

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

Following the publication of the ISS voting recommendations for our Annual General Meeting on 17 May 2018 (AGM), we would like to provide clarity regarding our perspective on the dividend proposal (agenda item 2).

Our goal is for dividend development to be more closely aligned with our growth in basic earnings per share, while maintaining dividend continuity. In 2017, our basic earnings per share increased by 5% on an adjusted basis and 12% on a reported basis (attachment 1). Correspondingly, we propose to the AGM a 10% dividend increase to 1.06 Euro for 2017, representing a payout ratio of 25%.

This would be the 21st consecutive dividend increase since the company's founding in 1996. The average annual payout ratio for the past five years amounts to 26%.

While we are strongly committed to our dividend goal, we also need to ensure our financial flexibility in order to pursue our ambitious growth targets.

In 2014, we set ourselves new long-term targets with our growth strategy 2020. The goal of this growth strategy is to increase revenue by approximately 10% p.a. on average by 2020, based upon exchange rates prevailing at the beginning of 2017. In addition, we indicated an average annual growth of net income attributable to shareholders of FMC-AG & Co. KGaA in the high single-digit range. A significant factor in the growth in our revenue and earnings in prior years has been our ability to acquire healthcare businesses, particularly dialysis clinics and product innovations, on reasonable terms. In addition, we have outlined that our growth strategy requires significant capex which cannot be evenly split over financial reporting years.

Our strategy 2020 aims to continue the successful path of sustainable growth in total shareholder return.

Over the past decade, the compounded annual total return of a Fresenius Medical Care share was approximately 11% and has therefore outperformed significantly the German benchmark index DAX (CAGR +5% p.a.).

Kindly find attached an overview of our revenue and earnings reconciliation, our dividend development as well as total shareholder return.

# Revenue and net income reconciliation

Reconciliation of non IFRS financial measures to the most directly comparable IFRS financial measures

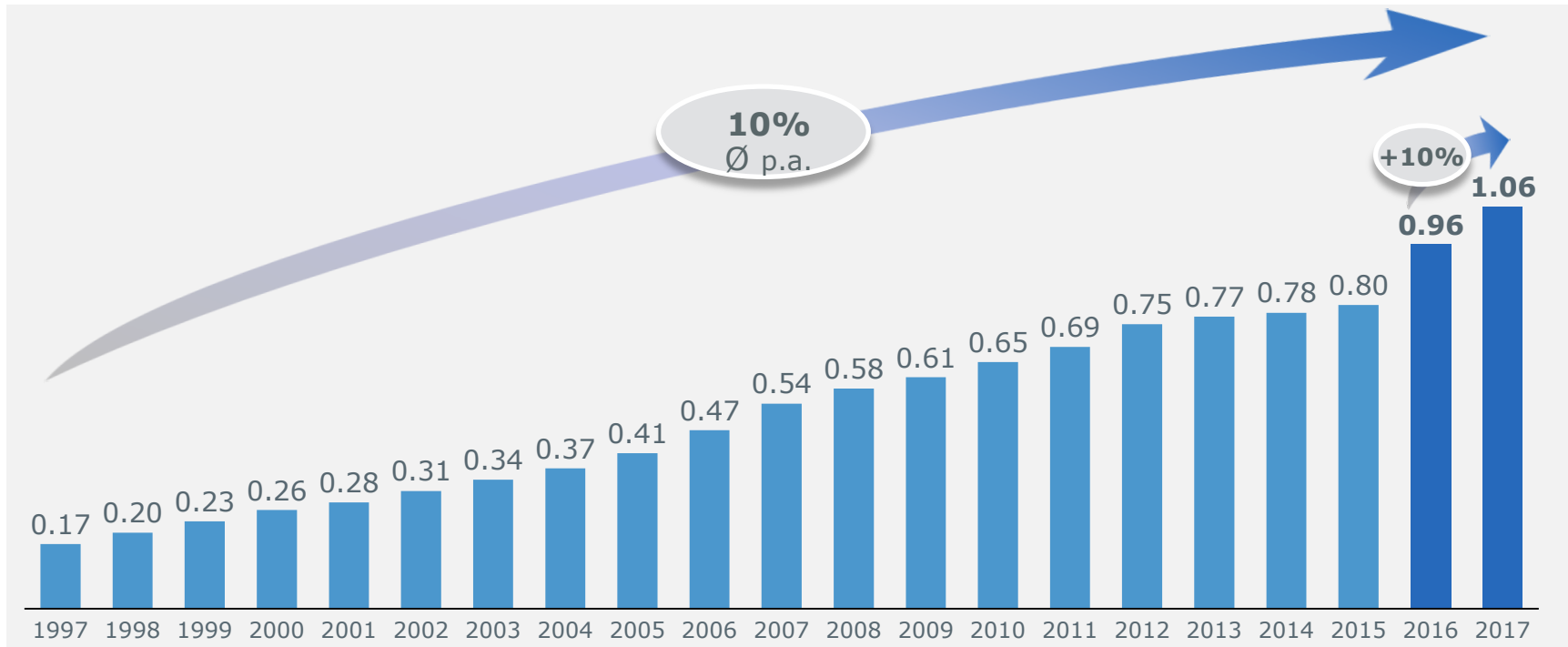
Revenue excluding VA Agreement, operating performance excluding VA Agreement and adjusted for the cost effects, net of anticipated recoveries from Natural Disasters in North America and FCPA charges and for net income also excluding 2017 book gain from the U.S. tax reform.

€ million	2016	2017	Growth in %
<b>Revenue</b>	<b>16,570</b>	<b>17,784</b>	<b>7</b>
VA agreement		(94)	
<b>Adjusted revenue (revenue excluding special items)</b>	<b>16,570</b>	<b>17,690</b>	<b>7</b>
<b>Net income<sup>1</sup></b>	<b>1,144</b>	<b>1,280</b>	<b>12</b>
VA agreement		(51)	
Natural Disaster Costs		11	
FCPA related charge		200	
U.S. tax reform		(236)	
<b>Adjusted net income (net income excluding special items)<sup>1</sup></b>	<b>1,144</b>	<b>1,204</b>	<b>5</b>
Basic EPS [€]	<b>3.74</b>	<b>4.17</b>	<b>12</b>
<b>Basic EPS [€] adjusted</b>	<b>3.74</b>	<b>3.93</b>	<b>5</b>

<sup>1</sup> attributable to shareholders of FMC AG & Co. KGaA

# 21<sup>st</sup> consecutive dividend increase

Dividend per share in EUR



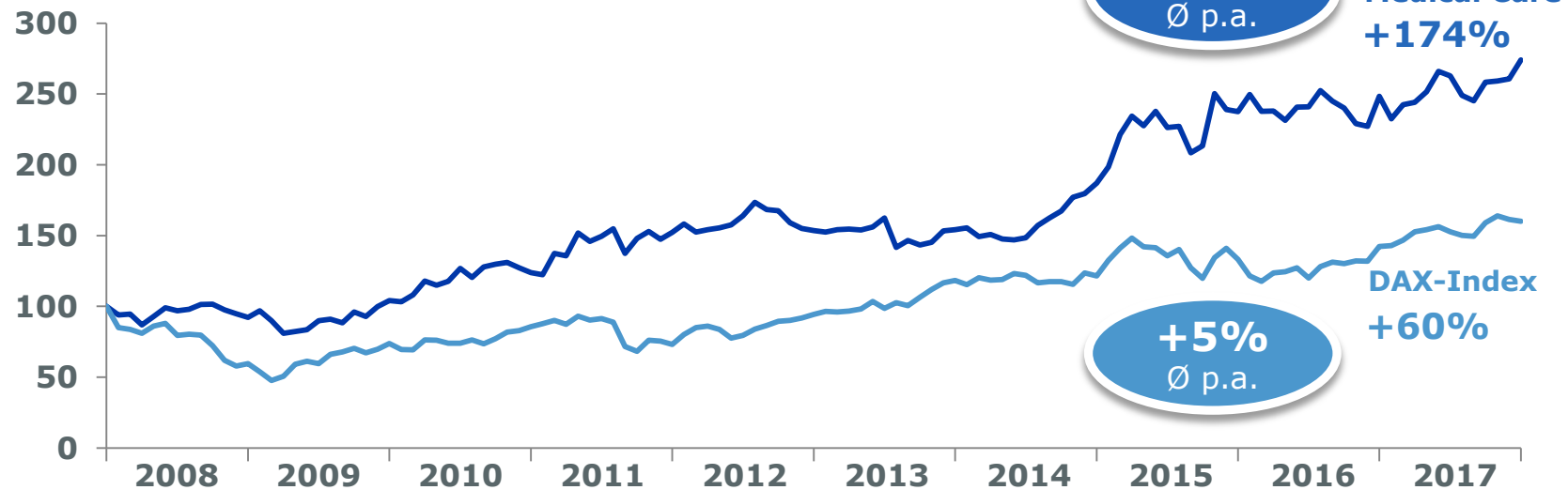
- ▶ Continuously delivering returns to shareholders
- ▶ Dividend proposal aligned with basic EPS growth

2017: proposed dividend for approval at the AGM on May 17, 2018

# 10-year shareholder return

## Share price<sup>1</sup> & index performance 2008-2017

indexed, in %



- ▶ Share price development 2017: +9%
- ▶ Total shareholder return of 11% p.a. since 2008 (CAGR)

1 Dividends reinvested