Discussion and Analysis

Since 1996, Fresenius Medical Care AG & Co. KGaA has filed with the U.S. Securities and Exchange Commission ("SEC"), annual and interim reports containing Consolidated Financial Statements prepared in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP"), using the U.S. dollar as our reporting currency. Since 2007, Fresenius Medical Care AG & Co. KGaA has also been required by German and European law to prepare Consolidated Financial Statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. As of January 1, 2017, the consolidated financial statements and other financial information included in our quarterly reports on Form 6-K have been, and commencing with our Annual Report on Form 20-F for 2017 the financial statements in our annual reports will be prepared solely in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"), using the euro as our reporting currency, and we have discontinued publishing U.S. GAAP financial information as of the end of 2016. At September 30, 2017, there were no IFRS or International Financial Reporting Interpretation Committee ("IFRIC") interpretations as endorsed by the European Union relevant for interim reporting that differed from IFRS as issued by the IASB. You should read the following discussion and analysis of our results of operations and our subsidiaries in conjunction with our unaudited Consolidated Financial Statements and related notes contained elsewhere in this report, the disclosures and discussions in our IFRS Consolidated Financial Statements for the year ended December 31, 2016 as well as historical financial data prepared in accordance with IFRS for the years 2012 through 2015. These documents are available on our website.

In this report, "FMC-AG & Co. KGaA," or the "Company," "we," "us" or "our" refers to the Company or the Company and its subsidiaries on a consolidated basis, as the context requires. The term "North America Segment" refers to our North America operating segment, the term "EMEA Segment" refers to the Europe, Middle East and Africa operating segment, the term "Asia-Pacific Segment" refers to our Asia-Pacific operating segment, and the term "Latin America Segment" refers to our Latin America operating segment. The term "Corporate" includes certain headquarters' overhead charges, including accounting and finance, centrally managed production, asset management, quality management, procurement and research and development. The term "Constant Currency" or at "Constant Exchange Rates" means that we have translated local currency revenue, operating income, net income attributable to shareholders of FMC-AG & Co. KGaA and other items for the current reporting period into euro using the prior year exchange rates to ensure a comparable analysis without effect from exchange rate fluctuations on translation, as described below under "Financial Condition and Results of Operations – II. Discussion of Measures – Non – IFRS Measures – Constant Currency."

Forward-looking Statements

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). When used in this report, the words "outlook," "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and similar expressions are generally intended to identify forward looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated, and future events and actual results, financial and otherwise, could differ materially from those set forth in or contemplated by the forward-looking statements contained elsewhere in this report. We have based these forward-looking statements on current estimates and assumptions made to the best of our knowledge. By

their nature, such forward-looking statements involve risks, uncertainties, assumptions and other factors which could cause actual results, including our financial condition and profitability, to differ materially positively or negatively relative to the results expressly or implicitly described in or suggested by these statements. Moreover, forward-looking estimates or predictions derived from third parties' studies or information may prove to be inaccurate. Consequently, we cannot give any assurance regarding the future accuracy of the opinions set forth in this report or the actual occurrence of the projected developments described herein. In addition, even if our future results meet the expectations expressed herein, those results may not be indicative of our performance in future periods.

These risks, uncertainties, assumptions, and other factors, including associated costs, could cause actual results to differ from our projected results include, among others, the following:

- changes in governmental and commercial insurer reimbursement for our complete products and services portfolio, including the United States ("U.S.") Medicare reimbursement system for dialysis and other health care services, including potentially significant changes that could be enacted due to the announced intention of the Trump administration to continue its efforts to repeal and replace the Patient Protection and Affordable Care Act;
- the outcome of government and internal investigations as well as litigation;
- risks relating to compliance with current and future government regulations applicable to our business including, in the U.S., the Anti-Kickback Statute, the False Claims Act, the Stark Law, the Health Insurance Portability and Accountability Act, the Health Information Technology for Economic and Clinical Health Act, the Foreign Corrupt Practices Act, the Food, Drug and Cosmetic Act, and outside the U.S., the EU Medical Device Directive, the EU General Data Protection Regulation, the two invoice policy and the Tendering and Bidding Law in China and other related local legislation as well as other comparable regulatory regimes in many of the more than 120 countries in which we supply health care services and/or products;
- the influence of commercial insurers and managed care organizations, including efforts by these organizations to manage costs by limiting healthcare benefits, reducing provider reimbursement and/or restricting options for patient funding of health insurance premiums;
- the impact of health care, tax and trade law reforms and regulation, including those proposed by the Trump administration in the U.S.;
- product liability risks;
- risks relating to our ability to continue to make acquisitions;
- risks relating to our ability to attract and retain skilled employees, including shortages of skilled clinical personnel;
- the impact of currency fluctuations;
- potential impairment loss on assets in the Latin America Segment due to decreases in the recoverable amount of those assets relative to their book value;
- the United Kingdom initiation, on March 29, 2017, of its withdrawal from the European Union and its possible effects on the tax, tax treaty, currency, operational, legal and regulatory regimes to which our businesses in the region are subject, as well as the present uncertainty regarding these and related issues;
- our ability to protect our information technology systems against cyber security attacks or prevent other data privacy or security breaches;
- changes in our costs of purchasing and utilization patterns for pharmaceuticals;

- introduction of generic or new pharmaceuticals that compete with our products or services;
- launch of new technology that competes with our medical equipment and device businesses;
- changes in raw material and energy costs or the inability to procure raw materials;
- collectability of our receivables, which depends primarily on the efficacy of our billing practices and the financial stability and liquidity of our governmental and commercial payors;
- our ability to achieve cost savings in various health care risk management programs in which we participate or intend to participate; and
- the greater size, market power, experience and product offerings of certain competitors in certain geographic regions and business lines.

Important factors that could contribute to such differences are noted in "Financial Condition and Results of Operations – I. Overview" below, in Note 12 of the Notes to Consolidated Financial Statements (unaudited), "Commitments and Contingencies" included in this report, in Note 18 of the Notes to Consolidated Financial Statements, "Commitments and Contingencies" included in our Annual Report on Form 20-F for the year ended December 31, 2016, as well as under "Risk Factors," "Business Overview," "Operating and Financial Review and Prospects," and elsewhere in that report.

Our business is also subject to other risks and uncertainties that we describe from time to time in our public filings. Developments in any of these areas could cause our results to differ materially from the results that we or others have projected or may project.

Our reported financial condition and results of operations are sensitive to accounting methods, assumptions and estimates that are the basis of our financial statements. The actual accounting policies, the judgments made in the selection and application of these policies as well as the sensitivities of reported results to changes in accounting policies, assumptions and estimates are factors to be considered along with our financial statements and the discussion under "Financial Condition and Results of Operations – III. Results of Operations financial position and net assets – Results of operations" below. As of January 1, 2017, we migrated to reporting in accordance with IASB IFRS and discontinued preparing U.S. GAAP financial information. Please refer to our significant and critical accounting policies and estimates in Note 1 "The Company, Basis of Presentation and Significant Accounting Policies" and Note 2 "Discretionary Decisions and Sources of Estimation Uncertainties" in our Consolidated Financial Statements in accordance with IFRS, as adopted in the European Union, for the year ended December 31, 2016. Those Consolidated Financial Statements are available on our website at https://www.freseniusmedicalcare.com/en/home/ and have not been filed with the SEC. In furnishing our website address in this report, however, we do not intend to incorporate any information on our website into this report, and you should not consider any information on our website to be part of this report.

Rounding adjustments applied to individual numbers and percentages shown in this and other reports may result in these figures differing immaterially from their absolute values.

Financial Condition and Results of Operations

I. Overview

We are the world's largest kidney dialysis company, based on publicly reported sales and number of patients treated. We provide dialysis care and related services to persons who suffer from end stage renal

disease (“ESRD”) as well as other health care services. We develop and manufacture a wide variety of health care products, which includes both dialysis and non-dialysis products. Our dialysis products include dialysis machines, water treatment systems and disposable products while our non-dialysis products include acute cardiopulmonary and apheresis products. We sell our health care products to customers in more than 120 countries and we also use them in our own health care service operations. Our dialysis business is therefore vertically integrated. We describe certain other health care services that we provide in our North America and Asia-Pacific segments as “Care Coordination.” Care Coordination currently includes, but is not limited to, coordinated delivery of pharmacy services, vascular, cardiovascular and endovascular specialty services, non-dialysis laboratory testing services, physician nephrology and cardiology services, health plan services, ambulatory surgery center services and urgent care services. Care Coordination also includes the coordinated delivery of emergency, intensivist and hospitalist physician services as well as transitional care which we refer to as “hospital related physician services.” All of these Care Coordination services together with dialysis care and related services represent our health care services. We estimated the volume of the global dialysis market was approximately €68 billion in 2016. Due to the complexity and evolving nature of care coordination services, we are currently unable to estimate the global volume of this market. Dialysis patient growth results from factors such as the aging population and increased life expectancies; shortage of donor organs for kidney transplants; increasing incidence of kidney disease and better treatment of and survival of patients with diabetes, hypertension and other illnesses, which frequently lead to the onset of chronic kidney disease; improvements in treatment quality, new pharmaceuticals and product technologies, which prolong patient life; and improving standards of living in developing countries, which make life-saving dialysis treatment available. We are also engaged with entities, in which we have ownership of less than 100%, to fund different areas of health care research.

As a global company delivering health care services and products, we face the challenge of addressing the needs of a wide variety of stakeholders, such as patients, customers, payors, regulators and legislators in many different economic environments and health care systems. In general, government-funded programs (in some countries in coordination with private insurers) pay for certain health care items and services provided to their citizens. Not all health care systems provide for dialysis treatment. Therefore, the reimbursement systems and ancillary services utilization environment in various countries significantly influence our business.

Premium Assistance Programs

On August 18, 2016, the Center for Medicare & Medicaid Services (“CMS”) issued a request for information (“RFI”) seeking public comment on concerns about providers’ steering patients inappropriately to individual plans offered on the Patient Protection and Affordable Care Act individual health insurance market. We and other dialysis providers, commercial insurers and other industry participants responded to the RFI, and in that response, we reported that we do not engage in such steering. On January 3, 2017, we received a subpoena from the United States Attorney for the District of Massachusetts inquiring into our interactions and relationships with the American Kidney Fund (“AKF” or “the Fund”), including our charitable contributions to the Fund and the Fund’s financial assistance to patients for insurance premiums. On December 14, 2016, CMS published an Interim Final Rule (“IFR”) titled “Medicare Program; Conditions for Coverage for End-Stage Renal Disease Facilities-Third Party Payment” that would amend the Conditions for Coverage for dialysis providers, like Fresenius Medical Care Holdings (“FMCH”). The IFR would have effectively enabled insurers to reject premium payments made by patients who received grants for individual market coverage from the AKF and therefore, could have resulted in those patients losing their individual market health insurance coverage. The loss of individual market coverage for these patients would have a material and adverse impact on our operating results. On January 25, 2017, a federal district court in Texas, responsible for litigation initiated by a patient

advocacy group and dialysis providers including FMCH, preliminarily enjoined CMS from implementing the IFR (Dialysis Patient Citizens v. Burwell (E.D. Texas, Sherman Div.)). The preliminary injunction was based on CMS' failure to follow appropriate notice-and-comment procedures in adopting the IFR. The injunction remains in place and the court retains jurisdiction over the dispute. On June 22, 2017, CMS requested a stay of proceedings in the litigation pending further rulemaking concerning the IFR. CMS stated, in support of its request, that it expects to publish a Notice of Proposed Rulemaking in the Federal Register and otherwise pursue a notice-and-comment process. Plaintiffs in the litigation, including FMCH, consented to the stay, which was granted by the court on June 27, 2017.

The operation of charitable assistance programs like that of the AKF is also receiving increased attention by state insurance regulators. The result may be a regulatory framework that differs from state to state. Even in the absence of the IFR or similar administrative actions, insurers are likely to continue efforts to thwart charitable premium assistance to our patients for individual market plans and other insurance coverages. If successful, these efforts would have a material adverse impact on our operating results.

Significant U.S. Reimbursement Developments

The majority of health care services we provide are paid for by governmental institutions. For the nine months ended September 30, 2017, approximately 34% of our consolidated revenue is attributable to U.S. federally-funded health care benefit programs, such as Medicare and Medicaid reimbursement, under which reimbursement rates are set by CMS. Legislative changes could affect Medicare reimbursement rates for a significant portion of the services we provide. To date, while we have generally experienced stable reimbursement globally, the stability of reimbursement in the U.S. has been affected by (i) the implementation of the ESRD prospective payment system ("ESRD PPS") in January 2011, (ii) the U.S. federal government across the board spending cuts in payments to Medicare providers commonly referred to as "U.S. Sequestration," (iii) the reduction to the ESRD PPS rate to account for the decline in utilization of certain drugs and biologicals associated with dialysis pursuant to the American Taxpayer Relief Act of 2012 ("ATRA") as subsequently modified under the Protecting Access to Medicare Act of 2014 ("PAMA") and (iv) CMS's 2016 final rule on the Physician Fee Schedule with material decreases in reimbursement for certain procedures. Please see the broader discussion of these legislative developments below:

- Under the Medicare Improvements for Patients and Providers Act of 2008 ("MIPPA"), for patients with Medicare coverage, all ESRD payments for dialysis treatments are made under a single bundled payment rate which provides a fixed payment rate, ESRD PPS, to encompass substantially all goods and services provided during the dialysis treatment. MIPPA further created the ESRD quality incentive program ("QIP") which provides that dialysis facilities that fail to achieve quality standards established by CMS could have payments reduced by up to 2 percent.
- MIPPA also includes a provision for an annual adjustment to the ESRD PPS base rate based on changes in the costs of a "market basket" of certain healthcare items and services, less a productivity adjustment.
- Additionally, as a result of the Budget Control Act of 2011 ("BCA") and subsequent activity in Congress, U.S. Sequestration ($1.2 trillion in across-the-board spending cuts in discretionary programs) took effect on March 1, 2013 and is expected to continue through mid-2024. In particular, a 2% reduction to Medicare payments took effect on April 1, 2013 and continues in force. Spending cuts pursuant to U.S. Sequestration have adversely affected and will continue to adversely affect our operating results.

- In 2014, as mandated by ATRA, CMS issued a final rule for the ESRD PPS, which phased in payment reductions to account for changes in utilization of certain drugs and biologicals that are included in the ESRD PPS, which were subsequently modified by PAMA. These reductions reduced our market basket inflation adjustment by 1.25% in 2016, and will reduce our inflation adjustment by 1.25% in 2017, and 1% in 2018.
- On November 15, 2016, CMS published a final rule that modifies certain payment policies, payment rates, and quality provisions in the Physician Fee Schedule for calendar year 2017. The final rule includes material decreases in the reimbursement rates for many of the procedures performed routinely by Fresenius Vascular Care, now known as "Azura Vascular Care." These reimbursement cuts may have a material adverse impact on our operating results.
- On October 27, 2017, CMS issued the final rule updated the ESRD PPS rate for 2018. We and other large dialysis organizations will experience a 0.4% increase in payments under this final rule. The base rate per treatment is $232.37 which represents a 0.3% increase from the 2017 base rate. The 2017 final rule reflects a market basket increase of 0.3% (1.9% market basket increase that is partially offset by a 1% reduction under PAMA and a 0.6% multifactor productivity adjustment) and application of the wage index budget-neutrality adjustment factor of 1.000531. The 2018 ESRD PPS rate does not contain any changes to the previous wage index floor of 0.4000.
- The ESRD PPS final rule also updated the ESRD QIP, including for payment years 2019, 2020, and 2021, under which payment incentives are made to dialysis facilities to improve the quality of care that they provide. The final rule includes updates to the ESRD QIP Extraordinary Circumstances Exception Policy, Performance Score Certificate, National Healthcare Safety Network dialysis event data validation sampling methodology, and quality measures. The final rule also updated the payment for dialysis provided to patients with acute kidney injuries to be equal to the 2018 ESRD PPS base rate.

Presently, there is considerable uncertainty regarding possible future changes in health care regulation, including the regulation of reimbursement for dialysis services. See "Risk Factors – We operate in a highly regulated industry such that the potential for legislative reform provides uncertainty and potential threats to our operating models and results" which is included in our Annual Report on Form 20-F for the year ended December 31, 2016.

On November 6, 2015, CMS published a final rule to update payment policies and rates under the ESRD PPS for renal dialysis services furnished on or after January 1, 2016. In this final rule, CMS clarified that once any non-oral drug in a category previously considered "oral only" is approved by the U.S. Food and Drug Administration ("FDA"), such category of drugs will cease to be considered oral only. CMS has designated a process for determining when a product is no longer an oral-only drug and for including new injectable and intravenous drugs into the PPS. Under this process, Amgen's new intravenous calcimimetic, Parsabiv™, which is used in the treatment of secondary hyperparathyroidism in adult patients with chronic kidney disease on dialysis, will be included in the ESRD PPS as of January 1, 2018. Because calcimimetics are used to treat a condition for which there is no current functional category in the ESRD PPS, both Parsabiv™ and its oral equivalent, Sensipar®, will be reimbursed separately by CMS for a two-year period beginning January 1, 2018, using a transitional drug add-on payment adjustment ("TDAPA"). We continue to prepare for the transition of this drug category under the TDAPA process. This type of transition has not occurred previously under the ESRD PPS and could have a material adverse effect on our business, results of operations and financial condition.

As a consequence of the pressure to decrease health care costs, government reimbursement rate increases in the U.S. have historically been limited and are expected to continue in this fashion. We have generally experienced stable reimbursement globally, including the balancing of unfavorable reimbursement changes in certain countries with favorable changes in other countries. However, any significant decreases in Medicare or commercial reimbursement rates or patient access to commercial insurance plans could have material adverse effects on our health care services business and, because the demand for dialysis products is affected by Medicare reimbursement, on our products business. To the extent that increases in operating costs that are affected by inflation, such as labor and supply costs, are not fully reflected in a compensating increase in reimbursement rates, our business and results of operations may be adversely affected.

Participation in new Medicare payment arrangements

Twenty-four of our dialysis organizations participate in CMS's Comprehensive ESRD Care Model (the "Model"), which involves ESRD Seamless Care Organizations, or "ESCOs." This Model seeks to deliver better health outcomes for ESRD patients while lowering Medicare's costs. ESCOs that achieve the program's minimum quality thresholds and generate reductions in CMS's cost of care above certain thresholds for the ESRD patients covered by the ESCO will receive a share of the cost savings. Our ESCOs also share in the risk of cost increases and are obligated to reimburse CMS for a share of any such increases if actual costs rise above set thresholds. For six of our ESCOs, the Model commenced on October 1, 2015, and for the other eighteen ESCOs, the Model commenced on January 1, 2017. The initial agreement period for all ESCOs participating in the Model lasts through 2018. As originally specified, CMS and an ESCO would then have the option of extending the ESCO's agreement for an additional two years based on the ESCO's performance. CMS relied on authority granted by the Patient Protection and Affordable Care Act ("ACA") to implement this project. Congress is expected to continue to pursue efforts to repeal, replace or revise the ACA, and the posture of CMS in the Trump administration toward projects of this sort may differ from that of the Obama administration. Such changes may affect the project's future prospects in ways which we cannot predict.

The Bundled Payments for Care Improvement ("BPCI") initiative is a CMS three-year pilot initiative involving bundled payments for the individual services, including acute inpatient hospital services, physician services, and post-acute services, furnished to Medicare beneficiaries during a single episode of illness or course of treatment. Our majority-owned subsidiary, Sound Inpatient Physicians, Inc. ("Sound"), commenced participation under BPCI in April 2015 in several markets. Under the BPCI, Sound has the ability to receive additional payments from CMS if its physicians are able to deliver quality care at a cost that is lower than certain established benchmarks, but it also has the risk of incurring financial penalties if it is unsuccessful. Should Sound fail to perform as required under its BPCI agreement, CMS may terminate Sound's participation in the BPCI program, in whole or in part. This project was also implemented under ACA authority and is subject to the same caveats and uncertainties noted above with respect to ESCOs.

We have entered into various arrangements which involve taking risk for the complete care of certain ESRD patients in exchange for set payments. CMS approved our application to offer Medicare Advantage ESRD Chronic Special Needs Plans ("MA-CSNPs") in five states as of January 1, 2017. MA-CSNPs are Medicare Advantage health plans offered by private companies that contract with Medicare to provide patients with Medicare benefits. Enrolment in these plans is limited to special needs individuals with specific severe or disabling chronic conditions, such as ESRD. Our MA-CSNPs will provide services, including Care Coordination services, and receive capitated payments from Medicare for the complete care of enrolled ESRD patients.

We have also entered into sub-capitation and other shared savings arrangements with certain Medicare Advantage plans under which we assume risk in providing care to the plans' ESRD patients (those patients that develop ESRD while they are plan members) while paid on a per patient per month basis. The 21st Century Cures Act, enacted December 13, 2016, removes the prohibition that previously barred individuals who already have ESRD from enrolling in a Medicare Advantage plan beginning 2021. We anticipate that this provision may present us with expanded business opportunities, but we cannot quantify its impact on our business at this time.

Company Structure

Our operating segments are the North America Segment, the EMEA Segment, the Asia-Pacific Segment and the Latin America Segment. The operating segments are determined based upon how we manage our businesses with geographical responsibilities. All segments are primarily engaged in providing health care services and the distribution of products and equipment for the treatment of ESRD and other extracorporeal therapies. Management evaluates each segment using measures that reflect all of the segment's controllable revenues and expenses. With respect to the performance of business operations, management believes that the most appropriate IFRS measures are revenue, operating income and operating income margin. We do not include income taxes as we believe this is outside the segments' control. Financing is a corporate function which our segments do not control. Therefore, we do not include interest expense relating to financing as a segment measurement. Similarly, we do not allocate certain costs which relate primarily to certain headquarters' overhead charges, including accounting and finance, because we believe that these costs are also not within the control of the individual segments. Production of products, production asset management, quality management and procurement related to production are centrally managed at Corporate. Global research and development is also centrally managed at Corporate. These Corporate activities do not fulfill the definition of a segment according to IFRS 8. Products are transferred to the segments at cost; therefore no internal profit is generated. The associated internal revenue for the product transfers and their elimination are recorded as Corporate activities (See Note 14 of the Notes to Consolidated Financial Statements (unaudited) "Segment and Corporate Information" found elsewhere in this report). Capital expenditures for production are based on the expected demand of the segments and consolidated profitability considerations. In addition, certain revenues, investments and intangible assets, as well as any related expenses, are not allocated to a segment but accounted for as Corporate. Accordingly, all of these items are excluded from our analysis of segment results which are discussed below in the discussion of our consolidated results of operations.

II. Discussion of Measures

Non-IFRS Measures

Certain key performance indicators and other financial information, as well as discussions and analyses, set out in this report include measures which are not defined by IFRS (Non-IFRS). We believe this information, along with comparable IFRS measurements, is useful to our investors as it provides a basis for measuring our performance. Non-IFRS financial measures should not be viewed or interpreted as a substitute for financial information presented in accordance with IFRS. Wherever appropriate, we provide reconciliations to the most directly comparable IFRS measures.

Constant Currency

Some key performance indicators and other financial measures used in this report such as changes in revenue, operating income and net income attributable to shareholders of FMC-AG & Co. KGaA include the impact of translating local currencies to our reporting currency for financial reporting purposes. We calculate these non-IFRS financial measures at constant exchange rates in our filings to show changes in our revenue, operating income, net income attributable to shareholders of FMC-AG & Co. KGaA and other items without giving effect to period-to-period currency fluctuations. Under IFRS, amounts received in local (non-euro) currency are translated into euro at the average exchange rate for the period presented. Once we translate the local currency for the constant currency, we then calculate the change, as a percentage, of the current period using the prior period exchange rates versus the prior period. The single quarter, excluding the first quarter, results are calculated as the variance between the current year-to-date results less the preceding quarter's year-to-date which makes the single quarter subject to further foreign exchange fluctuation. This resulting percentage is a non-IFRS measure referring to a change as a percentage at constant currency. These currency-adjusted financial measures are identifiable by the designated terms "Constant Exchange Rates" or "Constant Currency."

We believe that the measures at Constant Currency (Non-IFRS) are useful to investors, lenders and other creditors because such information enables them to gauge the impact of currency fluctuations on our revenue, operating income, net income attributable to shareholders of FMC-AG & Co. KGaA and other items from period to period. However, we also believe that the usefulness of data on Constant Currency period-over-period changes is subject to limitations, particularly if the currency effects that are eliminated constitute a significant element of our revenue, operating income, net income attributable to shareholders of FMC-AG & Co. KGaA or other items and significantly impact our performance. We therefore limit our use of Constant Currency period-over-period changes to a measure for the impact of currency fluctuations on the translation of local currency into euro. We do not evaluate our results and performance without considering both Constant Currency period-over-period changes in non-IFRS revenue, operating income, net income attributable to shareholders of FMC-AG & Co. KGaA and other items and changes in revenue, operating income, net income attributable to shareholders of FMC-AG & Co. KGaA and other items prepared in accordance with IFRS. We caution the readers of this report to follow a similar approach by considering data on Constant Currency period-over-period changes only in addition to, and not as a substitute for or superior to, changes in revenue, operating income, net income attributable to shareholders of FMC-AG & Co. KGaA and other items prepared in accordance with IFRS. We present the growth rate derived from IFRS measures next to the growth rate derived from non-IFRS measures such as revenue, operating income, net income attributable to shareholders of FMC-AG & Co. KGaA and other items. As the reconciliation is inherent in the disclosure, we believe that a separate reconciliation would not provide any additional benefit.

Delivered EBIT

As a result of the significance of noncontrolling interest holders in our operations, we believe a measure that is meaningful to investors is operating income less noncontrolling interests ("Delivered EBIT"). Delivered EBIT approximates the operating income attributable to the shareholders of FMC-AG & Co. KGaA. As such, we believe that operating income, or EBIT, is the closest comparable

IFRS measure. Below is a table showing the reconciliation of Operating Income to Delivered EBIT for each of our reporting segments:

Delivered EBIT Reconciliation

in € millions

	Three months ended September 30		Nine months ended September 30	
	2017	**2016**	**2017**	**2016**
Total				
Operating income (EBIT)	609	611	1,843	1,679
less noncontrolling interests	(62)	(65)	(199)	(195)
Delivered EBIT	547	546	1,644	1,484
North America				
Operating income (EBIT)	483	490	1,478	1,348
less noncontrolling interests	(59)	(63)	(192)	(189)
Delivered EBIT	424	427	1,286	1,159
Dialysis				
Operating income (EBIT)	437	460	1,424	1,289
less noncontrolling interests	(51)	(59)	(169)	(169)
Delivered EBIT	386	401	1,255	1,120
Care Coordination				
Operating income (EBIT)	46	30	54	59
less noncontrolling interests	(8)	(4)	(23)	(20)
Delivered EBIT	38	26	31	39
EMEA				
Operating income (EBIT)	106	113	333	354
less noncontrolling interests	(1)	(1)	(2)	(2)
Delivered EBIT	105	112	331	352
Asia-Pacific				
Operating income (EBIT)	77	76	237	202
less noncontrolling interests	(2)	(1)	(5)	(4)
Delivered EBIT	75	75	232	198
Dialysis				
Operating income (EBIT)	68	76	222	202
less noncontrolling interests	(2)	(1)	(5)	(4)
Delivered EBIT	66	75	217	198
Care Coordination				
Operating income (EBIT)	9	-	15	-
less noncontrolling interests	0	-	0	-
Delivered EBIT	9	-	15	-
Latin America				
Operating income (EBIT)	18	18	45	42
less noncontrolling interests	0	0	0	0
Delivered EBIT	18	18	45	42

EBITDA

EBITDA (earnings before interest, tax, depreciation and amortization expenses) was approximately €2,397 million, 17.9% of revenue for the nine-months period ended September 30, 2017,

and €2,192 million, 18.0% of revenue for the same period of 2016. EBITDA is the basis for determining compliance with certain covenants contained in our Amended 2012 Credit Agreement or may be relevant in other major financing arrangements. You should not consider EBITDA to be an alternative to net earnings determined in accordance with IFRS or to cash flow from operations, investing activities or financing activities. In addition, not all funds depicted by EBITDA are available for management's discretionary use. For example, a substantial portion of such funds are subject to contractual restrictions and functional requirements for debt service, to fund necessary capital expenditures and to meet other commitments from time to time as described in more detail elsewhere in this report. EBITDA, as calculated, may not be comparable to similarly titled measures reported by other companies. A reconciliation of EBITDA to cash flow provided by (used in) operating activities, which we believe to be the most directly comparable IFRS financial measure, is calculated as follows:

Reconciliation of EBITDA to net cash provided by (used in) operating activities

in € millions

	For the nine months ended September 30,	
	2017	**2016**
Total EBITDA	2,397	2,192
Interest expense (net of interest income)	(274)	(276)
Income tax expense	(484)	(427)
Change in deferred taxes, net	(46)	(44)
Changes in operating assets and liabilities	67	(257)
Compensation expense related to share-based plans	42	24
Other items, net	(38)	(52)
Net cash provided by (used in) operating activities	1,664	1,160

Debt/EBITDA

The ratio of debt to EBITDA is a key financial performance indicator used for overseeing the Company. To determine the total debt to EBITDA ratio, financial debt is compared to EBITDA for the last twelve months (adjusted for acquisitions and divestitures with a purchase price above a €50 million threshold as defined in the Amended 2012 Credit Agreement and non-cash charges). The Company's ratio of net debt to EBITDA is also used to determine pricing under the Amended 2012 Credit Agreement. See Note 8 of the Notes to Consolidated Financial Statements, "Long-term Debt and Capital Lease Obligations." We believe this ratio provides more reliable information regarding the extent to which we are able to meet our payment obligations than considering only the total amount of financial debt. The

following table shows the reconciliation of debt to EBITDA ratio as of September 30, 2017 and December 31, 2016.

Reconciliation of Debt to EBITDA

in € millions, except where otherwise specified

	September 30, 2017	December 31, 2016
Debt	7,662	8,132
Cash	729	709
Net Debt	6,933	7,423
Operating Income[1][2]	2,583	2,398
Depreciation and amortization[1][2]	747	710
Non-cash charges[2]	54	65
EBITDA[1][2]	3,384	3,173
Debt/ EBITDA ratio[1]	2.3	2.6
Net Debt/ EBITDA ratio[1]	2.0	2.3

(1) Including adjustments for acquisitions and divestitures made within the reporting period with a purchase price above a €50 million threshold as defined in the Amended 2012 Credit Agreement.

(2) Last 12 months.

Return on Invested Capital ("ROIC")

ROIC is the ratio of operating income, for the last twelve months, after tax ("Net Operating Profit After Tax" or "NOPAT") to average invested capital of the last five balance sheet dates and expresses how efficiently we allocate the capital under our control or how well we employ our capital with regard to a specific investment project which is presented in the table below. Additionally, the table below presents a

reconciliation of average invested capital to the IFRS measure total assets, which we believe to be the most directly comparable IFRS financial measure.

Reconciliation of Average Invested Capital and ROIC

in € millions, except where otherwise specified

2017	September 30, 2017	June 30, 2017[2]	March 31, 2017[2]	December 31, 2016[2]	September 30, 2016[2]
Total assets	24,250	24,715	26,106	25,917	24,469
Plus: Cumulative goodwill amortization	400	413	438	444	422
Minus: Cash and cash equivalents	(729)	(721)	(673)	(711)	(568)
Minus: Loans to related parties	(127)	(149)	(199)	(199)	(151)
Minus: Deferred tax assets	(333)	(308)	(311)	(292)	(264)
Minus: Accounts payable	(518)	(484)	(505)	(584)	(481)
Minus: Accounts payable to related parties	(224)	(217)	(271)	(264)	(233)
Minus: Provisions and other current liabilities[1]	(2,763)	(2,822)	(2,790)	(2,865)	(2,572)
Minus: Income tax payable	(251)	(234)	(276)	(242)	(228)
Invested capital	19,705	20,193	21,519	21,204	20,394
Average invested capital as of September 30, 2017	20,603				
Operating income[2],[3]	2,583				
Income tax expense[3],[4]	(907)				
NOPAT[3]	1,676				
ROIC in %	8.1%				

2016	December 31, 2016	September 30, 2016[2]	June 30, 2016[2]	March 31, 2016[2]	December 31, 2015[2]
Total assets	25,504	24,074	24,108	23,262	23,680
Plus: Cumulative goodwill amortization	444	422	424	413	431
Minus: Cash and cash equivalents	(709)	(566)	(653)	(466)	(516)
Minus: Loans to related parties	(199)	(144)	(152)	(197)	(182)
Minus: Deferred tax assets	(291)	(262)	(248)	(245)	(261)
Minus: Accounts payable	(576)	(473)	(518)	(495)	(585)
Minus: Accounts payable to related parties	(264)	(231)	(196)	(208)	(141)
Minus: Provisions and other current liabilities[1]	(2,857)	(2,573)	(2,583)	(2,341)	(2,470)
Minus: Income tax payable	(242)	(228)	(228)	(245)	(216)
Invested capital	20,810	20,019	19,954	19,478	19,740
Average invested capital as of December 31, 2016	20,000				
Operating income[2][3]	2,398				
Income tax expense[3][4]	(840)				
NOPAT[3]	1,558				
ROIC in %	7.8%				

(1) Including non-current provisions and variable payments outstanding for acquisitions and excluding pension liabilities and noncontrolling interests subject to put provisions.

(2) Including adjustments for acquisitions and divestitures made within the reporting period with a purchase price above a € 50 million threshold as defined in the Amended 2012 Credit Agreement.

(3) Last 12 months.

(4) Adjusted for noncontrolling partnership interests.

Cash flow measures

Our consolidated statement of cash flows indicates how we generated and used cash and cash equivalents. When used in conjunction with the other primary financial statements, it provides information that helps us evaluate the changes in our net assets and our financial structure (including our liquidity and solvency). The net cash provided by (used in) operating activities is used to assess whether our business can generate the cash required to make replacement and expansion investments. Net cash provided by (used in) operating activities is impacted by the profitability of our business and development of working capital, principally receivables. The financial key performance indicator of net cash provided by (used in) operating activities in percentage of revenue shows the percentage of our revenue that is available in terms of financial resources.

Free cash flow is the cash flow provided by (used in) operating activities after capital expenditures for property, plant and equipment but before acquisitions and investments. The key performance indicator used by management is free cash flow in percentage of revenue. This represents the percentage of revenue that is available for acquisitions, dividends to shareholders or the reduction of debt financing including required payments under our Amended 2012 Credit Agreement.

The following table shows the significant cash flow key performance indicators for the nine months ended September 30, 2017 and 2016 and reconciles free cash flow and free cash flow as a % of revenue to Net cash provided by (used in) operating activities and Net cash provided by (used in) operating activities as a % of revenue, respectively:

Cash Flow Measures

in € millions, except where otherwise specified

	For the nine months ended September 30,	
	2017	**2016**
Revenue	13,355	12,153
Net cash provided by (used in) operating activities	1,664	1,160
Capital expenditures	(632)	(670)
Proceeds from sale of property, plant and equipment	18	12
Capital expenditures, net	(614)	(658)
Free cash flow	1,050	502
Net cash provided by (used in) operating activities as a % of revenue	12%	10%
Free cash flow as a % of revenue	8%	4%

Business Metrics for Care Coordination

The measures for the North America Segment and the Asia-Pacific Segment discussed below include current and future programs that we will be participating in and will be reflected in the discussion of our business. Currently, in our North America Segment, sub-capitation, BPCI, ESCO programs, MA-CSNPs and other shared savings programs are included within the Member Months and Medical Cost Under Management calculations below. In the future, there may be other programs that could be included in the metrics below. The Asia-Pacific Segment Care Coordination metric currently used for discussion purposes is patient encounters, which includes ambulant treatment services in day care hospitals, comprehensive and specialized health check-ups, inpatient and outpatient services for dialysis patients, vascular access and other chronic treatment services.

These metrics may be developed further in future periods. Note that due to the timing required by CMS to review the BPCI and ESCO program data that we provide, estimates have been used in order to report these metrics in a timely manner. These metrics are neither IFRS measures nor non-IFRS measures, and are therefore not accompanied by or reconciled to IFRS measures.

Member Months Under Medical Cost Management

In our North America Segment, Member months under medical cost management is calculated by multiplying the number of members who are included in value-based reimbursement programs, such as Medicare Advantage plans or other value-based programs in the U.S., by the corresponding number of months these members participate in those programs (“Member Months”). In the aforementioned programs, we are assuming the risk of generating savings. The financial results will be recorded in earnings as our performance is determined. The membership offerings within Care Coordination are sub-capitation arrangements, MA-CSNPs, ESCO and BPCI programs as well as other shared savings programs. An increase in patient membership may indicate future earnings or losses as our performance is determined through these managed care programs.

Medical Cost Under Management

In our North America Segment, Medical cost under management represent the management of medical costs associated with our patient membership in value-based programs. For ESCO, BPCI and other shared savings programs, this is calculated by multiplying the Member Months in each program by the benchmark of expected medical cost per member per month. The sub-capitation and MA-CSNPs calculation multiplies the premium per member of the program per month by the number of Member Months associated with the plan, as noted above.

Care Coordination Patient Encounters

Care Coordination patient encounters represents the total patient encounters and procedures conducted by certain of our Care Coordination activities and, we believe, is an indicator of the revenue generated. Specifically, Care Coordination patient encounters in the North America Segment is the sum of all encounters and procedures completed during the period by Sound, MedSpring Urgent Care Centers, Azura Vascular Care, and National Cardiovascular Partners, the trade name of Laurus Healthcare L.P., as well as patients in our Fresenius Medical Care Rx Bone Mineral Metabolism (“Rx BMM”) program.

III. Results of operations, financial position and net assets

The following sections summarize our results of operations, financial position and net assets as well as key performance indicators by reporting segment and Corporate for the periods indicated. We prepared the information using a management approach, consistent with the basis and manner in which management internally disaggregates financial information to assist in making internal operating decisions and evaluating management performance.

Results of operations

Segment data (including Corporate)

in € millions

	For the three months ended September 30,		For the nine months ended September 30,	
	2017	**2016**	**2017**	**2016**
Total revenue				
North America	3,115	3,050	9,715	8,828
EMEA	632	605	1,888	1,776
Asia-Pacific	411	383	1,206	1,074
Latin America	175	172	535	466
Corporate	3	1	11	9
Total	4,336	4,211	13,355	12,153
Operating income				
North America	483	490	1,478	1,348
EMEA	106	113	333	354
Asia-Pacific	77	76	237	202
Latin America	18	18	45	42
Corporate	(75)	(86)	(250)	(267)
Total	609	611	1,843	1,679
Interest income	12	8	35	34
Interest expense	(98)	(98)	(309)	(310)
Income tax expense	(152)	(152)	(484)	(427)
Net Income	371	369	1,085	976
Less: Net Income attributable to noncontrolling interests	(62)	(65)	(199)	(195)
Net Income attributable to shareholders of FMC-AG & Co. KGaA	309	304	886	781

Revenue and operating income generated in countries outside the eurozone are subject to currency fluctuations. The three and nine months ended September 30, 2017 and 2016 were negatively impacted by the development of the euro against the U.S. dollar. For the respective three- and nine-months period ended September 30, 2017, approximately 72% and 73% of revenue and approximately 79% and 80% of operating income were generated in U.S. dollars.

Three months ended September 30, 2017 compared to three months ended September 30, 2016

Consolidated Financials

Key Indicators for Consolidated Financial Statements

in € millions, except where otherwise specified

	For the three months ended September 30		Change in %	
	2017	2016	As reported	Constant Currency[1]
Revenue	4,336	4,211	3%	8%
Health Care Services	3,532	3,438	3%	8%
Health Care Products	804	773	4%	8%
Number of dialysis treatments	12,205,278	11,833,493	3%	
Same market treatment growth in %	2.2%	3.0%		
Gross profit as a % of revenue	32.8%	33.6%		
Selling, general and administrative costs as a % of revenue	18.5%	18.8%		
Operating income	609	611	0%	4%
Operating income margin in %	14.0%	14.5%		
Delivered EBIT[2]	547	546	0%	5%
Net income attributable to shareholders of FMC-AG & Co. KGaA	309	304	2%	6%
Basic earnings per share	1.01	0.99	1%	6%

(1) For further information on Constant Exchange Rates, see "– II. Discussion of Measures – Non – IFRS Measures – Constant Currency" above.

(2) For further information on Delivered EBIT, including a reconciliation of Delivered EBIT to Operating Income on a consolidated basis and for each of our operating segments, see "– II. Discussion of Measures – Non – IFRS Measures – Delivered EBIT" above.

Health care services revenue increased by 3%, including a 5% negative impact resulting from foreign currency translation. At Constant Exchange Rates, health care services revenue increased by 8% driven by increases in organic revenue per treatment (4%), growth in same market treatments (2%) and contributions from acquisitions (2%).

Dialysis treatments increased by 3% as a result of growth in same market treatments (2%) and contributions from acquisitions (1%).

At September 30, 2017, we owned, operated or managed (excluding those managed but not consolidated in the U.S.) 3,714 dialysis clinics compared to 3,579 dialysis clinics at September 30, 2016. During the three months ended September 30, 2017, we acquired 12 dialysis clinics, opened 23 dialysis clinics and combined or closed 11 clinics. The number of patients treated in dialysis clinics that we own, operate or manage (excluding patients of dialysis clinics managed but not consolidated in the U.S.) increased by 4% to 317,792 at September 30, 2017 from 306,366 at September 30, 2016.

Health care product revenue increased by 4%, including a 4% negative impact resulting from foreign currency translation. At Constant Exchange Rates, health care product revenue increased by 8%. Dialysis product revenue increased by 3% including a 4% negative impact resulting from foreign currency translation. At Constant Exchange Rates, dialysis product revenue increased by 7% due to higher sales of dialyzers, machines, peritoneal dialysis products, renal pharmaceuticals, bloodlines and products for acute care treatments. Non-dialysis product revenue increased by 58% to €19 million from €12 million with no foreign currency translation effects. The increase of 58% was due to the acquisition of Xenios AG, which operates in the area of acute cardiopulmonary products ("Xenios").

The decrease period over period in the gross profit margin was 0.8 percentage points with virtually no impact from foreign currency translation in the current period. The decrease primarily reflects reduced margins in the North America Segment, the EMEA Segment and the Asia-Pacific Segment. The gross profit margin decrease in the North America Segment was mainly due to higher costs in our pharmacy services business, cost effects net of anticipated recoveries from natural disasters ("Natural Disaster Costs"), the impact from lower revenue for vascular services, and higher personnel expense, partially offset by lower costs for health care supplies, the initial recognition in the calendar year 2017 of earnings from the BPCI initiative for hospital related physician services as well as increased earnings recognized related to ESCOs. The gross profit margin decrease in the EMEA Segment was driven by unfavorable foreign currency transaction effects, an unfavorable impact from acquisitions and pressure on reimbursement in some countries. The gross profit margin decrease in the Asia-Pacific Segment was due to an unfavorable mix effect related to acquisitions with lower margins as well as unfavorable foreign currency transaction effects, partially offset by a favorable impact from business growth, mainly in China.

The decrease period over period in the selling, general and administrative ("SG&A") expenses as a percentage of revenue was 0.3 percentage points with virtually no impact from foreign currency translation in the current period. The decrease was primarily driven by decreases in the North America Segment and the Asia-Pacific Segment, partially offset by an increase in the Latin America Segment. The decrease in the North America Segment was mainly driven by the impact from higher revenue, the initial recognition in the calendar year 2017 of earnings from the BPCI initiative for hospital related physician services, the prior year cost impact related to the vesting of long-term incentive plan grants and increased earnings recognized related to ESCOs, partially offset by higher bad debt expense. The decrease in the Asia-Pacific Segment was due to favorable foreign currency transaction effects and a favorable impact from acquisitions. The increase in the Latin America Segment was driven by higher overhead costs as well as unfavorable foreign currency transaction effects, partially offset by reimbursement rate increases which mitigated inflationary cost increases

Research and development expenses decreased by 29% to €28 million from €40 million. The decrease period over period, as a percentage of revenue, of 0.3 percentage points largely driven by capitalized development costs and lower project costs, partially offset by expenses incurred related to the development of cardiopulmonary products at Xenios and an increased project portfolio.

Income from equity method investees decreased by 49% to €13 million from €26 million. The decrease was primarily driven by lower income from Vifor Fresenius Medical Care Renal Pharma Ltd., an entity in which we have ownership of 45%, due to increased costs to support the launch and development of new projects as well as the impact of contractually related adjustments in 2016.

The decrease period over period in the operating income margin was 0.5 percentage points with virtually no impact from foreign currency translation in the current period. The decrease was largely driven by decreased gross profit margin and a decrease in income from equity method investees, partially offset by decreases in SG&A and research and development expenses, as a percentage of revenue, as discussed above. Excluding Natural Disaster Costs of approximately €12 million, operating income margin decreased by 0.1 percentage point to 14.4% from 14.5%. Foreign currency translation effects represented a 0.2 percentage point increase in the operating income margin in the current period.

Delivered EBIT remained stable including a 5% negative impact resulting from foreign currency translation. At Constant Exchange Rates, delivered EBIT increased by 5%, primarily a result of increased Constant Currency operating income.

Net interest expense decreased by 4% to €86 million from €90 million, including a 4% negative impact resulting from foreign currency translation. At Constant Exchange Rates, net interest expense remained stable.

Income tax expense remained stable at €152 million. The effective tax rate decreased to 29.0% from 29.2% for the same period of 2016. Excluding the tax effects of Natural Disaster Costs of approximately €4 million, the effective tax rate remained stable at 29.2% as compared to the prior period.

Net income attributable to noncontrolling interests decreased by 5% to €62 million from €65 million, including a 6% negative impact resulting from foreign currency translation. At Constant Exchange Rates, net income attributable to noncontrolling interests remained relatively flat.

Net income attributable to shareholders of FMC-AG & Co. KGaA increased by 2% to €309 million from €304 million including a 4% negative impact resulting from foreign currency translation. At Constant Exchange Rates, net income attributable to shareholders of FMC-AG & Co. KGaA increased by 6% driven by the combined effects of the items discussed above. Excluding (i) the effects of approximately €2 million net of tax related to the agreement with the United States Departments of Veterans Affairs and Justice for reimbursement for services performed during the period of January 2009 through February 15, 2011 ("VA Agreement") and (ii) Natural Disaster Costs of approximately €8 million, net of tax, net income attributable to shareholders of FMC-AG & Co. KGaA, excluding the items above, increased by 5%, including a 3% negative impact resulting from foreign currency translation. At Constant Exchange Rates, excluding the items above, the increase in net income attributable to shareholders of FMC-AG & Co. KGaA was 8%.

Basic earnings per share increased by 1%, including a 5% negative impact resulting from foreign currency translation. At Constant Exchange Rates, basic earnings per share increased by 6%. The average weighted number of shares outstanding for the period was approximately 306.6 million in 2017 (306.0 million in 2016).

We employed 113,648 people (full-time equivalents) as of September 30, 2017 compared to 108,851 as of September 30, 2016, an increase of 4%, primarily due to organic growth in our business and acquisitions.

The following discussions pertain to the North America Segment, the EMEA Segment, the Asia-Pacific Segment and the Latin America Segment and the measures we use to manage these segments.

North America Segment

Key Indicators and Business Metrics for North America Segment

in € millions, except where otherwise specified

	For the three months ended September 30		Change in %	
	2017	2016	As Reported	Constant Currency[1]
Total North America Segment				
Revenue	3,115	3,050	2%	8%
Health Care Services	2,904	2,841	2%	8%
Health Care Products	211	209	1%	6%
Operating income	483	490	(1%)	4%
Operating income margin in %	15.5%	16.1%		
Delivered EBIT[2]	424	427	(1%)	4%
Dialysis				
Revenue	2,410	2,462	(2%)	4%
Number of Dialysis treatments	7,528,893	7,330,325	3%	
Same market treatment growth in %	2.4%	2.7%		
Operating income	437	460	(5%)	0%
Operating income margin in %	18.1%	18.7%		
Delivered EBIT[2]	386	401	(4%)	1%
Care Coordination				
Revenue	705	588	20%	26%
Operating income	46	30	53%	53%
Operating income margin in %	6.6%	5.1%		
Delivered EBIT[2]	38	26	48%	47%
Member Months Under Medical Cost Management[3][4]	142,364	97,197	46%	
Medical Cost Under Management[3][4]	908	643	41%	50%
Care Coordination Patient Encounters[3][4]	1,786,534	1,411,251	27%	

(1) For further information on Constant Exchange Rates, see "– II. Discussion of Measures – Non – IFRS Measures – Constant Currency" above.

(2) For further information on Delivered EBIT, including a reconciliation of Delivered EBIT to Operating Income on a consolidated basis and for each of our operating segments, see "– II. Discussion of Measures – Non – IFRS Measures – Delivered EBIT" above.

(3) For further information on these metrics, please refer to the discussion above of our Care Coordination measures under "Business Metrics for Care Coordination"

(4) The metrics may be understated due to a physician mapping issue related to the BPCI program within a CMS system which has not yet been resolved. Additionally, data presented for the BPCI and ESCO metrics are subject to finalization by CMS, which may result in changes from previously reported metrics.

Dialysis

Revenue

Dialysis care revenue decreased by 2% to €2,199 million from €2,253 million, including a 5% negative impact resulting from foreign currency translation. At Constant Exchange Rates, dialysis care revenue

increased by 3% mainly due to growth in same market treatments (2%) and increases in organic revenue per treatment (1%).

Dialysis treatments increased by 3% largely due to growth in same market treatments (2%) and contributions from acquisitions (1%). At September 30, 2017, 195,027 patients (4% increase from September 30, 2016) were being treated in the 2,363 dialysis clinics that we own or operate in the North America Segment, compared to 187,611 patients treated in 2,277 dialysis clinics at September 30, 2016.

In the U.S., the average revenue per treatment, increased to $352 (€315 at Constant Exchange Rates) from $350 (€314). The development was mainly attributable to favorable impact from the increase in the ESRD PPS rate for 2017.

Cost per treatment in the U.S., excluding Natural Disaster Costs of $2 per treatment, increased to $282 (€253 at Constant Exchange Rates) from $278 (€249). This development was largely driven by higher personnel expense, higher bad debt expense as well as increased property and other occupancy related costs, partially offset by lower cost for health care supplies.

Health care product revenue increased by 1% including a 5% negative impact resulting from foreign currency translation. At Constant Exchange Rates, health care product revenue increased by 6% due to higher sales of peritoneal dialysis products, machines, renal pharmaceuticals, hemodialysis solutions and concentrates as well as dialyzers.

Operating Income Margin

The decrease period over period in the dialysis operating income margin was 0.6 points with virtually no impact from foreign currency translation in the current period. The decrease was driven by Natural Disaster Costs, higher personnel expense and higher costs such as other supplies and rent expense, higher bad debt expense and lower income from equity method investees, partially offset by lower costs for health care supplies and the prior year cost impact related to the vesting of long-term incentive grants. Excluding Natural Disaster Costs of approximately €11 million, the dialysis operating income margin remained stable at 18.7% as compared to the prior period.

Delivered EBIT

Dialysis delivered EBIT decreased by 4% including a 5% negative impact resulting from foreign currency translation. At Constant Exchange Rates, dialysis delivered EBIT increased by 1% mainly as the result of decreased income from noncontrolling interests driven by lower performance in entities in which we have less than 100% ownership.

Care Coordination

Revenue

Care Coordination revenue increased by 20%, including a 6% negative impact resulting from foreign currency translation. At Constant Exchange Rates, Care Coordination revenue increased by 26% driven by increases in organic revenue growth (20%) and contributions from acquisitions (6%).

Operating Income Margin

The increase period over period in the Care Coordination operating income margin was 1.5 percentage points. Foreign currency translation effects represented 0.4 percentage points of the increase. At Constant Exchange Rates, the increase was mainly driven by the impact from higher revenue, the initial recognition in the calendar year 2017 of earnings from the BPCI initiative for hospital related physician services, increased earnings recognized related to ESCOs and the impact from the improved margin contributions for laboratory services, partially offset by higher bad debt expense, the impact from lower revenue for vascular services and increased costs for pharmacy services. Excluding Natural Disaster Costs of approximately €1 million, Care Coordination operating income margin increased to 6.7% from 5.1% in the comparable period. Foreign currency translation effects represented 0.3 percentage points of the increase in the current period.

Delivered EBIT

Care Coordination delivered EBIT increased by 48%. Foreign currency translation effects represented 1% of the increase. At Constant Exchange Rates, Care Coordination delivered EBIT increased by 47% mainly as the result of increased operating income, partially offset by increased income from noncontrolling interests.

Care Coordination Business metrics

The increase in member months under medical cost management was primarily attributable to an increase in our participation in ESCO programs from 6 to 24 ESCOs in 2017 as well as the addition of new payer shared savings and sub-capitation agreements, partially offset by a decrease in BPCI due to our voluntary elimination of certain non-performing risks from our BPCI portfolio. See note 4 to the table "Key Indicators and Business Metrics for North America Segment," above.

Care Coordination's medical cost under management increased by 41%, including a 9% negative impact resulting from foreign currency translation. At Constant Exchange Rates, Care Coordination's medical cost under management increased by 50% primarily attributable to an increase in our participation in ESCO programs from 6 to 24 ESCOs in 2017 as well as the addition of new payer shared savings and sub-capitation agreements, partially offset by a decrease in BPCI due to our voluntary elimination of certain non-performing risks from our BPCI portfolio. See note 4 to the table "Key Indicators and Business Metrics for North America Segment," above.

The increase in patient encounters was primarily driven by increased encounters for hospital related physician services. See note 4 to the table "Key Indicators and Business Metrics for North America Segment," above.

EMEA Segment

Key Indicators for EMEA Segment

in € millions, except where otherwise specified

	For the three months ended September 30		Change in %	
	2017	2016	As Reported	Constant Currency[1]
Revenue	632	605	5%	6%
Health Care Services	311	300	4%	5%
Health Care Products	321	305	5%	7%
Number of dialysis treatments	2,375,370	2,281,346	4%	
Same market treatment growth in %	2.7%	3.8%		
Operating income	106	113	(5%)	(6%)
Operating income margin in %	16.8%	18.6%		
Delivered EBIT[2]	105	112	(6%)	(6%)

(1) For further information on Constant Exchange Rates, see "– II. Discussion of Measures – Non – IFRS Measures – Constant Currency" above.

(2) For further information on Delivered EBIT, including a reconciliation of Delivered EBIT to Operating Income on a consolidated basis and for each of our operating segments, see "– II. Discussion of Measures – Non – IFRS Measures – Delivered EBIT" above.

Revenue

Health care service revenue increased by 4%, including a 1% negative impact resulting from foreign currency translation. At Constant Exchange Rates, health care service revenue increased by 5% as a result of growth in same market treatments (3%) and contributions from acquisitions (3%), partially offset by decreases in organic revenue per treatment (1%).

Dialysis treatments increased by 4% mainly due to growth in same market treatments (3%) and contributions from acquisitions (2%), partially offset by the effect of closed or sold clinics (1%). As of September 30, 2017, we had 61,983 patients (5% increase from September 30, 2016) being treated at the 732 dialysis clinics that we own, operate or manage in the EMEA Segment compared to 59,233 patients treated at 701 clinics at September 30, 2016.

Health care product revenue increased by 5%, including a 2% negative impact resulting from foreign exchange currency translation. At Constant Exchange Rates, health care product revenue increased by 7%. Dialysis product revenue increased by 3%, including a 2% negative impact resulting from foreign exchange currency translation. At Constant Exchange Rates, the increase of 5% in dialysis product revenue was due to higher sales of dialyzers, peritoneal dialysis products, products for acute care and renal pharmaceuticals, partially offset by lower sales of bloodlines. Non-Dialysis product revenue increased by 58% to €19 million from €12 million with virtually no impact from foreign currency translation effects. The increase was due to the acquisition of Xenios.

Operating Income Margin

The decrease period over period in the operating income margin was 1.8 percentage points. Foreign currency translation effects represented a 0.2 percentage point increase in the operating income margin. At Constant Exchange Rates, operating income margin decreased mainly due to investments in Xenios,

unfavorable impacts from foreign currency transaction effects, lower income from equity method investees as a result of costs to support the launch and development of new projects as well as pressure on reimbursement in some countries, partially offset by a favorable impact from a legal settlement and lower bad debt expense.

Delivered EBIT

Delivered EBIT decreased by 6% with virtually no impact from foreign exchange currency translation. The decrease at Constant Exchange Rates was primarily due to decreased operating income.

Asia-Pacific Segment

Key Indicators for Asia-Pacific Segment

in € millions, except where otherwise specified

	For the three months ended September 30		Change in %	
	2017	2016	As Reported	Constant Currency[1]
Total Asia-Pacific Segment				
Revenue	411	383	7%	14%
Health Care Services	194	173	12%	21%
Health Care Products	217	210	4%	9%
Operating income	77	76	1%	7%
Operating income margin in %	18.8%	19.9%		
Delivered EBIT[2]	75	75	1%	6%
Dialysis				
Revenue	359	383	(6%)	0%
Number of dialysis treatments	1,076,929	1,006,992	7%	
Same market treatment growth in %	2.4%	4.3%		
Operating income	68	76	(11%)	(6%)
Operating income margin in %	18.9%	19.9%		
Delivered EBIT[2]	66	75	(11%)	(6%)
Care Coordination				
Revenue	52	-	Not applicable	Not applicable
Operating income	9	-	Not applicable	Not applicable
Operating income margin in %	17.7%	-		
Delivered EBIT[2]	9	-	Not applicable	Not applicable
Care Coordination Patient Encounters[3]	229,318	-	Not applicable	Not applicable

(1) For further information on Constant Exchange Rates, see "– II. Discussion of Measures – Non – IFRS Measures – Constant Currency" above.

(2) For further information on Delivered EBIT, including a reconciliation of Delivered EBIT to Operating Income on a consolidated basis and for each of our operating segments, see "– II. Discussion of Measures – Non – IFRS Measures – Delivered EBIT" above.

(3) For further information on patient encounters, please refer to the discussion above of our Care Coordination measures under "Business Metrics for Care Coordination"

Key indicators are now provided separately for Dialysis and Care Coordination in the Asia-Pacific Segment due to an acquisition in Australia during the second quarter of 2017. Previously, there were immaterial amounts of services performed in Care Coordination within the Asia-Pacific Segment. We are presenting our Care Coordination activities in Asia-Pacific starting in 2017 as we are now able to appropriately rely on the data collected and presented during the period. For comparative purposes in our 2017 analysis, the Asia-Pacific Segment will be discussed on an overall segment basis. Care Coordination services include ambulant treatment services in day care hospitals where we provide treatment infrastructure, comprehensive and specialized health check-ups, inpatient and outpatient services for dialysis patients, vascular access and other chronic treatment services.

Revenue

Health care service revenue increased by 12%, including a 9% negative impact resulting from foreign currency translation. At Constant Exchange Rates, health care service revenue increased by 21% as a result of contributions from acquisitions (16%), increases in organic revenue growth per treatment (3%) and growth in same market treatments (2%).

Dialysis treatments increased by 7% mainly due to contributions from acquisitions (5%) and growth in same market treatments (2%). As of September 30, 2017, we had 30,151 patients (3% increase from September 30, 2016) being treated at the 389 dialysis clinics that we own, operate or manage in the Asia-Pacific Segment compared to 29,358 patients treated at 369 clinics at September 30, 2016.

Health care product revenue increased by 4%, including a 5% negative impact resulting from foreign currency translation. At Constant Exchange Rates, health care product revenue increased by 9% as a result of increased sales of machines, dialyzers, bloodlines, and peritoneal dialysis products.

Operating Income Margin

The decrease period over period in the operating income margin was 1.1 percentage points. Foreign currency translation effects represented a 0.2 percentage point increase in the operating income margin. At Constant Exchange Rates, the operating income margin decreased due to an unfavorable mix effect related to acquisitions with lower margins, unfavorable foreign currency transaction effects as well as lower income from equity method investees.

Delivered EBIT

Delivered EBIT increased by 1%, including a 5% negative impact resulting from foreign currency translation. At Constant Exchange Rates, delivered EBIT increased by 6% mainly due to increased operating income at Constant Currency, partially offset by increased income from noncontrolling interests.

Latin America Segment

Key Indicators for Latin America Segment

in € millions, except where otherwise specified

	For the three months ended September 30		Change in %	
	2017	2016	As Reported	Constant Currency[1]
Revenue	175	172	2%	11%
Health Care Services	123	124	(1%)	11%
Health Care Products	52	48	9%	13%
Number of dialysis treatments	1,224,086	1,214,830	1%	
Same market treatment growth in %	(0.2%)	2.0%		
Operating income	18	18	0%	6%
Operating income margin in %	10.2%	10.4%		
Delivered EBIT[2]	18	18	0%	6%

(1) For further information on Constant Exchange Rates, see "– II. Discussion of Measures – Non-IFRS Measures – Constant Currency" above.

(2) For further information on Delivered EBIT, including a reconciliation of Delivered EBIT to Operating Income on a consolidated basis and for each of our operating segments, see "– II. Discussion of Measures – Non-IFRS Measures – Delivered EBIT" above.

Revenue

Health care service revenue decreased by 1% including a 12% negative impact resulting from foreign currency translation. At Constant Exchange Rates, health care service revenue increased by 11% as a result of increases in organic revenue per treatment (9%) and contributions from acquisitions (2%).

Dialysis treatments increased by 1% mainly due to contributions from acquisitions (2%), partially offset by the effect of closed or sold clinics (1%). As of September 30, 2017, we had 30,631 patients (an 2% increase from September 30, 2016) being treated at the 230 dialysis clinics that we own, operate or manage in the Latin America Segment compared to 30,164 patients treated at 232 clinics at September 30, 2016.

Health care product revenue increased by 9% including a 4% negative impact resulting from foreign currency translation. At Constant Exchange Rates, health care product revenue increased by 13% primarily driven by higher sales of machines, bloodlines and hemodialysis solutions and concentrates, partially offset by lower sales of renal pharmaceuticals.

Operating Income Margin

The decrease period over period in the operating income margin was 0.2 percentage points. Foreign currency translation effects represented a 0.3 percentage point increase in the operating income margin. At Constant Exchange Rates, the operating income margin decreased mainly due to unfavorable foreign currency transaction effects and higher overhead costs, partially offset by reimbursement rate increases which mitigated inflationary cost increases in the region.

Delivered EBIT

Delivered EBIT remained stable including a 6% negative impact resulting from foreign currency translation. At Constant Exchange Rates, delivered EBIT increased by 6% due to increased operating income at Constant Currency.

Nine months ended September 30, 2017 compared to nine months ended September 30, 2016

Consolidated Financials

Key Indicators for Consolidated Financial Statements

in € millions, except where otherwise specified

	For the nine months ended September 30		Change in %	
	2017	2016	As reported	Constant Currency[1]
Revenue	13,355	12,153	10%	10%
Health Care Services	10,950	9,910	11%	10%
Health Care Products	2,405	2,243	7%	7%
Number of dialysis treatments	35,960,897	34,654,614	4%	
Same market treatment growth in %	2.6%	3.3%		
Gross profit as a % of revenue	33.8%	33.4%		
Selling, general and administrative costs as a % of revenue	19.6%	19.2%		
Operating income	1,843	1,679	10%	10%
Operating income margin in %	13.8%	13.8%		
Delivered EBIT[2]	1,644	1,484	11%	11%
Net income attributable to shareholders of FMC-AG & Co. KGaA	886	781	13%	14%
Basic earnings per share	2.89	2.56	13%	13%

(1) For further information on Constant Exchange Rates, see "– II. Discussion of Measures – Non-IFRS Measures – Constant Currency" above.

(2) For further information on Delivered EBIT, including a reconciliation of Delivered EBIT to Operating Income on a consolidated basis and for each of our operating segments, see "– II. Discussion of Measures – Non-IFRS Measures – Delivered EBIT" above.

Health care services revenue increased by 11%. Foreign currency translation effects represented 1% of the increase. At Constant Exchange Rates, health care services revenue increased by 10% driven by increases in organic revenue per treatment (4%), growth in same market treatments (3%), contributions from acquisitions (2%) and an increase due to the VA Agreement of approximately €96 million as of September 30, 2017 (1%).

Dialysis treatments increased by 4% as a result of growth in same market treatments (3%) and contributions from acquisitions (2%), partially offset by the effect of closed or sold clinics (1%).

Health care product revenue increased by 7% with virtually no impact from foreign currency translation. Dialysis product revenue increased by 6% with virtually no impact from foreign currency translation. The increase in dialysis product revenue was due to higher sales of dialyzers, machines, peritoneal dialysis products, products for acute care treatments, renal pharmaceuticals, bloodlines and

hemodialysis solutions and concentrates. Non-dialysis product revenue increased by 64% to €60 million from €36 million with no foreign currency translation effects. The increase of 64% was due to the acquisition of Xenios.

The increase period over period in the gross profit margin was 0.4 percentage points with virtually no impact from foreign currency translation in the current period. The increase primarily reflects an increase in the North America Segment. The gross profit margin increase in the North America Segment was mainly due to the VA Agreement, lower costs for health care supplies, higher revenue from commercial payors and a favorable impact due to the initial recognition in the calendar year 2017 of earnings from the BPCI initiative for hospital related physician services, partially offset by higher costs in our pharmacy services business, higher personnel expense and the impact from lower revenue for vascular services.

The increase period over period in the selling, general and administrative ("SG&A") expenses as a percentage of revenue was 0.4 percentage points with virtually no impact from foreign currency translation in the current period. The increase was driven by increases in the North America Segment, the EMEA Segment and the Latin America Segment, partially offset by a decrease in the Asia-Pacific Segment and a favorable impact of varying margins across our four reporting segments. The increase in the North America Segment was mainly driven by higher bad debt expense, higher personnel expense and the change in fair value of subsidiary stock-based compensation, partially offset by the impact from higher revenue, the initial recognition in the calendar year 2017 of earnings from the BPCI initiative for hospital related physician services, a positive impact from income attributable to a consent agreement on certain pharmaceuticals and the impact from higher revenue resulting from the VA Agreement. The increase in the EMEA Segment was due to unfavorable effects from foreign currency transactions and acquisitions as well as higher overhead costs, partially offset by lower bad debt expense and a favorable impact from a legal settlement. The increase in the Latin America Segment was due to an unfavorable impact from foreign currency transaction effects and higher overhead costs, partially offset by reimbursement rate increases which mitigated inflationary cost increases in the region. The decrease in the Asia-Pacific Segment was due to the prior year's costs related to the change in the Management Board and a favorable impact from acquisitions.

Research and development expenses decreased by 12% to €95 million from €108 million. The decrease period over period, as a percentage of revenue, was 0.2 percentage points, largely driven by capitalized development costs, partially offset by expenses incurred related to the development of cardiopulmonary products at Xenios and an increased project portfolio.

Income from equity method investees decreased by 7% to €51 million from €55 million. The decrease was driven by lower income from Vifor Fresenius Medical Care Renal Pharma Ltd., an entity in which we have ownership of 45%, due to increased costs to support the launch and development of new projects.

The period over period operating income margin remained stable with virtually no impact from foreign currency translation in the current period. Operating income margin remained stable as a result of increased gross profit margin and decreased research and development expenses, as a percentage of revenue, offset by increased SG&A, as a percentage of revenue, and decreased income from equity method investees, as discussed above. Excluding (i) the VA Agreement impact of approximately €88 million and (ii) Natural Disaster Costs of approximately €12 million, operating income margin decreased by 0.5 percentage points to 13.3% from 13.8% with virtually no impact from foreign currency translation.

Delivered EBIT increased by 11% with virtually no impact from foreign currency translation. The increase was largely a result of increased operating income at Constant Currency, partially offset by increased income from noncontrolling interests.

Net interest expense decreased by 1% to €274 million from €276 million with virtually no impact from foreign currency translation. The decrease was largely due to the replacement of interest bearing Senior Notes, repaid in 2016 and 2017, by debt instruments at lower interest rates, partially offset by a higher average debt level.

Income tax expense increased by 13% to €484 million from €427 million. The effective tax rate increased to 30.8% from 30.4% for the same period of 2016 mainly driven by a lower portion of tax-free income attributable to noncontrolling interests compared to income before taxes as well as higher tax expense related to the VA Agreement, approximately €34 million, as the tax rate in the U.S is higher than the average tax rate outside of the U.S. Excluding (i) the impact from the VA Agreement of approximately €34 million and (ii) the tax effects associated with Natural Disaster Costs of approximately €4 million, the effective tax rate remained stable at 30.4%.

Net income attributable to noncontrolling interests increased by 2% to €199 million from €195 million with virtually no impact from foreign currency translation. The increase was primarily driven by the portion of the VA Agreement reimbursement of approximately €2 million attributable to and an increase of partner investments in clinics in which we have ownership of less than 100% as well as increased noncontrolling interest expense related to Care Coordination, partially offset by decreased noncontrolling interest expense related to dialysis in the North America Segment driven by lower operating income in less than wholly-owned clinics.

Net income attributable to shareholders of FMC-AG & Co. KGaA increased by 13% to €886 million from €781 million, including a 1% negative impact resulting from foreign currency translation. At Constant Exchange Rates, the increase of 14% was driven by the combined effects of the items discussed above. Excluding (i) the impact of the VA Agreement of approximately €52 million, after tax, and (ii) Natural Disaster Costs of approximately €8 million, net income attributable to shareholders of FMC-AG & Co. KGaA, excluding the items above, increased by 8% with virtually no impact from foreign currency translation.

Basic earnings per share increased by 13% with virtually no impact from foreign currency translation. The increase was primarily due to the increase in net income attributable to shareholders of FMC-AG & Co. KGaA described above. The average weighted number of shares outstanding for the period was approximately 306.4 million in 2017 (305.6 million in 2016).

The following discussions pertain to the North America Segment, the EMEA Segment, the Asia-Pacific Segment and the Latin America Segment and the measures we use to manage these segments.

North America Segment

Key Indicators and Business Metrics for North America Segment

in € millions, except where otherwise specified

	For the nine months ended September 30		Change in %	
	2017	2016	As Reported	Constant Currency[1]
Total North America Segment				
Revenue	9,715	8,828	10%	10%
Health Care Services	9,086	8,224	10%	10%
Health Care Products	629	604	4%	4%
Operating income	1,478	1,348	10%	9%
Operating income margin in %	15.2%	15.3%		
Delivered EBIT[2]	1,286	1,159	11%	11%
Dialysis				
Revenue	7,621	7,213	6%	5%
Number of Dialysis treatments	22,188,996	21,551,727	3%	
Same market treatment growth in %	2.6%	3.2%		
Operating income	1,424	1,289	10%	10%
Operating income margin in %	18.7%	17.9%		
Delivered EBIT[2]	1,255	1,120	12%	12%
Care Coordination				
Revenue	2,094	1,615	30%	29%
Operating income	54	59	(8%)	(8%)
Operating income margin in %	2.6%	3.6%		
Delivered EBIT[2]	31	39	(20%)	(20%)
Member Months Under Medical Cost Management[3][4]	441,996	281,964	57%	
Medical Cost Under Management[3][4]	2,990	1,824	64%	64%
Care Coordination Patient Encounters[3][4]	5,069,546	4,057,022	25%	

(1) For further information on Constant Exchange Rates, see "– II. Discussion of Measures – Non-IFRS Measures – Constant Currency" above.

(2) For further information on Delivered EBIT, including a reconciliation of Delivered EBIT to Operating Income on a consolidated basis and for each of our operating segments, see "– II. Discussion of Measures – Non-IFRS Measures – Delivered EBIT" above.

(3) For further information on these metrics, please refer to the discussion above of our Care Coordination measures under "Business Metrics for Care Coordination."

(4) The metrics may be understated due to a physician mapping issue related to the BPCI program within a CMS system which has not yet been resolved. Additionally, data presented for the BPCI and ESCO metrics are subject to finalization by CMS, which may result in changes from previously reported metrics.

Dialysis

Revenue

Dialysis care revenue increased by 6% to €6,992 million from €6,609 million with virtually no impact from foreign currency translation in the current period. The increase was mainly due to same market

treatment growth (3%), an increase related to the VA Agreement, approximately €96 million as of September 30, 2017 (1%), increases in organic revenue per treatment (1%) and contributions from acquisitions (1%).

Dialysis treatments increased by 3% primarily due to same market treatment growth (3%) and contributions from acquisitions (1%), partially offset by a decrease in dialysis days (1%).

In the U.S., the average revenue per treatment, excluding the VA Agreement of approximately $5 per treatment, increased to $353 (€316 at Constant Exchange Rates) from $350 (€313). The increase was mainly attributable to a favorable impact from commercial payors as well as a favorable impact from the increase in the ESRD PPS rate for 2017.

Cost per treatment in the U.S., excluding Natural Disaster Costs of $0.60 per treatment, increased to $285 (€255 at Constant Exchange Rates) from $281 (€251). This increase was largely driven by higher personnel expense, increased property and other occupancy related costs as well as depreciation, partially offset by decreased costs for health care supplies.

Health care product revenue increased by 4% with virtually no impact from foreign currency translation in the current period. The increase was driven by higher sales of peritoneal dialysis products, renal pharmaceuticals, hemodialysis solutions and concentrates as well as dialyzers, partially offset by lower sales of machines.

Operating Income Margin

The increase period over period in the dialysis operating income margin was 0.8 percentage points with virtually no impact from foreign currency translation in the current period. The increase was largely driven by the VA Agreement, approximately €96 million, higher revenue from commercial payors and lower costs for health care supplies, partially offset by higher personnel expense and higher costs such as other supplies and rent expense. Excluding (i) the VA Agreement impact of approximately €96 million and (ii) Natural Disaster Costs of approximately €11 million, operating income margin decreased by 0.1 percentage points to 17.8% from 17.9% the prior period with virtually no impact from foreign currency translation.

Delivered EBIT

Dialysis delivered EBIT increased by 12% with virtually no impact from foreign currency translation in the current period. The increase was the result of increased operating income.

Care Coordination

Revenue

Care Coordination revenue increased by 30%. Foreign currency translation effects represented 1% of the increase. At Constant Exchange Rates, Care Coordination revenue increased by 29% driven by increases in organic revenue growth (22%) and contributions from acquisitions (7%).

Operating Income Margin

The decrease period over period in the Care Coordination operating income margin was 1.0 percentage point with virtually no impact from foreign currency translation in the current period. The decrease was mainly driven by higher bad debt expense, the impact from lower revenue for vascular services, increased costs for pharmacy services and the change in fair value of subsidiary stock based compensation, partially offset by the impact from higher revenue, the initial recognition in the calendar year 2017 of earnings from the BPCI initiative for hospital related physician services, increased earnings recognized related to ESCOs as well as the impact from the improved margin contribution for laboratory services. The Natural Disaster Costs of approximately €1 million had no effect on Care Coordination operating income margin.

Delivered EBIT

Care Coordination delivered EBIT decreased by 20% with virtually no impact from foreign currency translation in the current period. The decrease was mainly a result of decreased operating income coupled with increased income from noncontrolling interests.

Care Coordination Business metrics

The increase in member months under medical cost management was primarily attributable to an increase in our participation in ESCO programs from 6 to 24 ESCOs in 2017 as well as the addition of new payer shared savings and sub-capitation agreements, partially offset by a decrease in BPCI due to our voluntary elimination of certain non-performing risks from our BPCI portfolio. See note 4 to the table "Key Indicators and Business Metrics for North America Segment," above.

Care Coordination's medical cost under management increased by 64% with virtually no impact from foreign currency translation in the current period. The increase was primarily attributable to an increase in our participation in ESCO programs from 6 to 24 ESCOs in 2017 as well as the addition of new payer shared savings and sub-capitation agreements, partially offset by a decrease in BPCI due to our voluntary elimination of certain non-performing risks from our BPCI portfolio. See note 4 to the table "Key Indicators and Business Metrics for North America Segment," above.

The increase in patient encounters was primarily driven by increased encounters for hospital related physician services. See note 4 to the table "Key Indicators and Business Metrics for North America Segment," above.

EMEA Segment

Key Indicators for EMEA Segment

in € millions, except where otherwise specified

	For the nine months ended September 30		Change in %	
	2017	2016	As Reported	Constant Currency[1]
Revenue	1,888	1,776	6%	6%
Health Care Services	925	866	7%	6%
Health Care Products	963	910	6%	6%
Number of dialysis treatments	6,969,487	6,594,063	6%	
Same market treatment growth in %	3.3%	3.7%		
Operating income	333	354	(6%)	(6%)
Operating income margin in %	17.7%	19.9%		
Delivered EBIT[2]	331	352	(6%)	(6%)

(1) For further information on Constant Exchange Rates, see "– II. Discussion of Measures – Non – IFRS Measures – Constant Currency" above.

(2) For further information on Delivered EBIT, including a reconciliation of Delivered EBIT to Operating Income on a consolidated basis and for each of our operating segments, see "– II. Discussion of Measures – Non – IFRS Measures – Delivered EBIT" above.

Revenue

Health care service revenue increased by 7%. Foreign currency translation effects represented 1% of the increase. At Constant Exchange Rates, health care service revenue increased by 6% as a result of contributions from acquisitions (5%) and same market treatment growth (3%), partially offset by the effect of closed or sold clinics (1%) and decreases in organic revenue growth per treatment (1%).

Dialysis treatments increased by 6% mainly due to contributions from acquisitions (3%) and same market treatment growth (3%).

Health care product revenue increased by 6% with virtually no impact from foreign currency translation in the current period. Dialysis product revenue increased by 3% including negative foreign currency translation effects of 1%. At Constant Exchange Rates, dialysis product revenue increased by 4% due to higher sales of dialyzers, peritoneal dialysis products, products for acute care treatments and renal pharmaceuticals, partially offset by lower sales of hemodialysis solutions and concentrates. Non-Dialysis product revenue increased by 64% to €60 million from €36 million with virtually no foreign currency translation effects. The increase was due to the acquisition of Xenios.

Operating Income Margin

The decrease period over period in the operating income margin was 2.2 percentage points with virtually no impact from foreign currency translation in the current period. The decrease was mainly due to unfavorable impacts from investments in Xenios and foreign currency transaction effects, higher overhead costs, pressure on reimbursement in some countries as well as lower income from equity method investees

as a result of increased costs to support the launch and development of new projects, partially offset by lower bad debt expense and a favorable impact from a legal settlement.

Delivered EBIT

Delivered EBIT decreased by 6% with virtually no impact from foreign currency translation in the current period. The decrease was primarily due to decreased operating income at Constant Currency.

Asia-Pacific Segment

Key Indicators for Asia-Pacific Segment

in € millions, except where otherwise specified

	For the nine months ended September 30		Change in %	
	2017	2016	As Reported	Constant Currency[1]
Total Asia-Pacific Segment				
Revenue	1,206	1,074	12%	13%
Health Care Services	553	482	15%	16%
Health Care Products	653	592	10%	11%
Operating income	237	202	17%	18%
Operating income margin in %	19.7%	18.8%		
Delivered EBIT[2]	232	198	17%	18%
Dialysis				
Revenue	1,095	1,074	2%	2%
Number of dialysis treatments	3,188,080	2,956,107	8%	
Same market treatment growth in %	3.6%	4.9%		
Operating income	222	202	10%	11%
Operating income margin in %	20.3%	18.8%		
Delivered EBIT[2]	217	198	9%	10%
Care Coordination				
Revenue	111	-	Not Applicable	Not Applicable
Operating income	15	-	Not Applicable	Not Applicable
Operating income margin in %	13.7%	-		
Delivered EBIT[2]	15	-	Not Applicable	Not Applicable
Care Coordination Patient Encounters[3]	494,538	-	Not Applicable	Not Applicable

(1) For further information on Constant Exchange Rates, see "– II. Discussion of Measures – Non – IFRS Measures – Constant Currency" above.

(2) For further information on Delivered EBIT, including a reconciliation of Delivered EBIT to Operating Income on a consolidated basis and for each of our operating segments, see "– II. Discussion of Measures – Non – IFRS Measures – Delivered EBIT" above.

(3) For further information on patient encounters, please refer to the discussion above of our Care Coordination measures under "Business Metrics for Care Coordination."

Key indicators are now provided separately for Dialysis and Care Coordination in the Asia-Pacific Segment due to an acquisition in Australia during the second quarter of 2017. Previously, there were immaterial amounts of services performed in Care Coordination within the Asia-Pacific Segment. We are presenting our Care Coordination activities in Asia-Pacific starting in 2017 as we are now able to appropriately rely on the data collected and presented during the period. For comparative purposes in our 2017 analysis, the Asia-Pacific Segment will be discussed on an overall segment basis. Care Coordination services include ambulant treatment services in day care hospitals where we provide treatment infrastructure, comprehensive and specialized health check-ups, inpatient and outpatient services for dialysis patients, vascular access and other chronic treatment services.

Revenue

Health care service revenue increased by 15%, including a 1% negative impact resulting from foreign currency translation. At Constant Exchange Rates, health care service revenue increased by 16% as a result of contributions from acquisitions (11%), same market treatment growth (4%) and increases in organic revenue growth per treatment (1%).

Dialysis treatments increased by 8% mainly due to contributions from acquisitions (5%) and same market treatment growth (4%), partially offset by the effect of closed or sold clinics (1%).

Health care product revenue increased by 10%, including a 1% negative impact resulting from foreign currency translation. At Constant Exchange Rates, health care product revenue increased by 11% as a result of increased sales of dialyzers, machines, products for acute care treatments, bloodlines and peritoneal dialysis products.

Operating Income Margin

The increase period over period in the operating income margin was 0.9 percentage points with virtually no impact from foreign currency translation in the current period. The increase was largely due to a favorable impact from business growth, mainly in China, and the prior year impact from costs associated with changes in the Management Board, partially offset by unfavorable impacts from foreign currency transaction effects and an unfavorable mix effect related to acquisitions with lower margins.

Delivered EBIT

Delivered EBIT increased by 17%, including a 1% negative impact resulting from foreign currency translation. At Constant Exchange Rates, delivered EBIT increased by 18% mainly due to increased operating income, partially offset by increased income from noncontrolling interests.

Latin America Segment

Key Indicators for Latin America Segment

in € millions, except where otherwise specified

	For the nine months ended September 30		Change in %	
	2017	2016	As Reported	Constant Currency[1]
Revenue	535	466	15%	15%
Health Care Services	386	338	14%	16%
Health Care Products	149	128	16%	10%
Number of dialysis treatments	3,614,334	3,552,717	2%	
Same market treatment growth in %	0.9%	1.9%		
Operating income	45	42	6%	10%
Operating income margin in %	8.4%	9.0%		
Delivered EBIT[2]	45	42	6%	10%

(1) For further information on Constant Exchange Rates, see "– II. Discussion of Measures – Non – IFRS Measures – Constant Currency" above.

(2) For further information on Delivered EBIT, including a reconciliation of Delivered EBIT to Operating Income on a consolidated basis and for each of our operating segments, see "– II. Discussion of Measures – Non – IFRS Measures – Delivered EBIT" above.

Revenue

Health care service revenue increased by 14%, including a 2% negative impact resulting from foreign currency translation. At Constant Exchange Rates, health care service revenue increased by 16% as a result of increases in organic revenue per treatment (14%), contributions from acquisitions (2%), and same market treatment growth (1%), partially offset by the effect of closed or sold clinics (1%).

Dialysis treatments increased by 2% mainly due to contributions from acquisitions (2%) and same market treatment growth (1%), partially offset by the effect of closed or sold clinics (1%).

Health care product revenue increased by 16%. Foreign currency translation effects represented 6% of the increase. At Constant Exchange Rates, health care product revenue increased by 10% driven by higher sales of dialyzers, machines, hemodialysis solutions and concentrates as well as bloodlines, partially offset by lower sales of peritoneal dialysis products.

Operating Income Margin

The decrease period over period in the operating income margin was 0.6 percentage points, including a negative foreign currency translation effect of 0.2 percentage points in the current period. The decrease was mainly due to unfavorable foreign currency transaction effects, higher overhead costs and an unfavorable impact from manufacturing, partially offset by reimbursement rate increases which mitigated inflationary cost increases in the region.

Delivered EBIT

Delivered EBIT increased by 6%, including a 4% negative impact resulting from foreign currency translation. At Constant Exchange Rates, delivered EBIT increased by 10% due to increased operating income at Constant Currency.

Financial Position

Sources of Liquidity

Our primary sources of liquidity are typically cash provided by operating activities, cash provided by short-term debt from third parties and related parties, as well as proceeds from the issuance of long-term debt and equity securities. We require this capital primarily to finance working capital needs, fund acquisitions and clinics in which we have ownership of less than 100%, develop free-standing renal dialysis clinics and other health care facilities, purchase equipment for existing or new renal dialysis clinics and production sites, repay debt and pay dividends (see "Net Cash Provided By (Used In) Investing Activities" and "Net Cash Provided By (Used In) Financing Activities" below).

In our long-term financial planning, we focus primarily on the leverage ratio, defined as debt/EBITDA ratio, a non-IFRS measure, see "– II. Discussion of Measures – Non-IFRS Measures – Debt/EBITDA" above. At September 30, 2017 and December 31, 2016, the debt/EBITDA ratio was 2.3 and 2.6, respectively. At September 30, 2017 and December 31, 2016, the net debt/EBITDA ratio, was 2.0 and 2.3, respectively.

At September 30, 2017, we had cash and cash equivalents of €729 million compared to €709 at December 31, 2016.

Free cash flow (Net cash provided by (used in) operating activities, after capital expenditures, before acquisitions and investments) amounted to €1,050 million and €502 million for the nine months ended September 30, 2017 and September 30, 2016, respectively. Free cash flow is a non-IFRS measure. For a reconciliation to Net cash provided by (used in) operating activities, the most directly comparable IFRS measure, see "– II. Discussion of Measures – Non-IFRS Measures – Cash flow measures" above. Free cash flow in percent of revenue was 8% and 4% for nine months ended 2017 and 2016, respectively.

Net Cash Provided By (Used In) Operating Activities

In the first nine months of 2017 and 2016, we generated net cash provided by operating activities of €1,664 million and €1,160 million, respectively. Net cash provided by operating activities in percent of revenue increased to 12% for the first nine months of 2017 as compared to 10% in the same period in 2016. Cash provided by operating activities is impacted by the profitability of our business, the development of our working capital, principally inventories, receivables and cash outflows that occur due to a number of specific items as discussed below. The increase in net cash provided by operating activities was largely driven by the payment from the United States Departments of Veterans Affairs and Justice for reimbursement, the impact of the 2016 discretionary contribution of €90 million to pension plan assets in the United States and the timing of other working capital items.

The profitability of our business depends significantly on reimbursement rates. Approximately 82% of our revenue is generated by providing health care services, a major portion of which is reimbursed by either public health care organizations or private insurers. For the nine months ended September 30, 2017, approximately 34% of our consolidated revenue was attributable to U.S. federal health care benefit programs, such as Medicare and Medicaid reimbursement. Legislative changes could affect Medicare reimbursement rates for a significant portion of the services we provide, as well as the scope of Medicare coverage. A decrease in reimbursement rates or the scope of coverage could have a material adverse effect on our business, financial condition and results of operations and thus on our capacity to generate cash flow. See "I. Overview," above.

We intend to continue to address our current cash and financing requirements using cash provided by operating activities, our existing and future credit agreements, issuances under the Commercial Paper Program (See Note 7 of the Notes to the Consolidated Financial Statements (unaudited), "Short-Term Debt and Short-Term Debt from Related Parties," included in this report) as well as the issuance of debt securities. In addition, when funds are required for acquisitions or to meet other needs, we expect to successfully complete long-term financing arrangements, such as the issuance of senior notes. We aim to preserve financial resources with a minimum €500 million of committed and unutilized credit facilities.

Cash provided by operating activities depends on the collection of accounts receivable. Commercial customers and governments generally have different payment cycles. A lengthening of their payment cycles could have a material adverse effect on our capacity to generate cash flow. In addition, we could face difficulties in enforcing and collecting accounts receivable under some countries' legal systems and due to the economic conditions in some countries. Accounts receivable balances, net of valuation allowances, represented Days Sales Outstanding ("DSO") of 67 days at September 30, 2017, a decrease as compared to 70 days at December 31, 2016.

DSO by segment is calculated by dividing the segment's accounts receivable, as converted to euro using the average exchange rate for the period presented, less any value added tax included in the receivables, by the average daily sales for the last twelve months of that segment, as converted to euro using the average exchange rate for the period. Receivables and sales are adjusted for amounts related to significant acquisitions made during the periods presented. The development of DSO by reporting segment is shown in the table below:

DSO by Reporting Segment

	September 30, 2017	December 31, 2016
North America days sales outstanding	52	54
EMEA days sales outstanding	105	101
Asia-Pacific days sales outstanding	97	105
Latin America days sales outstanding	130	143
FMC-AG & Co. KGaA average days sales outstanding	**67**	**70**

The DSO decrease in the North America Segment was largely due to the impact of the VA Agreement, partially offset by an influx of accounts receivable following the assignment of new billing numbers for the 18 added ESCOs as of January 1, 2017. The DSO increase in the EMEA Segment was due to payment fluctuations in the region. The Asia-Pacific Segment's DSO decrease reflects an improvement of payment

collections in China. The Latin America Segment's DSO decrease reflects collections from public health care organizations in certain countries.

Due to the fact that a large portion of our reimbursement is provided by public health care organizations and private insurers, we expect that most of our accounts receivable will be collectible.

Net Cash Provided By (Used In) Investing Activities

Net cash used in investing activities was €1,011 million in the first nine months of 2017 compared to net cash used in investing activities of €831 million in the first nine months of 2016.

Capital expenditures for property, plant and equipment, net of proceeds from sales of property, plant and equipment were €614 million and €658 million in the first nine months of 2017 and 2016, respectively. In the first nine months of 2017, capital expenditures were €358 million in the North America Segment, €145 million at Corporate, €65 million for the EMEA Segment, €24 million for the Asia-Pacific Segment and €22 million for the Latin America Segment. Capital expenditures in the first nine months of 2016 were €392 million in the North America Segment, €150 million at Corporate, €74 million for the EMEA Segment, €23 million for the Asia-Pacific Segment and €19 million for the Latin America Segment. The majority of our capital expenditures were used for maintaining existing clinics, equipping new clinics, maintenance and expansion of production facilities (primarily in the North America Segment, France and Germany) and capitalization of machines provided to our customers and for Care Coordination. Additionally, for the first nine months of 2017, construction in progress costs of €18 million were recognized at Corporate. Capital expenditures remained stable at approximately 5% of total revenue in the first nine months of 2017 as compared to the same period in 2016.

In addition to the capital expenditures discussed above, we invested approximately €428 million of cash in the first nine months of 2017, €215 million in the North America Segment, €148 million in the Asia-Pacific Segment, €56 million in the EMEA Segment, €6 million at Corporate and €3 million in the Latin America Segment. The investments were mainly driven by acquisitions of dialysis clinics in the North America Segment and a Care Coordination acquisition in the Asia-Pacific Segment. Additionally, in the first nine months of 2017, we received €31 million from divestitures mainly related to the sale of a provider of outsourced clinical services in the North America Segment as well as available for sale financial assets. In the first nine months of 2016, we invested approximately €348 million cash, €272 million in the North America Segment, €49 million in the EMEA Segment , €12 million in the Asia-Pacific Segment, €9 million at Corporate and €6 million in the Latin America Segment. The investment was primarily driven by acquisitions of dialysis clinics, available for sale financial assets, acquisitions in our hospital related physician services business, a loan provided to an equity method investee in the North America Segment as well as the acquisition of dialysis clinics in the EMEA Segment. Additionally, in the first nine months of 2016, we received €173 million from divestitures, including approximately €100 million related to available for sale financial assets as well as approximately €72 million for the repayment of unsecured loans provided to an equity method investee in 2015 and 2016.

We anticipate capital expenditures of €0.9 billion and expect to make acquisitions of approximately €0.6 billion in 2017. See "Outlook" below.

Net Cash Provided By (Used In) Financing Activities

Net cash used in financing activities was €555 million in the first nine months of 2017 compared to net cash used in financing activities of €279 million in the first nine months of 2016.

In the first nine months of 2017, cash was mainly used in the repayments of long-term debt and capital lease obligations including the repayment of Senior Notes due in July 2017 and partial repayment of a USD term loan under the Amended 2012 Credit Agreement, distributions to noncontrolling interests and the payment of dividends, partially offset by proceeds from long-term debt and capital lease obligations including the issuance of a euro term loan under the Amended 2012 Credit Agreement as well as proceeds from short-term debt including draws under the commercial paper program. In the first nine months of 2016, cash was mainly used in the repayments of long-term debt and capital lease obligations, payment of dividends, distributions to noncontrolling interests, and repayments of short-term debt, partially offset by proceeds from short-term debt.

On May 16, 2017, we paid a dividend with respect to 2016 of €0.96 per share (for 2015 paid in 2016 €0.80). The total dividend payment was €294 million as compared to €244 million in the prior year.

Balance Sheet Structure

Total assets as of September 30, 2017 decreased by 5% to €24.3 billion from €25.5 billion as compared to December 31, 2016 including a 9% negative impact resulting from foreign currency translation. At Constant Exchange Rates, total assets increased by 4% to €26.5 billion from €25.5 billion.

Current assets as a percent of total assets remained stable at 27% at September 30, 2017 as compared to December 31, 2016. The equity ratio, the ratio of our equity divided by total liabilities and shareholders' equity, increased to 44% at September 30, 2017 as compared to 43% at December 31, 2016. ROIC increased to 8.1% at September 30, 2017 as compared to 7.8% at December 31, 2016.

Management's General Assessment

On a Constant Currency basis, we delivered a strong quarter despite the effects from several natural disasters. Please see the "Outlook" below for further information on management's assessment.

Report on Post-balance Sheet Date Events

No further significant activities have taken place subsequent to the balance sheet date September 30, 2017 that have a material impact on the key figures and earnings presented. Currently, there are no other significant changes in the Company's structure, management, legal form or personnel.

Outlook

Below is a table showing our growth outlook for 2017. The outlook for 2017 is based on exchange rates prevailing at the beginning of 2017:

	Targets 2017
Revenue[1]	Growth 8 – 10% (at Constant Exchange Rates)
Operating income[1]	Growth ≥ revenue growth
Delivered EBIT[1]	Growth ~ revenue growth
Net income growth[1][2]	7 – 9% (at Constant Exchange Rates)
Basic earnings per share growth[1][2]	based on development of net income
Capital Expenditures	€0.9 billion
Acquisitions and investments	~ €0.6 billion
Net cash provided by (used in) operating activities in % of revenue	> 10%
Free cash flow in % of revenue	> 4%
Debt/EBITDA Ratio	< 2.5
ROIC	≥ 8.0%
Employees[3]	> 117,000
Research and development expenses	€130 – 140 million

(1) Targets 2017 exclude the effects of the agreement with the United States Departments of Veterans Affairs and Justice resolving reimbursement for services provided to veterans between January 2009 and February 2011 as well as Natural Disaster Costs.

(2) Net income attributable to shareholders of FMC AG & Co. KGaA

(3) Full-time equivalents

Including the adjustments for capital expenditures, acquisitions and investments as well as research and development expenses, we confirm the outlook above for 2017 but anticipate we will be at the low-end of the guidance range on net income attributable to shareholders of FMC-AG & Co. KGaA.

Recently Issued Accounting Standards

Refer to Note 1 of the Notes to the Consolidated Financial Statements (unaudited) in this report for information regarding recently issued accounting standards.

FRESENIUS MEDICAL CARE AG & Co. KGaA

Financial Statements

Consolidated Statements of Income
(unaudited)

Consolidated Statements of Income

in € thousands, except per share data

	For the three months ended September 30,		For the nine months ended September 30,	
	2017	2016	2017	2016
Revenue:				
Health Care Services	3,532,449	3,438,149	10,950,405	9,909,724
Health Care Products	803,253	773,454	2,404,438	2,243,516
	4,335,702	**4,211,603**	**13,354,843**	**12,153,240**
Costs of revenue:				
Health Care Services	2,544,047	2,459,324	7,801,947	7,107,657
Health Care Products	367,425	337,543	1,042,002	982,974
	2,911,472	**2,796,867**	**8,843,949**	**8,090,631**
Gross profit	**1,424,230**	**1,414,736**	**4,510,894**	**4,062,609**
Operating (income) expenses:				
Selling, general and administrative	801,232	790,862	2,623,908	2,330,745
Research and development	27,695	39,177	94,927	107,577
Income from equity method investees	(13,278)	(26,001)	(51,102)	(54,715)
Operating income	**608,581**	**610,698**	**1,843,161**	**1,679,002**
Other (income) expense:				
Interest income	(12,384)	(8,817)	(35,201)	(34,354)
Interest expense	98,497	98,375	309,008	310,116
Income before income taxes	**522,468**	**521,140**	**1,569,354**	**1,403,240**
Income tax expense	151,529	151,950	483,617	427,284
Net income	**370,939**	**369,190**	**1,085,737**	**975,956**
Net income attributable to noncontrolling interests	**61,663**	**64,928**	**199,601**	**194,805**
Net income attributable to shareholders of FMC-AG & Co. KGaA	**309,276**	**304,262**	**886,136**	**781,151**
Basic earnings per share	**1.01**	**0.99**	**2.89**	**2.56**
Fully diluted earnings per share	**1.01**	**0.99**	**2.89**	**2.55**

See accompanying notes to unaudited Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income
(unaudited)

Consolidated Statements of Comprehensive Income

in € thousands

	For the three months ended September 30,		For the nine months ended September 30,	
	2017	**2016**	**2017**	**2016**
Net income	**370,939**	**369,190**	**1,085,737**	**975,956**
Other comprehensive income (loss):				
Components that may be reclassified subsequently to profit or loss:				
Gain (loss) related to foreign currency translation	(334,486)	(35,504)	(1,096,035)	(124,860)
Gain (loss) related to cash flow hedges	4,840	7,231	23,012	18,266
Income tax (expense) benefit related to components of other comprehensive income that may be reclassified	(1,284)	(2,163)	(7,003)	(5,370)
Other comprehensive income (loss), net of tax	(330,930)	(30,436)	(1,080,026)	(111,964)
Total comprehensive income	**40,009**	**338,754**	**5,711**	**863,992**
Comprehensive income attributable to noncontrolling interests	**30,188**	**60,826**	**90,694**	**175,783**
Comprehensive income attributable to shareholders of FMC-AG & Co. KGaA	**9,821**	**277,928**	**(84,983)**	**688,209**

See accompanying notes to unaudited Consolidated Financial Statements.

Consolidated Balance Sheets

Consolidated Balance Sheets

in € thousands, except share data

	September 30, 2017	December 31, 2016
	(unaudited)	(audited)
Assets		
Cash and cash equivalents	729,240	708,882
Trade accounts receivable less allowance for doubtful accounts of €529.384 in 2017 and €482,461 in 2016	3,172,500	3,343,819
Accounts receivable from related parties	137,320	209,465
Inventories	1,308,945	1,337,477
Other current assets	1,286,755	1,284,306
Total current assets	**6,634,760**	**6,883,949**
Property, plant and equipment, net	3,450,480	3,579,626
Intangible assets	685,755	803,120
Goodwill	12,141,049	12,955,574
Deferred taxes	333,553	291,394
Investment in equity method investees	633,280	598,154
Other non-current assets	371,481	391,723
Total non-current assets	**17,615,598**	**18,619,591**
Total assets	**24,250,358**	**25,503,540**
Liabilities		
Accounts payable	518,422	575,556
Accounts payable to related parties	223,804	264,069
Current provisions and other current liabilities	2,748,619	3,036,708
Short-term debt	936,003	572,010
Short-term debt from related parties	3,015	3,000
Current portion of long-term debt and capital lease obligations	890,949	724,218
Income tax payable	124,914	123,336
Total current liabilities	**5,445,726**	**5,298,897**
Long-term debt and capital lease obligations, less current portion	5,832,349	6,832,886
Non-current provisions and other non-current liabilities	1,021,644	1,027,983
Pension liabilities	532,947	512,539
Income tax payable	126,120	118,182
Deferred taxes	618,551	661,921
Total non-current liabilities	**8,131,611**	**9,153,511**
Total liabilities	**13,577,337**	**14,452,408**
Shareholders' equity:		
Ordinary shares, no par value, €1.00 nominal value, 385,913,972 shares authorized, 307,961,483 shares issued and 306,961,532 outstanding as of September 30, 2017 and 385,913,972 shares authorized, 307,221,791 issued and 306,221,840 outstanding as of December 31, 2016 respectively	307,961	307,222
Treasury stock, at cost	(50,993)	(50,993)
Additional paid-in capital	3,947,277	3,960,115
Retained earnings	6,761,154	6,085,876
Accumulated other comprehensive income (loss)	(1,295,682)	(324,563)
Total FMC-AG & Co. KGaA shareholders' equity	**9,669,717**	**9,977,657**
Noncontrolling interests	1,003,304	1,073,475
Total equity	**10,673,021**	**11,051,132**
Total liabilities and equity	**24,250,358**	**25,503,540**

See accompanying notes to unaudited Consolidated Financial Statements.

Consolidated Statements of Cash Flows
(unaudited)

Consolidated Statements of Cash Flows

in € thousands

	For the nine months ended September 30,	
	2017	**2016**
Operating activities		
Net income	1,085,737	975,956
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	553,764	513,447
Change in deferred taxes, net	(46,115)	(43,808)
(Gain) loss on sale of fixed assets and investments	4,370	(2,772)
Compensation expense related to share-based plans	42,213	24,228
Investments in equity method investees, net	(42,917)	(49,945)
Changes in assets and liabilities, net of amounts from businesses acquired:		
Trade accounts receivable, net	(105,957)	(241,854)
Inventories	(71,270)	(40,484)
Other current and non-current assets	28,724	5,196
Accounts receivable from related parties	69,777	(17,456)
Accounts payable to related parties	(31,635)	90,696
Accounts payable, provisions and other current and non-current liabilities	430,427	232,162
Paid interest	(299,726)	(309,884)
Received interest	28,127	22,487
Income tax payable	516,609	452,046
Paid income taxes	(498,332)	(449,886)
Net cash provided by (used in) operating activities	**1,663,796**	**1,160,129**
Investing activities		
Purchases of property, plant and equipment	(632,330)	(669,810)
Proceeds from sale of property, plant and equipment	18,346	12,172
Acquisitions and investments, net of cash acquired, and purchases of intangible assets	(427,872)	(346,683)
Proceeds from divestitures	30,746	173,029
Net cash provided by (used in) investing activities	**(1,011,110)**	**(831,292)**
Financing activities		
Proceeds from short-term debt	437,160	733,463
Repayments of short-term debt	(60,601)	(195,547)
Proceeds from short-term debt from related parties	116,079	124,300
Repayments of short-term debt from related parties	(116,079)	(53,200)
Proceeds from long-term debt and capital lease obligations	583,994	202
Repayments of long-term debt and capital lease obligations	(995,351)	(495,472)
Increase (decrease) of accounts receivable securitization program	22,442	(45,691)
Proceeds from exercise of stock options	39,100	42,776
Dividends paid	(293,973)	(244,251)
Distributions to noncontrolling interests	(320,676)	(210,304)
Contributions from noncontrolling interests	32,875	64,918
Net cash provided by (used in) financing activities	**(555,030)**	**(278,806)**
Effect of exchange rate changes on cash and cash equivalents	**(77,298)**	**9,559**
Cash and cash equivalents:		
Net increase (decrease) in cash and cash equivalents	20,358	59,590
Cash and cash equivalents at beginning of period	708,882	504,730
Cash and cash equivalents at end of period	**729,240**	**564,320**

See accompanying notes to unaudited Consolidated Financial Statements.

FRESENIUS MEDICAL CARE AG & Co. KGaA

Consolidated Statement of Shareholders' Equity

For the nine months ended September 30, 2017 and 2016 (unaudited)

Consolidated Statements of Shareholders' Equity

in € thousands, except share data

	Ordinary Shares		Treasury Stock		Additional paid in capital	Retained earnings	Accumulated other comprehensive income (loss)			Total FMC-AG & Co. KGaA shareholders' equity	Noncontrolling interests	Total Equity
	Number of shares	No par value	Number of shares	Amount			Foreign currency translation	Cash Flow Hedges	Pensions			
Balance at December 31, 2015	**312,863,071**	**312,863**	**(7,548,951)**	**(384,966)**	**4,224,395**	**5,369,493**	**(364,636)**	**(55,271)**	**(232,311)**	**8,869,567**	**936,024**	**9,805,591**
Proceeds from exercise of options and related tax effects	827,252	827	-	-	36,247	-	-	-	-	37,074	-	37,074
Compensation expense related to stock options	-	-	-	-	20,692	-	-	-	-	20,692	-	20,692
Withdrawal of treasury stock	(6,549,000)	(6,549)	6,549,000	333,973	(327,424)	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(244,251)	-	-	-	(244,251)	-	(244,251)
Purchase/ sale of noncontrolling interests	-	-	-	-	11,113	-	-	-	-	11,113	64,141	75,254
Contributions from/ to noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(159,481)	(159,481)
Noncontrolling interests subject to put provisions	-	-	-	-	-	(161,619)	-	-	-	(161,619)	-	(161,619)
Net Income	-	-	-	-	-	781,151	-	-	-	781,151	194,805	975,956
Other comprehensive income (loss) related to:												
Foreign currency translation	-	-	-	-	-	-	(112,882)	1,359	5,685	(105,838)	(19,022)	(124,860)
Cash flow hedges, net of related tax effects	-	-	-	-	-	-	-	12,896	-	12,896	-	12,896
Comprehensive income	-	-	-	-	-	-	-	-	-	688,209	175,783	863,992
Balance at September 30, 2016	**307,141,323**	**307,141**	**(999,951)**	**(50,993)**	**3,965,023**	**5,744,774**	**(477,518)**	**(41,016)**	**(226,626)**	**9,220,785**	**1,016,467**	**10,237,252**
Balance at December 31, 2016	**307,221,791**	**307,222**	**(999,951)**	**(50,993)**	**3,960,115**	**6,085,876**	**(26,019)**	**(38,107)**	**(260,437)**	**9,977,657**	**1,073,475**	**11,051,132**
Proceeds from exercise of options and related tax effects	739,692	739	-	-	37,491	-	-	-	-	38,230	-	38,230
Compensation expense related to stock options	-	-	-	-	13,257	-	-	-	-	13,257	-	13,257
Dividends paid	-	-	-	-	-	(293,973)	-	-	-	(293,973)	-	(293,973)
Purchase/ sale of noncontrolling interests	-	-	-	-	(63,586)		-	-	-	(63,586)	29,500	(34,086)
Contributions from/ to noncontrolling interests	-	-	-	-	-		-	-	-	-	(190,365)	(190,365)
Noncontrolling interests subject to put provisions	-	-	-	-	-	83,115	-	-	-	83,115	-	83,115
Net Income	-	-	-	-	-	886,136	-	-	-	886,136	199,601	1,085,737
Other comprehensive income (loss) related to:												
Foreign currency translation	-	-	-	-	-	-	(1,000,829)	97	13,604	(987,128)	(108,907)	(1,096,035)
Cash flow hedges, net of related tax effects	-	-	-	-	-	-	-	16,009	-	16,009	-	16,009
Comprehensive income	-	-	-	-	-	-	-	-	-	(84,983)	90,694	5,711
Balance at September 30, 2017	**307,961,483**	**307,961**	**(999,951)**	**(50,993)**	**3,947,277**	**6,761,154**	**(1,026,848)**	**(22,001)**	**(246,833)**	**9,669,717**	**1,003,304**	**10,673,021**

See accompanying notes to unaudited Consolidated Financial Statements.

1. The Company and Basis of Presentation

The Company

Fresenius Medical Care AG & Co. KGaA (“FMC-AG & Co. KGaA” or the “Company”), a German partnership limited by shares (Kommanditgesellschaft auf Aktien) registered in the commercial registry of Hof an der Saale under HRB 4019, with its business address at Else-Kröner-Str. 1, 61352 Bad Homburg v. d. Höhe, is the world’s largest kidney dialysis company, based on publicly reported sales and number of patients treated. The Company provides dialysis treatment and related dialysis care services to persons who suffer from end-stage renal disease (“ESRD”), as well as other health care services. The Company also develops and manufactures a wide variety of health care products, which includes dialysis and non-dialysis products. The Company’s dialysis products include hemodialysis machines, peritoneal cyclers, dialyzers, peritoneal solutions, hemodialysis concentrates, solutions and granulates, bloodlines, renal pharmaceuticals and systems for water treatment. The Company’s non-dialysis products include acute cardiopulmonary and apheresis products. The Company supplies dialysis clinics it owns, operates or manages with a broad range of products and also sells dialysis products to other dialysis service providers. The Company describes certain of its other health care services as “Care Coordination.” Care Coordination currently includes, but is not limited to, the coordinated delivery of pharmacy services, vascular, cardiovascular and endovascular specialty services, non-dialysis laboratory testing services, physician nephrology and cardiology services, health plan services, ambulatory surgery center services and urgent care services. Care Coordination also includes the coordinated delivery of emergency, intensivist and hospitalist physician services as well as transitional care which the Company refers to as “hospital related physician services.” All of these Care Coordination services together with dialysis care and related services represent the Company’s health care services.

In these unaudited Consolidated Financial Statements, “FMC-AG & Co. KGaA,” or the “Company” refers to the Company or the Company and its subsidiaries on a consolidated basis, as the context requires. “Fresenius SE” and “Fresenius SE & Co. KGaA” refer to Fresenius SE & Co. KGaA, a German partnership limited by shares resulting from the change of legal form of Fresenius SE (effective as of January 2011), a European Company (Societas Europaea) previously called Fresenius AG, a German stock corporation. “Management AG” and the “General Partner” refer to Fresenius Medical Care Management AG which is FMC-AG & Co. KGaA’s general partner and is wholly owned by Fresenius SE. “Management Board” refers to the members of the management board of Management AG and, except as otherwise specified, “Supervisory Board” refers to the supervisory board of FMC-AG & Co. KGaA. The term “North America Segment” refers to the North America operating segment, the term “EMEA Segment” refers to the Europe, Middle East and Africa operating segment, the term “Asia-Pacific Segment” refers to the Asia-Pacific operating segment, and the term “Latin America Segment” refers to the Latin America operating segment. For further discussion of the Company’s operating segments, see Note 14 “Segment and Corporate Information.”

Basis of Presentation

Since 1996, the Company filed with the U.S. Securities and Exchange Commission (“SEC”) annual and interim reports containing Consolidated Financial Statements prepared in accordance with U.S. Generally Accepted Accounting Principles (“U.S. GAAP”), using the U.S. dollar as the Company’s reporting currency. Since 2007, the Company has also been required by German and European law to prepare Consolidated Financial Statements in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

In 2007, the Company adopted IFRS 1 and began publishing Consolidated Financial Statements based upon IFRS as adopted by the European Union with the federal gazette in Germany. The Company's effective date of transition to IFRS was January 1, 2006. As required by IFRS 1, the Company has applied all IFRS standards and interpretations that were effective as of December 31, 2007, the reporting date for the first IFRS consolidated Financial Statements for the year ending December 31, 2007, consistently and retrospectively through the transition date.

As of January 1, 2017, the consolidated financial statements and other financial information included in the Company's quarterly reports on 6-K have been, and commencing with its Annual Report on 20-F for 2017 the financial statements in our annual reports will be prepared solely in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"), using the euro as the Company's reporting currency, and the Company has discontinued publishing U.S. GAAP financial information. At September 30, 2017, there were no IFRS or International Financial Reporting Interpretation Committee ("IFRIC") interpretations as endorsed by the European Union relevant for interim reporting that differed from IFRS as issued by the IASB. As such, the accompanying condensed interim report complies with the requirements of International Accounting Standard ("IAS") 34, Interim Financial Reporting as well as with the rules concerning interim reporting as issued by the IASB.

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 and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates. Such financial statements reflect all adjustments that, in the opinion of management, are necessary for a fair presentation of the results of the periods presented. All such adjustments are of a normal recurring nature.

The results of operations for the three and nine months ended September 30, 2017 are not necessarily indicative of the results of operations for the year ending December 31, 2017.

Recently Implemented Accounting Pronouncements

The Company has prepared its Consolidated Financial Statements at September 30, 2017 in conformity with IFRS in force for the interim periods on January 1, 2017. In the first nine months of 2017, the Company did not apply any new standards which would be relevant for its business.

Recent Accounting Pronouncements Not Yet Adopted

The IASB issued the following new standards which are relevant for the Company:

- IFRS 15, Revenue from Contracts with Customers
- IFRS 9, Financial Instruments
- IFRS 16, Leases

- Amendments to IAS 7, Statement of Cash Flows

- IFRS 17, Insurance Contracts

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. This new standard specifies how and when companies reporting under IFRS will recognize revenue as well as providing users of financial statements with more informative and relevant disclosures. IFRS 15 supersedes IAS 18, Revenue, IAS 11, Construction Contracts and a number of revenue-related interpretations. While this standard applies to nearly all contracts with customers, the main exceptions are leases, financial instruments and insurance contracts. In September 2015, the IASB issued the amendment "Effective Date of IFRS 15", which defers the effective date of IFRS 15 by one year to fiscal years beginning on or after January 1, 2018. Earlier adoption is permitted. The Company decided that IFRS 15 will not be adopted early and is currently evaluating the impact of IFRS 15, in conjunction with all amendments to the standard, on its Consolidated Financial Statements. Based on findings the Company obtained so far, it expects differences from the current accounting mainly in the calculation of the transaction price for health care services provided. IFRS 15 requires the consideration of implicit price concessions when determining the transaction price. This will lead to a corresponding decrease of revenue from health care services and thus, the implicit price concessions will no longer be included in selling, general and administrative expenses as an allowance for doubtful accounts. The first analysis of this issue showed a decrease of revenue by approximately 2 - 3% without any effect on net income. A more detailed quantification of the impact of IFRS 15 is not yet possible. The Company expects to implement IFRS 15 using the cumulative effect method and is continuing to evaluate accounting policy options. The Company intends to apply IFRS 15 only to open contracts as of January 1, 2018.

In July 2014, the IASB issued a new version of IFRS 9, Financial Instruments. This IFRS 9 version is considered the final and complete version, thus, mainly replacing IAS 39 as soon IFRS 9 is applied. It includes all prior guidance on the classification and measurement of financial assets and financial liabilities as well as hedge accounting and introduces requirements for impairment of financial instruments as well as modified requirements for the measurement categories of financial assets. The impairment provisions reflect a model that relies on expected losses (expected loss model). This model comprises a two stage approach. Upon recognition an entity shall recognize losses that are expected within the next 12 months. If credit risk deteriorates significantly, from that point in time, impairment losses shall amount to lifetime expected losses. The provisions for classification and measurement are amended by introducing an additional third measurement category for certain debt instruments. Such instruments shall be measured at fair value with changes recognized in other comprehensive income (fair value through other comprehensive income). The standard is accompanied by additional disclosure requirements and is effective for fiscal years beginning on or after January 1, 2018. Earlier adoption is permitted. The Company decided that IFRS 9 will not be adopted early and is currently evaluating the impact on its Consolidated Financial Statements. In accordance with IAS 39, the majority of the non-derivative financial assets are measured at amortized costs. The analysis on the business model and the contractual cash flow characteristics of each instrument is still ongoing. The requirements for the classification and measurement of non-derivative financial liabilities have not changed significantly. Thus, the Company expects a limited impact on its Consolidated Financial Statements. Derivatives not designated as hedging instruments will continue to be classified and measured at fair value through profit and loss.

The Company intends to implement the simplified method to determine the provisions for risks from trade accounts receivable, receivables from lease contracts and capitalized contract costs according to IFRS 15. A quantification of the impact is not yet possible. Based on currently available information,

derivative financial instruments presently designated as hedging instruments are also qualified for hedge accounting according to the requirements of IFRS 9. The Company also evaluates accounting policy choices and transition methods of IFRS 9.

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 improves lessee accounting. For 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. Depreciation of the right-of-use asset and interest on the lease liability must be recognized in the income statement for every lease contract. Therefore, straight-line rental expenses will no longer be shown. The lessor accounting requirements in IAS 17 are substantially carried forward. The standard is effective for fiscal years beginning on or after January 1, 2019. Earlier application is permitted for entities that have also adopted IFRS 15 Revenue from Contracts with Customers. The Company decided that IFRS 16 will not be adopted early. The Company expects a balance sheet extension due to the on balance sheet recognition of right of use assets and liabilities for agreed lease payment obligations, currently classified as operating leases, resulting in particular from leased clinics and buildings. Based on a first impact analysis as of December 31, 2015, using certain assumptions and simplifications, the Company expects a financial debt increase of approximately €4,000,000. Referring to the consolidated statement of income, the Company expects an operating income improvement due to the split of rent expenses in depreciation and interest expenses, by having unchanged cash outflows. The Company also expects that its Leverage Ratio (debt as compared to EBITDA, Earnings before Interest, Taxes, Depreciation and Amortization, adjusted for acquisitions and divestitures made during the year with a purchase price above a €50,000 threshold as defined in the Amended 2012 Credit Agreement and non-cash charges) will increase by about 0.5. The impact on the Company will depend on the contract portfolio at the effective date, as well as the transition method. Based on a first impact analysis, the Company decided to apply the modified retrospective method. Currently, the Company is evaluating the accounting policy options of IFRS 16.

In January 2016, the IASB issued amendments to IAS 7, Statement of Cash Flows. The amendments are intended to improve the information related to the change in a company's debt by providing additional annual disclosures. The standard is effective for fiscal years beginning on or after January 1, 2017. Earlier application is permitted. The Company will initially present the amendments to IAS 7 in the Consolidated Financial Statements as of December 31, 2017.

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 Company is evaluating the impact of IFRS 17 on the Consolidated Financial Statements.

In the Company's view, all other pronouncements issued by the IASB do not have a material impact on the Consolidated Financial Statements, as expected.

(in thousands, except share and per share data)

2. Notes to the Consolidated Statements of Income

a) Research and Development Expenses

Research and development expenses of €94,927 for the nine months ended September 30, 2017 (for the nine months ended September 30, 2016: €107,577) include expenditure for research and non-capitalizable development costs as well as depreciation and amortization expenses related to capitalized development costs of €351 (for the nine months ended September 30, 2016: €620).

b) Earnings per Share

The following table contains reconciliations of the numerators and denominators of the basic and fully diluted earnings per share computations for 2017 and 2016:

Reconciliation of Basic and Diluted Earnings per Share

in € thousands, except share and per share data

	For the three months ended September 30,		For the nine months ended September 30,	
	2017	**2016**	**2017**	**2016**
Numerator:				
Net income attributable to shareholders of FMC-AG & Co. KGaA	309,276	304,262	886,136	781,151
Denominators:				
Weighted average number of shares outstanding	306,572,494	305,972,432	306,447,106	305,602,983
Potentially dilutive shares	659,879	659,298	577,637	535,792
Basic earnings per share	1.01	0.99	2.89	2.56
Fully diluted earnings per share	1.01	0.99	2.89	2.55

By resolution of the Company's annual general meeting on May 12, 2011, the Company was authorized to conduct a share buy-back program to repurchase ordinary shares. The buy-back program commenced on May 20, 2013 and was completed on August 14, 2013 after 7,548,951 shares had been repurchased in the amount of €384,966. On February 16, 2016, the Company retired 6,549,000 of the repurchased shares from the buy-back program at an average weighted price of €51 per share.

3. Related Party Transactions

Fresenius SE is also the Company's largest shareholder and owns 30.7% of the Company's outstanding shares, excluding treasury shares held by the Company, at September 30, 2017. The Company has entered into certain arrangements for services, leases and products with Fresenius SE or its subsidiaries and with certain of the Company's equity method investees as described in item a) below. The Company's terms related to the receivables or payables for these services, leases and products are generally consistent with the normal terms of the Company's ordinary course of business transactions with unrelated parties. Financing arrangements as described in item b) below have agreed upon terms which are determined at the time such financing transactions occur and reflect market rates at the time of the transaction. The relationship between the Company and its key management personnel who are considered to be related parties is described in item c) below. Our related party transactions are settled through Fresenius SE's cash management system where appropriate.

(in thousands, except share and per share data)

a) Service Agreements, Lease Agreements and Products

The Company is party to service agreements with Fresenius SE and certain of its affiliates (collectively the "Fresenius SE Companies") to receive services, including, but not limited to: administrative services, management information services, employee benefit administration, insurance, information technology services, tax services and treasury management services. The Company also provides central purchasing services to the Fresenius SE Companies. These related party agreements generally have a duration of 1 - 5 years and are renegotiated on an as needed basis when the agreement comes due. The Company provides administrative services to one of its equity method investees.

The Company is a party to real estate operating lease agreements with the Fresenius SE Companies, which mainly include leases for the Company's corporate headquarters in Bad Homburg, Germany and production sites in Schweinfurt and St. Wendel, Germany. The majority of the leases expire at the end of 2026.

In addition to the above mentioned service and lease agreements, the Company sold products to the Fresenius SE Companies and made purchases from the Fresenius SE Companies and equity method investees. In addition, Fresenius Medical Care Holdings, Inc. ("FMCH") purchases heparin supplied by Fresenius Kabi USA, Inc. ("Kabi USA"), through an independent group purchasing organization ("GPO"). Kabi USA is an indirect, wholly-owned subsidiary of Fresenius SE. The Company has no direct supply agreement with Kabi USA and does not submit purchase orders directly to Kabi USA. FMCH acquires heparin from Kabi USA, through the GPO contract, which was negotiated by the GPO at arm's length on behalf of all members of the GPO.

In December 2010, the Company formed the renal pharmaceutical company Vifor Fresenius Medical Care Renal Pharma Ltd., ("VFMCRP"), an equity method investee of which the Company owns 45%, with Galenica Ltd. (now known as Vifor Pharma Ltd). The Company has entered into exclusive supply agreements to purchase certain pharmaceuticals from VFMCRP.

Below is a summary, including the Company's receivables from and payables to the indicated parties resulting from the above described transactions with related parties.

Service Agreements, Lease Agreements and Products

in € thousands

	For the nine months ended September 30, 2017		For the nine months ended September 30, 2016		September 30, 2017		December 31, 2016	
	Sales of goods and services	Purchases of goods and services	Sales of goods and services	Purchases of goods and services	Accounts Receivables	Accounts Payables	Accounts Receivables	Accounts Payables
Service Agreements[1]								
Fresenius SE	146	16,210	140	15,108	86	2,838	132	51
Fresenius SE affiliates	2,702	58,338	2,421	56,892	652	3,269	822	2,856
Equity method investees	13,970	-	12,677	-	1,064	-	2,506	-
Total	16,818	74,548	15,238	72,000	1,802	6,107	3,460	2,907
Lease Agreements								
Fresenius SE	-	6,266	-	7,050	-	-	-	-
Fresenius SE affiliates	-	9,162	-	10,209	-	-	-	-
Total	-	15,428	-	17,259	-	-	-	-
Products								
Fresenius SE	-	-	2	-	-	-	-	-
Fresenius SE affiliates	23,861	31,258	19,551	32,251	9,301	3,959	7,948	4,787
Equity method investees	-	316,027	-	292,422	-	87,366	-	55,329
Total	23,861	347,285	19,553	324,673	9,301	91,325	7,948	60,116

(1) In addition to the above shown Accounts Payable, Accrued Expenses for Service Agreements with related parties amounted to €3,552 and €3,359 at September 30, 2017 and December 31, 2016, respectively.

b) Financing

The Company receives short-term financing from and provides short-term financing to Fresenius SE. The Company also utilizes Fresenius SE's cash management system for the settlement of certain intercompany receivables and payables with its subsidiaries and other related parties. As of September 30, 2017 and December 31, 2016, the Company had accounts receivable from Fresenius SE related to short-term financing in the amount of €126,217 and €197,883, respectively. As of September 30, 2017 and December 31, 2016, the Company had accounts payable to Fresenius SE related to short-term financing in the amount of €123,453 and €186,350, respectively. The interest rates for these cash management arrangements are set on a daily basis and are based on the then-prevailing overnight reference rate for the respective currencies.

On August 19, 2009, the Company borrowed €1,500 from the General Partner on an unsecured basis at 1.335%. The loan repayment has been extended periodically and is currently due August 22, 2018 with an interest rate of 1.100%. On November 28, 2013, the Company borrowed an additional €1,500 with an interest rate of 1.875% from the General Partner. The loan repayment has been extended periodically and is currently due on November 24, 2017 with an interest rate of 1.021%.

At September 30, 2017 and December 31, 2016, a subsidiary of Fresenius SE held unsecured Senior Notes issued by the Company in the amount of €6,000 and €8,300, respectively. The Senior Notes were issued in 2011 and 2012, mature in 2021 and 2019, respectively, and each has a coupon rate of 5.25% with interest payable semiannually.

At September 30, 2017 and December 31, 2016, the Company provided a cash advance to Fresenius SE in the amount of €10,900 and €36,245, respectively, on an unsecured basis at an interest rate of 1.100% and 0.771%, respectively. For further information on this loan agreement, see Note 7. "Short-Term Debt and Short-Term Debt from Related Parties – Short-Term Debt from Related Parties."

c) Key Management Personnel

Due to the Company's legal form as a German partnership limited by shares, the General Partner holds a key management position within the Company. In addition, as key management personnel, members of the Management Board and the Supervisory Board, as well as their close relatives, are considered related parties.

The Company's Articles of Association provide that the General Partner shall be reimbursed for any and all expenses in connection with management of the Company's business, including remuneration of the members of the General Partner's supervisory board and the members of the Management Board. The aggregate amount reimbursed to the General Partner was €15,995 and €13,846, respectively, for its management services during the nine months ended September 30, 2017 and 2016. As of September 30, 2017, the Company did not have any accounts receivable from the General Partner. As of December 31, 2016, the Company had accounts receivable from the General Partner in the amount of €174. As of September 30, 2017 and December 31, 2016, the Company had accounts payable to the General Partner in the amount of €2,919 and €14,696, respectively.

(in thousands, except share and per share data)

4. Cash and Cash Equivalents

At September 30, 2017 and December 31, 2016, cash and cash equivalents consisted of the following:

Cash and cash equivalents

in € thousands

	September 30, 2017	December 31, 2016
Cash	574,567	533,403
Securities and Time deposits (with a maturity of up to 90 days)	154,673	175,479
Cash and cash equivalents	**729,240**	**708,882**

5. Trade Accounts Receivable

At September 30, 2017 and December 31, 2016, trade accounts receivable consisted of the following:

Trade accounts receivable, less allowance for doubtful accounts

in € thousands

	September 30, 2017	December 31, 2016
Trade accounts receivable	3,701,884	3,826,280
less allowance for doubtful accounts	(529,384)	(482,461)
Trade accounts receivable, net	**3,172,500**	**3,343,819**

6. Inventories

At September 30, 2017 and December 31, 2016, inventories consisted of the following:

Inventories

in € thousands

	September 30, 2017	December 31, 2016
Finished goods	695,508	687,615
Health care supplies	348,932	362,307
Raw materials and purchased components	189,676	214,286
Work in process	74,829	73,269
Inventories	**1,308,945**	**1,337,477**

(in thousands, except share and per share data)

7. Short-term Debt and Short-term Debt from Related Parties

At September 30, 2017 and December 31, 2016, short-term debt and short-term debt from related parties consisted of the following:

Short-term Debt and Short-term Debt from Related Parties

in € thousands

	September 30, 2017	December 31, 2016
Commercial Paper Program	852,928	475,915
Borrowings under lines of credit	82,002	89,451
Other	1,073	6,644
Short-term debt	936,003	572,010
Short-term debt from related parties (see Note 3.b)	3,015	3,000
Short-term debt and short-term debt from related parties	**939,018**	**575,010**

The Company and certain consolidated entities operate a multi-currency notional pooling cash management system. The Company met the conditions to offset balances within this cash pool for reporting purposes. At September 30, 2017 and December 31, 2016, cash and borrowings under lines of credit in the amount of €106,779 and €325,485 were offset under this cash management system.

Commercial Paper Program

Commercial paper programs are flexible financing instruments to obtain short-term funding on the money market. Typically, commercial paper maturities range from a few days up to under two years. The Company established a commercial paper program on January 19, 2016 under which short-term notes of up to €1,000,000 can be issued. At September 30, 2017 and December 31, 2016, the outstanding commercial paper amounted to €853,000 and €476,000, respectively.

Other

At September 30, 2017 and December 31, 2016, the Company had €1,073 and €6,644 of other debt outstanding related to fixed payments outstanding for acquisitions.

Short-term Debt from Related Parties

The Company is party to an unsecured loan agreement with Fresenius SE under which the Company or its subsidiaries may request and receive one or more short-term advances up to an aggregate amount of $400,000 which matured on October 30, 2017.

(in thousands, except share and per share data)

8. Long-term Debt and Capital Lease Obligations

As of September 30, 2017 and December 31, 2016, long-term debt and capital lease obligations consisted of the following:

Long-term Debt and Capital Lease Obligations

in € thousands

	September 30, 2017	December 31, 2016
Amended 2012 Credit Agreement	2,068,885	2,244,115
Senior Notes	3,853,971	4,670,786
Convertible Bonds	385,422	380,735
Accounts Receivable Facility	168,643	165,037
Capital lease obligations	38,771	43,775
Other	207,606	52,656
Long-term debt and capital lease obligations	6,723,298	7,557,104
Less current portion	(890,949)	(724,218)
Long-term debt and capital lease obligations, less current portion	**5,832,349**	**6,832,886**

Amended 2012 Credit Agreement

The Company originally entered into a syndicated credit facility of $3,850,000 and a 5 year tenor (the "2012 Credit Agreement") with a large group of banks and institutional investors (collectively, the "Lenders") on October 30, 2012. On November 26, 2014, the 2012 Credit Agreement was amended to increase the total credit facility to approximately $4,400,000 and extend the term for an additional two years until October 30, 2019 ("Amended 2012 Credit Agreement"). On July 11, 2017, the Company further amended and extended the Amended 2012 Credit Agreement resulting in a total credit facility of approximately $3,900,000 with maturities of 3 and 5 years on an unsecured basis. The Amended 2012 Credit Agreement now reflects a simplified structure consistent with the investment grade rating of the Company and lower tiered pricing.

The current facilities under the Amended 2012 Credit Agreement now consist of the following:

- A revolving credit facility of $900,000 which will be due and payable on July 31, 2022.
- A revolving credit facility of €600,000 which will be due and payable on July 31, 2022.
- A term loan facility of $1,500,000, also scheduled to mature on July 31, 2022. Quarterly repayments of $30,000 began on October 31, 2017 with the remaining balance outstanding due on the maturity date.
- A term loan facility of €350,000 scheduled to mature on July 31, 2022. Quarterly repayments of €7,000 began on October 31, 2017 with the remaining balance outstanding due on the maturity date.

• A non-amortizing term loan facility of €400,000 which is scheduled to mature on July 30, 2020.

Interest on the credit facilities is floating at a rate equal to EURIBOR / LIBOR (as applicable) plus an applicable margin. The applicable margin is variable and depends on the Company's Consolidated Leverage Ratio which is a ratio of its consolidated funded debt less cash and cash equivalents held by the Consolidated Group to Consolidated EBITDA (as these terms are defined in the Amended 2012 Credit Agreement).

The following table shows the available and outstanding amounts under the Amended 2012 Credit Agreement for September 30, 2017 and December 31, 2016:

Amended 2012 Credit Agreement – Maximum Amount Available and Balance Outstanding

in thousands

	Maximum Amount Available September 30, 2017		Balance Outstanding September 30, 2017[1]	
Revolving Credit USD	$ 900,000	€ 762,324	$ 68,361	€ 57,904
Revolving Credit EUR	€ 600,000	€ 600,000	€ -	€ -
USD Term Loan 5-year	$ 1,500,000	€ 1,270,540	$ 1,500,000	€ 1,270,540
EUR Term Loan 5-year	€ 350,000	€ 350,000	€ 350,000	€ 350,000
EUR Term Loan 3-year	€ 400,000	€ 400,000	€ 400,000	€ 400,000
		€ 3,382,864		€ 2,078,444

	Maximum Amount Available December 31, 2016		Balance Outstanding December 31, 2016[1]	
Revolving Credit USD	$ 1,000,000	€ 948,676	$ 10,187	€ 9,664
Revolving Credit EUR	€ 400,000	€ 400,000	€ -	€ -
USD Term Loan	$ 2,100,000	€ 1,992,221	$ 2,100,000	€ 1,992,221
EUR Term Loan	€ 252,000	€ 252,000	€ 252,000	€ 252,000
		€ 3,592,897		€ 2,253,885

(1) Amounts shown are excluding debt issuance costs.

At September 30, 2017 and December 31, 2016, the Company had letters of credit outstanding in the amount of $2,050 and $3,550 (€1,736 and €3,368), respectively, under the USD revolving credit facility, which are not included above as part of the balance outstanding at those dates, but which reduce available borrowings under the applicable revolving credit facility.

Accounts Receivable Facility

The following table shows the available and outstanding amounts under the Accounts Receivable Facility at September 30, 2017 and at December 31, 2016:

Accounts Receivable Facility – Maximum Amount Available and Balance Outstanding

in thousands

	Maximum Amount Available September 30, 2017[1]		Balance Outstanding September 30, 2017[2]	
Accounts Receivable Facility	$ 800,000	€ 677,622	$ 200,000	€ 169,405

	Maximum Amount Available December 31, 2016[1]		Balance Outstanding December 31, 2016[2]	
Accounts Receivable Facility	$ 800,000	€ 758,941	$ 175,000	€ 166,018

(1) Subject to availability of sufficient accounts receivable meeting funding criteria.

(2) Amounts shown are excluding debt issuance costs.

The Company also had letters of credit outstanding under the Accounts Receivable Facility in the amount of $71,119 and $15,647 (€60,240 and €14,844) at September 30, 2017 and December 31, 2016, respectively. These letters of credit are not included above as part of the balance outstanding at September 30, 2017 and December 31, 2016; however, they reduce available borrowings under the Accounts Receivable Facility.

9. Supplementary Information on Capital Management

The principle objectives of the Company's capital management strategy are to optimize the weighted average cost of capital and to achieve a balanced mix of shareholders' equity and financial debt. The dialysis industry, in which the Company has a strong market position in global, growing and largely non-cyclical markets, is characterized by stable cash flows. Due to the Company's payors' mostly high credit quality, it is able to generate high, stable, predictable and sustainable cash flows.

These generated cash flows allow the Company to utilize an extensive mix of financial liabilities.

(in thousands, except share and per share data)

As of September 30, 2017 and December 31, 2016 equity and debt were as follows:

Shareholders' Equity, Financial Liabilities and Total Assets

in € thousands, unless otherwise specified

	September 30, 2017	December 31, 2016
Shareholders' equity, including noncontrolling interests	10,673,021	11,051,132
Financial debt	7,662,316	8,132,114
Total assets	24,250,358	25,503,540
Financial debt in % of total assets	31.6%	31.9%
Total equity in % of total assets	44.0%	43.3%

The Company is covered by the three leading rating agencies, Moody's, Standard & Poor's and Fitch. The Company currently has a BBB- rating from Standard & Poor's, a Baa3 rating from Moody's and a BBB− rating from Fitch.

Rating[(1)]

	Standard & Poor's	Moody's	Fitch
Corporate Credit Rating	BBB−	Baa3	BBB−
Outlook	stable	stable	stable

(1) A rating is not a recommendation to buy, sell or hold securities of the Company, and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

10 Share-based Plans

On July 31, 2017 under the FMC-AG & Co. KGaA Long-Term Incentive Plan 2016, the Company awarded 604,484 performance shares, including 73,746 performance shares granted to members of the Management Board. The total fair value is €45,409, including a fair value of €5,540 to members of the Management Board. The fair value will be amortized over the four-year vesting period. The fair value per performance share at the grant date was €75.12.

11. Employee Benefit Plans

The Company currently has five principal pension plans, one for German employees, three for French employees and the other covering employees in the United States, the latter of which was curtailed in 2002. Plan benefits are generally based on years of service and final salary. As there is no legal requirement in Germany to fund defined benefit plans, the Company's pension obligations in Germany are unfunded. Each year FMCH contributes to the plan covering United States employees at least the minimum required by the Employee Retirement Income Security Act of 1974, as amended. In 2017, FMCH did not have a minimum funding requirement. For the first nine months of 2017, the Company voluntarily provided €820 to the defined benefit plan. For the remaining period of 2017, the Company expects further voluntarily contributions of €176.

(in thousands, except share and per share data)

The following table provides the calculations of net periodic benefit cost for the three and nine months ended September 30, 2017 and 2016, respectively.

Net Periodic Benefit Cost

in € thousands

	For the three months ended September 30,		For the nine months ended September 30,	
	2017	**2016**	**2017**	**2016**
Service cost	7,172	4,445	21,342	17,102
Net interest cost	2,818	4,065	8,356	12,199
Net periodic benefit costs	**9,990**	**8,510**	**29,698**	**29,301**

12. Commitments and Contingencies

Legal and Regulatory Matters

The Company 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 Company currently deems to be material or noteworthy are described below. For the matters described below in which the Company 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 Company 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 the Company's view of the merits can occur. The Company 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.

On February 15, 2011, a whistleblower (relator) action under the False Claims Act against FMCH was unsealed by order of the United States District Court for the District of Massachusetts and served by the relator. *United States ex rel. Chris Drennen v. Fresenius Medical Care Holdings, Inc.*, 2009 Civ. 10179 (D. Mass.). The relator's complaint, which was first filed under seal in February 2009, alleged that the Company sought and received reimbursement from government payors for serum ferritin and multiple forms of hepatitis B laboratory tests that were medically unnecessary or not properly ordered by a physician. Discovery on the relator's complaint closed in May 2015. Although the United States initially declined to intervene in the case, the government subsequently changed position. On April 3, 2017, the court allowed the government to intervene with respect only to certain hepatitis B surface antigen tests performed prior to 2011, when Medicare reimbursement rules for such tests changed. The court rejected the government's request to conduct new discovery, but is allowing FMCH to take discovery against the government as if the government had intervened at the outset.

The Company has received communications alleging conduct in countries outside the U.S. that may violate the U.S. Foreign Corrupt Practices Act ("FCPA") or other anti-bribery laws. The Company's Supervisory Board, through its Audit and Corporate Governance Committee, has been conducting

investigations with the assistance of independent counsel which are substantially complete. The Company voluntarily advised the U.S. Securities and Exchange Commission ("SEC") and the U.S. Department of Justice ("DOJ"). The Company's dialogue with the SEC and DOJ are ongoing. The Company continues to cooperate with the government investigations.

The Company has identified and reported to the government, and has taken remedial actions including employee disciplinary actions with respect to, conduct that may result in monetary penalties or other sanctions under the FCPA or other anti-bribery laws. In addition, the Company's ability to conduct business in certain jurisdictions could be negatively impacted. The Company has recorded in prior periods a non-material accrual for an identified matter. The Company has substantially concluded its investigations and has entered into discussions toward a possible resolution with the government agencies. There is no timetable for a possible resolution. Given the current status of the resolution discussions and remediation activities, the Company cannot reasonably estimate the range of possible loss that may result from identified matters or from the resolution or remediation activities.

The Company continues to implement enhancements to its anti-corruption compliance program, including internal controls related to compliance with international anti-bribery laws. The Company continues to be fully committed to FCPA and other anti-bribery law compliance.

On April 5, 2013, the U.S. Judicial Panel on Multidistrict Litigation ordered that the numerous lawsuits pending in various federal courts alleging wrongful death and personal injury claims against FMCH and certain of its affiliates relating to FMCH's acid concentrate products NaturaLyte® and GranuFlo® be transferred and consolidated for pretrial management purposes into a consolidated multidistrict litigation in the United States District Court for the District of Massachusetts. *In Re: Fresenius GranuFlo/NaturaLyte Dialysate Products Liability Litigation*, Case No. 2013-md-02428. The Massachusetts state courts and the St. Louis City (Missouri) court subsequently established similar consolidated litigation for their cases. *In Re: Consolidated Fresenius Cases*, Case No. MICV 2013-03400-O (Massachusetts Superior Court, Middlesex County). Although similar cases were filed in other state courts, the Massachusetts federal and state courts and the St. Louis court were responsible, together, for more than 95% of all cases. The lawsuits alleged generally that inadequate labeling and warnings for these products caused harm to patients. On February 17, 2016, the Company reached with a committee of plaintiffs' counsel and reported to the courts an agreement in principle for settlement of potentially all cases. The agreement in principle calls for the Company to pay $250,000 into a settlement fund in exchange for releases of substantially all the plaintiffs' claims, subject to the Company's right to void the settlement under certain conditions.

On October 12, 2017, the plaintiff committee and the Company determined that the condition of settlement related to minimum participation has been satisfied and are moving forward with implementation of the settlement. Funding of the settlement by the Company and its insurers is to be made on November 28, 2017. The Company believes that less than one percent (1%) of cases involved in the litigation will require any further substantive litigation activity for final resolution and that all such cases are pending in the U.S. District Court for Massachusetts (Boston); Los Angeles, California county court; or Birmingham, Alabama county court.

The Company's affected insurers have agreed to fund $220,000 of the settlement fund, with a reservation of rights regarding certain coverage issues between and among the Company and its insurers. The Company has accrued a net expense of $60,000 for consummation of the settlement, including legal fees and other anticipated costs.

Following entry of the agreement in principle, the Company's insurers in the AIG group and the Company each initiated litigation against the other, in New York and Massachusetts state courts respectively, relating to the AIG group's coverage obligations under applicable policies. The affected carriers have confirmed that the coverage litigation does not impact their commitment to fund $220,000 of the settlement with plaintiffs. In the coverage litigation, the AIG group seeks to reduce its obligation to less than $220,000 and to be indemnified by the Company for a portion of its $220,000 outlay; the Company seeks to confirm the AIG group's $220,000 funding obligation, to recover defense costs already incurred by the Company, and to compel the AIG group to honor defense and indemnification obligations, if any, required for resolution of cases not participating in the settlement.

Certain of the complaints in the GranuFlo®/NaturaLyte® litigation named combinations of FMC-AG & Co. KGaA, Management AG, Fresenius SE and Fresenius Management SE as defendants, in addition to FMCH and its domestic United States affiliates. The agreement in principle provides for dismissals and releases of claims encompassing the European defendants.

Four institutional plaintiffs have filed complaints against FMCH or its affiliates under state deceptive practices statutes resting on certain background allegations common to the GranuFlo®/NaturaLyte® personal injury litigation, but seeking as remedy the repayment of sums paid to FMCH attributable to the GranuFlo®/NaturaLyte® products. These cases implicate different legal standards, theories of liability and forms of potential recovery from those in the personal injury litigation and their claims will not be extinguished by the personal injury litigation settlement described above. The four plaintiffs are the Attorneys General for the States of Kentucky, Louisiana and Mississippi and the commercial insurance company Blue Cross Blue Shield of Louisiana in its private capacity. *State of Mississippi ex rel. Hood, v. Fresenius Medical Care Holdings, Inc.,* No. 14-cv-152 (Chancery Court, DeSoto County); *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.); *Commonwealth of Kentucky ex rel. Beshear v. Fresenius Medical Care Holdings, Inc. et al*., No. 16-CI-00946 (Circuit Court, Franklin County).

In August 2014, FMCH received a subpoena from the United States Attorney for the District of Maryland inquiring into FMCH's contractual arrangements with hospitals and physicians, including contracts relating to the management of in-patient acute dialysis services. FMCH is cooperating in the investigation.

In July 2015, the Attorney General for Hawaii issued a civil complaint under the Hawaii False Claims Act alleging a conspiracy pursuant to which certain Liberty Dialysis subsidiaries of FMCH overbilled Hawaii Medicaid for Liberty's Epogen® administrations to Hawaii Medicaid patients during the period from 2006 through 2010, prior to the time of FMCH's acquisition of Liberty. *Hawaii v. Liberty Dialysis – Hawaii, LLC et al.*, Case No. 15-1-1357-07 (Hawaii 1st Circuit). The State alleges that Liberty acted unlawfully by relying on incorrect and unauthorized billing guidance provided to Liberty by Xerox State Healthcare LLC, which acted as Hawaii's contracted administrator for its Medicaid program reimbursement operations during the relevant period. The amount of the overpayment claimed by the State is approximately $8,000, but the State seeks civil remedies, interest, fines, and penalties against Liberty and FMCH under the Hawaii False Claims Act substantially in excess of the overpayment. FMCH filed third-party claims for contribution and indemnification against Xerox. The State's False Claims Act complaint was filed after Liberty initiated an administrative action challenging the State's recoupment of alleged overpayments from sums currently owed to Liberty. The civil litigation and administrative action are proceeding in parallel.

On August 31 and November 25, 2015, respectively, FMCH received subpoenas under the False Claims Act from the United States Attorneys for the District of Colorado and the Eastern District of New York inquiring into FMCH's participation in and management of dialysis facility joint ventures in which physicians are partners. On March 20, 2017, FMCH received a subpoena in the Western District of Tennessee inquiring into certain of the operations of dialysis facility joint ventures with the University of Tennessee Medical Group, including joint ventures in which FMCH's interests were divested to Satellite Dialysis in connection with FMCH's acquisition of Liberty Dialysis in 2012. FMCH is cooperating in these investigations.

On October 6, 2015, the Office of Inspector General of the United States Department of Health and Human Services ("OIG") issued a subpoena under the False Claims Act to the Company seeking information about utilization and invoicing by Fresenius Vascular Care, now known as Azura Vascular Care, facilities as a whole for a period beginning after the Company's acquisition of American Access Care LLC in October 2011 ("AAC"). On August 24, 2017, an additional and more detailed subpoena on the same topics was issued by the United States Attorney for the Eastern District of New York (Brooklyn), which has managed the Azura investigation from its outset. The Company is cooperating in the government's inquiry. Allegations against AAC arising in districts in Connecticut, Florida and Rhode Island relating to utilization and invoicing were settled in 2015.

On June 30, 2016, FMCH received a subpoena from the United States Attorney for the Northern District of Texas (Dallas) seeking information under the False Claims Act about the use and management of pharmaceuticals including Velphoro® as well as FMCH's interactions with DaVita Healthcare Partners, Inc. The Company understands that the subpoena relates to an investigation previously disclosed by DaVita and that the investigation encompasses DaVita, Amgen, and Sanofi. FMCH is cooperating in the investigation.

On November 18, 2016, FMCH received a subpoena under the False Claims Act from the United States Attorney for the Eastern District of New York (Brooklyn) seeking documents and information relating to the operations of Shiel Medical Laboratory, Inc., which FMCH acquired in October 2013. In the course of cooperating in the investigation and preparing to respond to the subpoena, FMCH identified falsifications and misrepresentations in documents submitted by a Shiel salesperson that relate to the integrity of certain invoices submitted by Shiel for laboratory testing for patients in long term care facilities. On February 21, 2017, FMCH terminated the employee and notified the United States Attorney of the termination and its circumstances. The terminated employee's conduct may subject the Company to liability for overpayments and penalties under applicable laws.

On September 28, 2017, the Company announced its agreement to sell 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 sale agreement, the Company retains responsibility for the Brooklyn investigation and its outcome. The Company continues to cooperate in the ongoing investigation.

On December 14, 2016, the Center for Medicare & Medicaid Services ("CMS"), which administers the federal Medicare program, published an Interim Final Rule ("IFR") titled "Medicare Program; Conditions for Coverage for End-Stage Renal Disease Facilities-Third Party Payment." The IFR would have amended the Conditions for Coverage for dialysis providers, like FMCH and would have effectively enabled insurers to reject premium payments made by or on behalf of patients who received grants for individual market coverage from the American Kidney Fund ("AKF" or "the Fund"). The IFR could thus

have resulted in those patients losing individual insurance market coverage. The loss of coverage for these patients would have had a material and adverse impact on the operating results of FMCH.

On January 25, 2017, a federal district court in Texas responsible for litigation initiated by a patient advocacy group and dialysis providers including FMCH preliminarily enjoined CMS from implementing the IFR. *Dialysis Patient Citizens v. Burwel*l, 2017 Civ. 0016 (E.D. Texas, Sherman Div.). The preliminary injunction was based on CMS' failure to follow appropriate notice-and-comment procedures in adopting the IFR. The injunction remains in place and the court retains jurisdiction over the dispute.

On June 22, 2017, CMS requested a stay of proceedings in the litigation pending further rulemaking concerning the IFR. CMS stated, in support of its request, that it expects to publish a Notice of Proposed Rulemaking in the Federal Register and otherwise pursue a notice-and-comment process. Plaintiffs in the litigation, including FMCH, consented to the stay, which was granted by the court on June 27, 2017.

The operation of charitable assistance programs like that of the AKF is also receiving increased attention by state insurance regulators. The result may be a regulatory framework that differs from state to state. Even in the absence of the IFR or similar administrative actions, insurers are likely to continue efforts to thwart charitable premium assistance to our patients for individual market plans and other insurance coverages. If successful, these efforts would have a material adverse impact on the Company's operating results.

On January 3, 2017, the Company received a subpoena from the United States Attorney for the District of Massachusetts under the False Claims Act inquiring into the Company's interactions and relationships with the AKF, including the Company's charitable contributions to the Fund and the Fund's financial assistance to patients for insurance premiums. FMCH is cooperating in the investigation, which the Company understands to be part of a broader investigation into charitable contributions in the medical industry.

In early May 2017, the United States Attorney for the Middle District of Tennessee (Nashville) issued identical subpoenas to FMCH and two subsidiaries under the False Claims Act concerning the Company's retail pharmaceutical business. The investigation is exploring allegations of improper inducements to dialysis patients to fill oral prescriptions through FMCH's pharmacy service and of improper billing for returned pharmacy products. FMCH is cooperating in the investigation.

In 2011, FMCH received a subpoena from the United States Attorney for the Eastern District of New York (Brooklyn) requesting information under the False Claims Act concerning an assay manufactured by Bayer Diagnostics. Bayer Diagnostics was later acquired by Siemens. The assay is used to test for the serum content of parathyroid hormone (PTH). The assay has been widely used by FMCH and others in the dialysis industry for assessment of bone mineral metabolism disorder, a common consequence of kidney failure. FMCH responded fully and cooperatively to the subpoena, but concluded that it was not the focus or target of the US Attorney's investigation. On March 16, 2017, the US Attorney elected not to intervene on a sealed relator (whistleblower) complaint first filed in January 2011 that underlay the investigation. After the US Attorney declined intervention, the United States District Court for the Eastern District unsealed the complaint and ordered the relator to serve and otherwise proceed on his own. On August 14, 2017, FMCH was dismissed with prejudice from the litigation on relator's motion. The litigation continued against other defendants *Patriarca v. Bayer Diagnostics n/k/a Siemens et alia,* 2011 Civ. 00181 (E.D.N.Y.).

From time to time, the Company is a party to or may be threatened with other litigation or arbitration, claims or assessments arising in the ordinary course of its business. Management regularly analyzes current information including, as applicable, the Company's defenses and insurance coverage and, as necessary, provides accruals for probable liabilities for the eventual disposition of these matters.

The Company, like other healthcare providers, insurance plans and suppliers, conducts its operations under intense government regulation and scrutiny. It must comply with regulations which relate to or govern the safety and efficacy of medical products and supplies, the marketing and distribution of such products, the operation of manufacturing facilities, laboratories, dialysis clinics and other health care facilities, and environmental and occupational health and safety. With respect to its development, manufacture, marketing and distribution of medical products, if such compliance is not maintained, the Company could be subject to significant adverse regulatory actions by the U.S. Food and Drug Administration ("FDA") and comparable regulatory authorities outside the U.S. These regulatory actions could include warning letters or other enforcement notices from the FDA, and/or comparable foreign regulatory authority which may require the Company to expend significant time and resources in order to implement appropriate corrective actions. If the Company does not address matters raised in warning letters or other enforcement notices to the satisfaction of the FDA and/or comparable regulatory authorities outside the U.S., these regulatory authorities could take additional actions, including product recalls, injunctions against the distribution of products or operation of manufacturing plants, civil penalties, seizures of the Company's products and/or criminal prosecution. FMCH is currently engaged in remediation efforts with respect to one pending FDA warning letter. The Company must also comply with the laws of the United States, including the federal Anti-Kickback Statute, the federal False Claims Act, the federal Stark Law, the federal Civil Monetary Penalties Law and the federal Foreign Corrupt Practices Act as well as other federal and state fraud and abuse laws. Applicable laws or regulations may be amended, or enforcement agencies or courts may make interpretations that differ from the Company's interpretations or the manner in which it conducts its business. Enforcement has become a high priority for the federal government and some states. In addition, the provisions of the False Claims Act authorizing payment of a portion of any recovery to the party bringing the suit encourage private plaintiffs to commence whistleblower actions. By virtue of this regulatory environment, the Company's business activities and practices are subject to extensive review by regulatory authorities and private parties, and continuing audits, subpoenas, other inquiries, claims and litigation relating to the Company's compliance with applicable laws and regulations. The Company may not always be aware that an inquiry or action has begun, particularly in the case of whistleblower actions, which are initially filed under court seal.

The Company operates many facilities and handles protected health information ("PHI") of its patients and beneficiaries throughout the United States and other parts of the world, and engages with other business associates to help it carry out its health care activities. In such a decentralized system, it is often difficult to maintain the desired level of oversight and control over the thousands of individuals employed by many affiliated companies and its business associates. On occasion, the Company or its business associates may experience a breach under the Health Insurance Portability and Accountability Act ("HIPAA") Privacy Rule when there has been impermissible use, access, or disclosure of unsecured PHI, a breach under the HIPAA Security Rule when the Company or its business associates neglect to implement the required administrative, technical and physical safeguards of its electronic systems and devices, or a data breach that results in impermissible use, access or disclosure of personal identifying information of its employees, patients and beneficiaries. On those occasions, the Company must comply with state and federal breach notification requirements. The Company relies upon its management structure, regulatory and legal resources, and the effective operation of its compliance program to direct, manage and monitor the activities of its employees. On occasion, the Company may identify instances where employees or other agents deliberately, recklessly or inadvertently contravene the Company's policies or violate applicable law.

The actions of such persons may subject the Company and its subsidiaries to liability under the Anti-Kickback Statute, the Stark Law, the False Claims Act, HIPAA, the Health Information Technology for Economic and Clinical Health Act and the Foreign Corrupt Practices Act, among other laws and comparable state laws or laws of other countries.

Physicians, hospitals and other participants in the healthcare industry are also subject to a large number of lawsuits alleging professional negligence, malpractice, product liability, worker's compensation or related claims, many of which involve large claims and significant defense costs. The Company has been and is currently subject to these suits due to the nature of its business and expects that those types of lawsuits may continue. Although the Company maintains insurance at a level which it believes to be prudent, it cannot assure that the coverage limits will be adequate or that insurance will cover all asserted claims. A successful claim against the Company or any of its subsidiaries in excess of insurance coverage could have a material adverse effect upon it and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

The Company has also had claims asserted against it and has had lawsuits filed against it relating to alleged patent infringements or businesses that it has acquired or divested. These claims and suits relate both to operation of the businesses and to the acquisition and divestiture transactions. The Company has, when appropriate, asserted its own claims, and claims for indemnification. A successful claim against the Company or any of its subsidiaries could have a material adverse effect upon its business, financial condition, and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

The Company is also subject to ongoing and future tax audits in the U.S., Germany and other jurisdictions. With respect to other potential adjustments and disallowances of tax matters currently under review, the Company does not anticipate that an unfavorable ruling could have a material impact on its results of operations. The Company is not currently able to determine the timing of these potential additional tax payments.

Other than those individual contingent liabilities mentioned above, the current estimated amount of the Company's other known individual contingent liabilities is immaterial.

13. Financial Instruments

The Company applies IFRS 7 (Financial Instruments: Disclosures). Thereby the following categories according to IAS 39 (Financial Instruments: Recognition and Measurement) are relevant: financial assets at fair value through profit or loss, loans and receivables, financial liabilities at fair value through profit or loss as well as financial liabilities recognized at amortized cost and available for sale financial assets.

The following table demonstrates the combination between categories and classes as well as the classes allocated to the balance sheet items:

		Classes							
		Cash and cash equivalents	Assets recognized at carrying amount	Liabilities recognized at carrying amount	Assets recognized at fair value	Liabilities recognized at fair value	Noncontrolling interests subject to put provisions	Derivatives not designated as hedging instruments	Derivatives designated as hedging instruments
Categories	Financial Assets at fair value through profit or loss							Other current and non-current assets	
	Loans and Receivables		Trade accounts receivable, Accounts receivable from related parties, Other current and non-current assets						
	Financial liabilities at fair value through profit or loss					Current and non-current provisions and other current and non-current liabilities		Current and non-current provisions and other current and non-current liabilities	
	Financial liabilities recognized at amortized cost			Accounts payable, Accounts payable to related parties, Short-term debt, Short-term debt from related parties, Long-term debt and capital lease obligations (1), Current provisions and other current liabilities					
	Available for sale financial assets				Other current assets and non-current assets				
	Not assigned to a category	Cash and cash equivalents	Other current and non-current assets	Long-term debt and capital lease obligations (2)			Other current and non-current liabilities		Other current and non-current assets, Current and non-current provisions and other current and non-current liabilities

(1) Excluding capital lease obligations

(2) Exclusively capital lease obligations

(in thousands, except share and per share data)

Valuation of Financial Instruments

The carrying amounts of financial instruments at September 30, 2017 and December 31, 2016, classified into categories according to IAS 39, can be seen in the following table.

Carrying Amount of Financial Instrument Categories

in € thousands

	September 30, 2017	December 31, 2016
Loans and Receivables	3,547,069	3,835,800
Financial Liabilities recognized at amortized cost	(9,541,263)	(10,210,287)
Financial Assets at fair value through profit or loss	105,413	132,406
Financial Liabilities at fair value through profit or loss	(304,523)	(339,701)
Available for sale financial assets[1]	242,815	256,437
Not assigned to a category	7,846	(194,176)

(1) The impact on the Consolidated Statements of Income and the Consolidated Statements of Shareholders' Equity is not material.

The following table presents the carrying amounts and fair values of the Company's financial instruments at September 30, 2017 and December 31, 2016.

Carrying Amount and Fair Value of Financial Instruments

in € thousands

	September 30, 2017		December 31, 2016	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Non-derivative Financial Instruments				
Cash and cash equivalents	729,240	729,240	708,882	708,882
Assets recognized at carrying amount[1]	3,692,065	3,692,065	3,987,806	3,987,806
Assets recognized at fair value	242,815	242,815	256,437	256,437
Liabilities recognized at carrying amount[2]	(9,580,034)	(10,028,403)	(10,254,062)	(10,754,495)
Liabilities recognized at fair value	(211,213)	(211,213)	(223,504)	(223,504)
Noncontrolling interests subject to put provisions	(827,606)	(827,606)	(1,007,733)	(1,007,733)
Derivative Financial Instruments				
Derivatives not designated as hedging instruments	12,103	12,103	16,209	16,209
Derivatives designated as hedging instruments	(13)	(13)	(3,556)	(3,556)

(1) Not included are "Other current and non-current assets" that do not qualify as financial instruments (September 30, 2017: €926,213 and December 31, 2016: €850,630).

(2) Not included are "Current and non-current provisions and other current and non-current liabilities" that do not qualify as financial instruments (September 30, 2017: €1,461,079 and December 31, 2016: €1,429,344).

Non-derivative Financial Instruments

The significant methods and assumptions used in estimating the fair values of non-derivative financial instruments are as follows:

Cash and cash equivalents are stated at nominal value which equals the fair value.

Short-term financial instruments such as trade accounts receivable, accounts receivable from related parties, accounts payable, accounts payable to related parties and short-term debt as well as certain other financial instruments are valued at their carrying amounts, which are reasonable estimates of the fair value due to the relatively short period to maturity of these instruments.

The fair value of available for sale financial assets quoted in an active market is based on price quotations at the period-end date (Level 1).

Long-term debt is recognized at its carrying amount. The fair values of major long-term debt are calculated on the basis of market information (Level 2). Liabilities for which market quotes are available are measured using these quotes. The fair values of the other long-term debt are calculated at the present value of the respective future cash flows. To determine these present values, the prevailing interest rates and credit spreads for the Company as of the balance sheet date are used.

Variable payments outstanding for acquisitions are recognized at their fair value. The estimation of the individual fair values is based on the key inputs of the arrangement that determine the future contingent payment as well as the Company's expectation of these factors (Level 3). The Company assesses the likelihood and timing of achieving the relevant objectives. The underlying assumptions are reviewed regularly.

Noncontrolling interests subject to put provisions are recognized at their fair value. The methodology the Company uses to estimate the fair values assumes the greater of net book value or a multiple of earnings, based on historical earnings, development stage of the underlying business and other factors (Level 3). Additionally, there are put provisions that are valued by an external valuation firm. The external valuation estimates the fair values using a combination of discounted cash flows and a multiple of earnings and/or revenue (Level 3). When applicable, the obligations are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The estimated fair values of the noncontrolling interests subject to these put provisions can also fluctuate, and the discounted cash flows as well as the implicit multiple of earnings and/or revenue at which these noncontrolling interest obligations may ultimately be settled could vary significantly from the Company's current estimates depending upon market conditions.

(in thousands, except share and per share data)

Following is a roll forward of noncontrolling interests subject to put provisions at September 30, 2017 and December 31, 2016.

Noncontrolling interests subject to put provisions

in € thousands

	2017	2016
Beginning balance at January 1,	1,007,733	791,075
Contributions to noncontrolling interests	(123,461)	(169,260)
Purchase of noncontrolling interests	(111,959)	(1,785)
Sale of noncontrolling interests	63,098	53,919
Contributions from noncontrolling interests	11,684	29,144
Expiration of put provisions and other reclassifications	(6,180)	(8,814)
Changes in fair value of noncontrolling interests	(31,456)	115,627
Net income	115,159	164,515
Foreign Currency Translation	(97,012)	33,312
Ending balance as of September 30, 2017 and December 31, 2016	827,606	1,007,733

Credit risk resulting from a decrease in the value of the Company's financing receivables and allowances on credit losses of financing receivables are immaterial.

Derivative Financial Instruments

Market Risk

In order to manage the risk of currency exchange rate and interest rate fluctuations, the Company enters into various hedging transactions by means of derivative instruments with highly rated financial institutions as authorized by the Company's General Partner. On a quarterly basis, the Company performs an assessment of its counterparty credit risk. The Company currently considers this risk to be low. The Company's policy, which has been consistently followed, is that financial derivatives be used only for the purpose of hedging foreign currency and interest rate exposure.

In certain instances, the Company enters into derivative contracts that do not qualify for hedge accounting but are utilized for economic purposes ("economic hedges"). The Company does not use financial instruments for trading purposes. The Company established guidelines for risk assessment procedures and controls for the use of financial instruments. They include a clear segregation of duties with regard to execution on one side and administration, accounting and controlling on the other.

To reduce the credit risk arising from derivatives the Company entered into Master Netting Agreements with banks. Through such agreements, positive and negative fair values of the derivative contracts could be offset against one another if a partner becomes insolvent. This offsetting is valid for transactions where the aggregate amount of obligations owed to and receivable from are not equal. If insolvency occurs, the party which owes the larger amount is obliged to pay the other party the difference between the amounts owed in the form of one net payment.

These master netting agreements do not provide a basis for offsetting the fair values of derivative financial instruments in the statement of financial position as the offsetting criteria under IFRS are not satisfied.

At September 30, 2017 and December 31, 2016, the Company had €19,176 and €24,312 of derivative financial assets subject to netting arrangements and €7,284 and €26,751 of derivative financial liabilities subject to netting arrangements. Offsetting these derivative financial instruments would have resulted in net assets of €13,099 and €13,673 as well as net liabilities of €1,207 and €16,112 at September 30, 2017 and December 31, 2016, respectively.

In connection with the issuance of the Convertible Bonds in September 2014, the Company purchased share options. Any change in the Company's share price above the conversion price would be offset by a corresponding value change in the share options.

Foreign Exchange Risk Management

The Company conducts business on a global basis in various currencies, though a majority of its operations are in Germany and the United States. For financial reporting purposes in accordance with Section 315e of the German Commercial Code ("HGB") the Company has chosen the euro as its reporting currency. Therefore, changes in the rate of exchange between the euro and the local currencies in which the financial statements of the Company's international operations are maintained, affect its results of operations and financial position as reported in its Consolidated Financial Statements.

Additionally, individual subsidiaries are exposed to transactional risks mainly resulting from intercompany purchases between production sites and other subsidiaries with different functional currencies. This exposes the subsidiaries to fluctuations in the rate of exchange between the invoicing currencies and the currency in which their local operations are conducted. For the purpose of hedging existing and foreseeable foreign exchange transaction exposures the Company enters into foreign exchange forward contracts and, on a small scale, foreign exchange options. At September 30, 2017 and December 31, 2016, the Company had no foreign exchange options.

Changes in the fair value of the effective portion of foreign exchange forward contracts designated and qualifying as cash flow hedges of forecasted product purchases and sales are reported in Accumulated Other Comprehensive Income ("AOCI"). Additionally, in connection with intercompany loans in foreign currency, the Company uses foreign exchange swaps to assure that no foreign exchange risks arise from those loans, which, if they qualify for cash flow hedge accounting, are also reported in AOCI. These amounts recorded in AOCI are subsequently reclassified into earnings as a component of cost of revenue for those contracts that hedge product purchases and sales or as an adjustment of interest income/expense for those contracts that hedge loans, in the same period in which the hedged transaction affects earnings. The notional amounts of foreign exchange contracts in place that are designated and qualify as cash flow hedges totalled €117,255 and €103,358 at September 30, 2017 and December 31, 2016, respectively.

The Company also enters into derivative contracts for forecasted product purchases and sales and for intercompany loans in foreign currencies which do not qualify for hedge accounting but are utilized for economic hedges as defined above. In these two cases, the change in value of the economic hedge is recorded in the income statement and usually offsets the change in value recorded in the income statement for the underlying asset or liability. The notional amounts of economic hedges that do not qualify for

hedge accounting totalled €638,137 and €1,407,611 at September 30, 2017 and December 31, 2016, respectively.

Interest Rate Risk Management

The Company enters into derivatives, particularly interest rate swaps and, to a certain extent, interest rate options to protect against the risk of rising interest rates. These interest rate derivatives are designated as cash flow hedges and have been entered into in order to effectively convert payments based on variable interest rates into payments at a fixed interest rate. The euro-denominated interest rate swaps expire in 2019 and have a weighted average interest rate of 0.32%. Interest payable and receivable under the swap agreements is accrued and recorded as an adjustment to interest expense.

The effective portion of gains and losses of derivatives designated as cash flow hedges is deferred in AOCI; the amount of gains and losses reclassified from AOCI are recorded in interest income and interest expenses.

At September 30, 2017 and December 31, 2016, the notional amount of the euro-denominated interest rate swaps in place was €234,000 and €252,000.

In addition, the Company also enters into interest rate hedges ("pre-hedges") in anticipation of future long-term debt issuance. These pre-hedges are used to hedge interest rate exposures with regard to interest rates which are relevant for the future long-term debt issuance and which could rise until the respective debt is actually issued. These pre-hedges were settled at the issuance date of the corresponding long-term debt with the settlement amount recorded in AOCI amortized to interest expense over the life of the debt. At September 30, 2017 and December 31, 2016, the Company had €21,444 and €35,814, respectively, related to settlements of pre-hedges deferred in AOCI, net of tax.

(in thousands, except share and per share data)

Derivative Financial Instruments Valuation

The following table shows the carrying amounts of the Company's derivatives at September 30, 2017 and December 31, 2016.

Derivative Financial Instrument Valuation

in € thousands

	September 30, 2017		December 31, 2016	
	Assets[2]	Liabilities[2]	Assets[2]	Liabilities[2]
Derivatives in cash flow hedging relationships[1]				
Current				
Foreign exchange contracts	1,539	(376)	2,018	(4,101)
Non-current				
Foreign exchange contracts	11	(58)	17	(76)
Interest rate contracts	-	(1,129)	-	(1,414)
Total	1,550	(1,563)	2,035	(5,591)
Derivatives not designated as hedging instruments[1]				
Current				
Foreign exchange contracts	17,824	(5,721)	37,743	(21,415)
Non-current				
Foreign exchange contracts	-	-	-	(119)
Derivatives embedded in the Convertible Bonds	-	(87,589)	-	(94,663)
Share options to secure the Convertible Bonds	87,589	-	94,663	-
Total	105,413	(93,310)	132,406	(116,197)

(1) At September 30, 2017 and December 31, 2016, the valuation of the Company's derivatives was determined using Significant Other Observable Inputs (Level 2).

(2) Derivative instruments are marked to market each reporting period resulting in carrying amounts being equal to fair values at the reporting date.

The carrying amounts for the current portion of derivatives indicated as assets in the table above are included in Other current assets in the Consolidated Balance Sheets while the current portion of those indicated as liabilities are included in Current provisions and other current liabilities. The non-current portions indicated as assets or liabilities are included in the Consolidated Balance Sheets in Other non-current assets or Non-current provisions and other non-current liabilities, respectively.

The significant methods and assumptions used in estimating the fair values of derivative financial instruments are as follows:

The fair value of interest rate swaps is calculated by discounting the future cash flows on the basis of the market interest rates applicable for the remaining term of the contract as of the balance sheet date. To

(in thousands, except share and per share data)

determine the fair value of foreign exchange forward contracts, the contracted forward rate is compared to the current forward rate for the remaining term of the contract as of the balance sheet date. The result is then discounted on the basis of the market interest rates prevailing at the balance sheet date for the applicable currency. The fair value of the embedded derivative of the convertible bonds is calculated using the difference between the market value of the convertible bond and the market value of an adequate straight bond discounted with the market interest rates as of the reporting date.

The Company's own credit risk is incorporated in the fair value estimation of derivatives that are liabilities. Counterparty credit risk adjustments are factored into the valuation of derivatives that are assets. The Company monitors and analyses the credit risk from derivative financial instruments on a regular basis. For the valuation of derivative financial instruments, the credit risk is considered in the fair value of every individual instrument. The default probability is based upon the credit default swap spreads of each counterparty appropriate for the duration. The calculation of the credit risk considered in the valuation is performed by multiplying the default probability appropriate for the duration with the expected discounted cash flows of the derivative financial instrument.

The Effect of Derivatives on the Consolidated Financial Statements

The following table shows the effect of derivatives on the Consolidated Financial Statements:

The Effect of Derivatives on the Consolidated Financial Statements

in € thousands **Derivatives in Cash Flow Hedging Relationships**	**Amount of Gain (Loss) recognized in AOCI on Derivatives (Effective Portion) for the nine months ended September 30,**		**Location of (Gain) Loss reclassified from AOCI in Income (Effective Portion)**	**Amount of (Gain) Loss reclassified from AOCI in Income (Effective Portion) for the nine months ended September 30,**	
	2017	**2016**		**2017**	**2016**
Interest rate contracts	(311)	717	Interest income/ expense	20,745	16,647
Foreign exchange contracts	4,577	1,249	Costs of Revenue	(1,999)	(347)
	4,266	1,966		18,746	16,300

Derivatives not designated as Hedging Instruments	**Location of (Gain) Loss recognized in Income on Derivatives**	**Amount of (Gain) Loss recognized in Income on Derivatives for the nine months ended September 30,**	
		2017	**2016**
Foreign exchange contracts	Selling, general and administrative expense	(7,536)	24,714
Foreign exchange contracts	Interest income/expense	7,351	3,111
Derivatives embedded in the Convertible Bonds	Interest income/expense	(7,074)	(11,867)
Share options to secure the Convertible Bonds	Interest income/expense	7,074	11,867
		(185)	27,825

At September 30, 2017, the Company had foreign exchange derivatives with maturities of up to 17 months and interest rate swaps with maturities of up to 25 months.

14. Segment and Corporate Information

The Company's operating segments are the North America Segment, the EMEA Segment, the Asia-Pacific Segment and the Latin America Segment. The operating segments are determined based upon how the Company manages its businesses with geographical responsibilities. All segments are primarily engaged in providing health care services and the distribution of products and equipment for the treatment of ESRD and other extracorporeal therapies.

Management evaluates each segment using measures that reflect all of the segment's controllable revenues and expenses. With respect to the performance of business operations, management believes that the most appropriate IFRS measures are revenue, operating income and operating income margin. The Company does not include income taxes as it believes this is outside the segments' control. Financing is a corporate function, which the Company's segments do not control. Therefore, the Company does not include interest expense relating to financing as a segment measurement. Similarly, the Company does not allocate certain costs, which relate primarily to certain headquarters' overhead charges, including accounting and finance, because the Company believes that these costs are also not within the control of the individual segments. Production of products, production asset management, quality management and procurement related to production are centrally managed at Corporate. The Company's global research and development is also centrally managed at Corporate. These Corporate activities do not fulfill the definition of a segment according to IFRS 8. Products are transferred to the segments at cost; therefore no internal profit is generated. The associated internal revenue for the product transfers and their elimination are recorded as Corporate activities. Capital expenditures for production are based on the expected demand of the segments and consolidated profitability considerations. In addition, certain revenues, investments and intangible assets, as well as any related expenses, are not allocated to a segment but are accounted for as Corporate.

(in thousands, except share and per share data)

Information pertaining to the Company's segment and Corporate activities for the three and nine months ended September 30, 2017 and 2016 is set forth below.

Segment and Corporate Information

in € thousands

	North America Segment	EMEA Segment	Asia-Pacific Segment	Latin America Segment	Segment Total	Corporate	Total
Three months ended September 30, 2017							
Revenue external customers	3,115,071	632,097	410,714	174,723	4,332,605	3,097	4,335,702
Inter - segment revenue	293	2	223	118	636	(636)	-
Revenue	3,115,364	632,099	410,937	174,841	4,333,241	2,461	4,335,702
Operating income	482,687	106,185	77,096	17,814	683,782	(75,201)	608,581
Interest							(86,113)
Earnings before taxes							522,468
Depreciation and amortization	(94,370)	(29,252)	(11,235)	(4,234)	(139,091)	(38,692)	(177,783)
Income (loss) from equity method investees	15,886	(2,876)	8	260	13,278	-	13,278
Capital expenditures, acquisitions and investments	170,037	47,109	13,334	9,197	239,677	65,079	304,756
Three months ended September 30, 2016							
Revenue external customers	3,049,431	604,712	382,563	171,637	4,208,343	3,260	4,211,603
Inter - segment revenue	795	-	7	45	847	(847)	-
Revenue	3,050,226	604,712	382,570	171,682	4,209,190	2,413	4,211,603
Operating income	489,586	112,354	76,180	17,859	695,979	(85,281)	610,698
Interest							(89,558)
Earnings before taxes							521,140
Depreciation and amortization	(97,118)	(27,433)	(11,121)	(4,176)	(139,848)	(36,228)	(176,076)
Income (loss) from equity method investees	23,433	1,074	1,042	452	26,001	-	26,001
Capital expenditures, acquisitions and investments	172,184	37,496	18,475	12,281	240,436	49,874	290,310
Nine months ended September 30, 2017							
Revenue external customers	9,714,927	1,887,510	1,205,640	534,819	13,342,896	11,947	13,354,843
Inter - segment revenue	1,465	3	245	270	1,983	(1,983)	-
Revenue	9,716,392	1,887,513	1,205,885	535,089	13,344,879	9,964	13,354,843
Operating income	1,478,038	333,328	237,163	44,679	2,093,208	(250,047)	1,843,161
Interest							(273,807)
Earnings before taxes							1,569,354
Depreciation and amortization	(300,088)	(90,001)	(34,768)	(13,278)	(438,135)	(115,629)	(553,764)
Income (loss) from equity method investees	53,166	(3,826)	1,178	584	51,102	-	51,102
Total assets	15,572,667	3,609,233	2,066,100	668,863	21,916,863	2,333,495	24,250,358
thereof investments in equity method investees	326,439	184,964	97,587	24,290	633,280	-	633,280
Capital expenditures, acquisitions and investments[1][2]	573,105	133,148	174,228	27,529	908,010	152,192	1,060,202
Nine months ended September 30, 2016							
Revenue external customers	8,827,517	1,776,073	1,073,567	465,766	12,142,923	10,317	12,153,240
Inter - segment revenue	2,709	-	16	133	2,858	(2,858)	-
Revenue	8,830,226	1,776,073	1,073,583	465,899	12,145,781	7,459	12,153,240
Operating income	1,347,816	354,060	202,269	41,995	1,946,140	(267,138)	1,679,002
Interest							(275,762)
Earnings before taxes							1,403,240
Depreciation and amortization	(284,603)	(80,467)	(32,169)	(11,209)	(408,448)	(104,999)	(513,447)
Income (loss) from equity method investees	51,158	1,665	839	1,053	54,715	-	54,715
Total assets	16,087,336	3,272,763	1,747,920	673,484	21,781,503	2,052,958	23,834,461
thereof investments in equity method investees	277,501	191,551	95,946	24,752	589,750	-	589,750
Capital expenditures, acquisitions and investments[3]	664,647	130,488	34,476	26,456	856,067	160,426	1,016,493

(1) North America, EMEA, Asia-Pacific, Latin America acquisitions exclude €8,167, €4,441, €107,195 and €27 respectively of non-cash acquisitions for 2017.

(2) Acquisitions of the last twelve months decreased consolidated earnings in the amount of €1,285.

(3) North America, EMEA, Latin America and Asia-Pacific acquisitions exclude €8,180, €82,255, €4,479 and €4,354 respectively of non-cash acquisitions for 2016.

(in thousands, except share and per share data)

15. Supplementary Cash Flow Information

The following additional information is provided with respect to the Consolidated Statements of Cash Flows:

Supplementary Cash Flow Information

in € thousands

	For the nine months ended September 30,	
	2017	**2016**
Details for acquisitions:		
Assets acquired	(625,394)	(416,700)
Liabilities assumed	134,074	60,364
Noncontrolling interest subject to put provisions	61,738	39,327
Noncontrolling interest	11,424	13,545
Non-cash consideration	14,175	71,665
Cash paid	(403,983)	(231,799)
Less cash acquired	8,572	13,776
Net cash paid for acquisitions	**(395,411)**	**(218,023)**
Cash paid for investments	**(16,780)**	**(119,910)**
Cash paid for intangible assets	**(15,681)**	**(8,750)**
Total cash paid for acquisitions and investments, net of cash acquired, and purchases of intangible assets	**(427,872)**	**(346,683)**

16. Events Occurring after the Balance Sheet Date

No further significant activities have taken place subsequent to the balance sheet date September 30, 2017 that have a material impact on the key figures and earnings presented. Currently, there are no other significant changes in the Company's structure, management, legal form or personnel.

Quantitative and Qualitative Disclosures About Market Risk

As of January 1, 2017, the Company migrated to reporting in accordance with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB"). See Note 1, "The Company and Basis of Presentation – Basis of Presentation." During the period ended September 30, 2017, no material changes occurred to the information presented in Note 23 "Financial Instruments" of the Notes to the Company's Consolidated Financial Statements prepared in accordance with IFRS, as adopted in the European Union, for the year ended December 31, 2016. These financial statements are available on the Company's website.

Controls and Procedures

The Company is a "foreign private issuer" within the meaning of Rule 3b-4(c) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). As such, the Company is not required to file quarterly reports with the Securities and Exchange Commission and is required to provide an evaluation of the effectiveness of its disclosure controls and procedures, to disclose significant changes in its internal control over financial reporting, and to provide certifications of its Chief Executive Officer and Chief Financial Officer under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 only in its Annual Report on Form 20-F. The Company furnishes quarterly financial information to the Securities and Exchange Commission (the "Commission") and such certifications under cover of Form 6-K on a voluntary basis and pursuant to the provisions of the Company's pooling agreement entered into for the benefit of the public holders of our shares. In connection with such voluntary reporting, the Company's management, including the Chief Executive Officer and the Chief Financial Officer of the Company's General Partner, has conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report, of the type contemplated by Securities Exchange Act Rule 13a-15. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded in connection with the furnishing of this report, that the Company's disclosure controls and procedures are designed to ensure that the information the Company is required to disclose in the reports filed or furnished under the Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms and are effective to ensure that the information the Company is required to disclose in its reports is accumulated and communicated to the General Partner's Management Board, including the General Partner's Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. During the past fiscal quarter, there have been no significant changes in internal controls, or in factors that could significantly affect internal controls.

During the three-month period ended September 30, 2017, the Company substantially concluded its investigations into allegations of conduct outside the U.S. that may violate the U.S. Foreign Corrupt Practices Act or other anti-bribery laws and has entered into discussions toward a possible resolution with U.S. government agencies. For information with respect to compliance investigations, see Note 12 of the Notes to the Consolidated Financial Statements (unaudited), "Commitments and Contingencies" presented elsewhere in this Report. The Company continues to implement enhancements to its anti-corruption compliance program, including internal controls related to compliance with international anti-bribery laws.

OTHER INFORMATION

Legal and Regulatory Matters

The information in Note 12 of the Notes to Consolidated Financial Statements (Unaudited), "Commitments and Contingencies" presented elsewhere in this report is incorporated by this reference.

Exhibits

Exhibit No.	
2.34	Amendment No. 2 dated July 11, 2017 to the 2012 Credit Agreement (filed herewith)
2.35	Agreement and Plan of Merger, dated as of August 7, 2017, by and among Fresenius Medical Care Holdings, Inc., Broadway Renal Services, Inc., and NxStage Medical, Inc. (“NxStage”) (incorporated by reference to Exhibit 2.21 to NxStage’s Current Report on Form 8-K dated August 5, 2017, filed August 7, 2017).*
31.1	Certification of Chief Executive Officer and Chairman of the Management Board of the Company’s General Partner Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer and member of the Management Board of the Company’s General Partner Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chairman of the Management Board of the Company’s General Partner and Chief Financial Officer and member of the Management Board of the Company’s General Partner Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (this exhibit accompanies this report as required by the Sarbanes-Oxley Act of 2002 and is not to be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended).

* The schedules to the Merger Agreement have been omitted from this filing pursuant to Item 601(b)(2) of Regulation S-K. Copies of such schedules will be furnished to the SEC upon its request; provided, however, that confidential treatment may be requested pursuant to Rule 24b-2 of the Exchange Act for any schedule so furnished.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DATE: November 2, 2017

FRESENIUS MEDICAL CARE AG & Co. KGaA
a partnership limited by shares, represented by:

FRESENIUS MEDICAL CARE MANAGEMENT AG,
its General Partner

By: /s/ RICE POWELL

Name: Rice Powell
Title: Chief Executive Officer and
Chairman of the Management Board of the
General Partner

By: /s/ MICHAEL BROSNAN

Name: Michael Brosnan
Title: Chief Financial Officer and
member of the Management Board of the
General Partner

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Rice Powell, certify that:

1. I have reviewed this report on Form 6-K of Fresenius Medical Care AG & Co. KGaA (the "Report").
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and we have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
   d) disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2017

By: /s/ RICE POWELL
Rice Powell
Chief Executive Officer and
Chairman of the Management Board of the
General Partner

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Brosnan, certify that:

1. I have reviewed this report on Form 6-K of Fresenius Medical Care AG & Co. KGaA (the "Report");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and we have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
   d) disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2017

By: /s/ MICHAEL BROSNAN
Michael Brosnan
Chief Financial Officer and member of the
Management Board of the
General Partner

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the report of Fresenius Medical Care AG & Co. KGaA (the "Company") on Form 6-K furnished for the month of November 2017 containing its unaudited financial statements as of September 30, 2017 and for the nine-months periods ending September 30, 2017 and 2016, as submitted to the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Rice Powell, Chief Executive Officer and Michael Brosnan, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

By: /s/ RICE POWELL
Rice Powell
Chief Executive Officer and
Chairman of the Management Board of the
General Partner

November 2, 2017

By: /s/ MICHAEL BROSNAN
Michael Brosnan
Chief Financial Officer and
member of the Management Board of the
General Partner

November 2, 2017