



**FRESENIUS
MEDICAL CARE**

Annual General Meeting

Fresenius Medical Care AG & Co. KGaA



Speech to the shareholders

by Rice Powell

May 12, 2016

The spoken word shall prevail.

Fellow shareholders,
shareholder representatives,
ladies and gentlemen,

It is my pleasure to welcome you to the Annual General Meeting of Fresenius Medical Care here in Frankfurt. I also offer a warm welcome to the media, our guests and everyone who is watching on the internet.

2015 was a good year for your company. And we expect 2016 to be even better.

Many of you have accompanied us for a long time. You know that 2013 and 2014 were difficult years for us. The reimbursement situation was uncertain, especially in the U.S., causing our profit to fall in those years. I'm especially pleased to stand here today and give you positive news about your company's results.

Agenda

Today, I'll be

1. looking back on 2015;
2. taking a look at our growth strategy;
3. and looking ahead to 2016 and our long-term goals.

We achieved our targets for 2015

We set ourselves the following goals for 2015:

- Revenue growth of five to seven percent.
- Moderate EBIT growth.
- Growth in net income of zero to five percent.

In terms of revenue, EBIT and net income, we have done well. We have achieved our goals.

Here are our key figures for 2015:

- Revenue: 16.74 billion U.S. dollars, up six percent on the previous year. On a constant currency basis, that is an increase of eleven percent – another all-time high in the history of Fresenius Medical Care.
- In particular, the Company's outstanding performance in North America was a key factor in this. We also posted strong organic growth in the area of Care Coordination.
- Outside North America, negative currency effects impacted revenue.
- EBIT: 2.39 billion U.S. dollars, five percent higher than 2014.
- Net income attributable to the shareholders of Fresenius Medical Care: 1.03 billion U.S. dollars.
- In the U.S., we reached an out-of-court settlement in principle in a product liability case. This settlement had a non-recurring negative effect of 37 million U.S. dollars on our net income.
- Adjusted for this non-recurring effect and other special items in 2015, net income was 1.08 billion U.S. dollars, up two percent on the previous year.
- Our Global Efficiency Program has gained considerable momentum. We saved costs of around 200 million U.S. dollars before taxes in 2015 compared with 65 million U.S. dollars in 2014.

Fresenius Medical Care today

How did we achieve these results?

Fresenius Medical Care's dialysis products are available in more than 120 countries worldwide. We have production facilities in 37 locations. Last year alone, Fresenius Medical Care sold 120 million dialyzers, giving us a worldwide market share of nearly 50 percent in this sector.

We provide dialysis services:

- In more than 3,400 of our own dialysis clinics.
- For some 294,000 dialysis patients.
- With just under 45 million dialysis treatments in 2015.
- In more than 45 countries.

This means that we treat one dialysis patient somewhere in the world every 0.7 seconds.

Our company profile

We generated revenue of 11.5 billion U.S. dollars last year with dialysis services. This equates to 69 percent of our total revenue. Our revenue from dialysis products amounted to 3.3 billion U.S. dollars last year, 20 percent of our total revenue.

That means we are still the market leader in both dialysis products and dialysis services.

Ladies and gentlemen,

In addition to dialysis products and dialysis services, we also offer other medical services. These are bundled under the heading of Care Coordination. This time last year, I presented this business area and its content to you. I announced that Care Coordination was continuing to grow and was becoming an increasingly important part of our strategy.

I can confirm today that we generated revenue of 1.9 billion U.S. dollars from Care Coordination last year, an increase of 81 percent. Despite still being in its infancy, this field of activity already accounts for eleven percent of our total revenue.

Why pursue Care Coordination?

There are two reasons for this:

1. We are expanding into new business areas, that support dialysis. Care Coordination therefore allows us to generate additional growth. This is particularly the case in highly developed markets where we already have a substantial share of the dialysis market.
2. Health care systems are changing. We need new treatment approaches that combine high quality with efficiency for better clinical outcomes. Thanks to our expertise in dialysis and Care Coordination, we are able to respond to these changes. Even more than that: We can help to shape them!

Changing health care system

One example I'd like to talk about is the health care system in the U.S.

The state-run public health care authority has been reimbursing medical services like dialysis for many years. Until recently, we received a separate reimbursement rate for each individual service, such as dialysis products, dialysis treatments or laboratory tests. The individual drugs that dialysis patients rely on were also refunded separately. In other words, we have been reimbursed for every single piece of the puzzle.

Since 2011, these individual pieces have gradually been bundled and reimbursed on a lump-sum basis.

The U.S. is going even further in the future: Companies like Fresenius Medical Care are increasingly taking responsibility for the care of their patients as a whole and are being reimbursed for this.

How does this work?

We are currently taking part in various pilot projects. The aim is to reduce the costs for our patients' care in the long term, while maintaining the same high clinical standards. If we manage this, we will receive a share of the costs saved.

The next few years will show which approaches will be applied in the future. However, we have a huge advantage in this respect: We know our patients!

We care for approximately 35 percent of all dialysis patients in the U.S. We see them for several hours three times a week during their dialysis treatment. With our range of medical services in the area of Care Coordination, we also hope to offer better care for patients outside but related to dialysis. We must ensure that we are able to take responsibility for patients, not only during dialysis.

But please bear in mind: This responsibility not only brings a lot of opportunities, but also some risk. However, we understand what is feasible and what is not. We understand when the quality of treatment suffers. We recognize which approaches are viable and which ones are not.

By establishing Care Coordination in the U.S., we have given ourselves a great starting position: We can actively contribute to paving the way for holistic care for our patients.

2020 growth strategy

This brings me to my second point: Our 2020 growth strategy. This is based on four pillars. I've already talked about the first pillar: Opening up new related business areas.

The example from the U.S. shows how important these new business areas in Care Coordination are for our core business.

Let's take a look at the second pillar: We are growing in our core business.

Fresenius Medical Care is and always will be a dialysis company. Kidney failure is a global illness. Around 80 percent of all patients with the disease – some 2.8 million people – are treated with dialysis. We expect this number to double over the next ten years. There are several reasons for this: People are getting older. At the same time, the risk factors contributing to kidney failure, such as obesity, high blood pressure and diabetes, are increasing. We offer this growing number of patients highly effective treatments that are essential for their survival.

In recent years, we have continuously expanded our network of dialysis clinics and aim to continue doing so in the future.

The third pillar: Enhancing innovative products and treatments.

We have helped shape the sector over the last few decades with innovative technologies and treatment concepts for dialysis. The quality and safety of our products are given top priority. In addition, our products are aimed at helping dialysis clinics to optimize their workflows and become more efficient.

We are developing new solutions for dialysis. We have initiated research and development projects in 19 locations in North America, Asia and Europe. Next week, we will be launching a new dialysis machine. This is the result of many years of development work by Fresenius Medical Care. It will make dialysis even safer and more efficient.

This brings us to the fourth pillar: Increasing flexibility and efficiency.

Flexibility is essential to growth. I myself have been with Fresenius Medical Care since 1997. There has never been a year in which we haven't faced a challenge. Flexibility helps us to turn challenges into opportunities. It helps us to operate successfully in the market and grow. We want to continue becoming more flexible.

We want to become even more efficient as well. In 2013, we introduced our Global Efficiency Program. We are looking to fully exploit previously untapped potential in all business areas. The aim is to reduce our costs, further improve our quality and increase our income in the long term.

By the end of 2016, we want to increase these efficiency gains to 300 million U.S. dollars a year. I am therefore all the more happy to be able to tell you that we are well on the way to achieving this target.

These measures are important and necessary. They make us fit for further growth. The financial figures I presented to you earlier clearly show that these measures have already started to bear fruit.

19th consecutive dividend increase

You, dear shareholders, stand to benefit from this strong performance. Today, we are proposing a dividend of 80 euro cents for 2015. This would be the 19th consecutive dividend increase. As a result, it is also the highest dividend the Company has ever paid. On average, our dividend has increased by nine percent since 1997.

The total dividend payout is 244 million euros. This means that you will receive around 26 percent of our net income.

Excellent share price performance

Along with the dividend, as shareholders, you also benefit from the rise in Fresenius Medical Care's share price:

- Your share gained 26 percent in 2015.
- In the same period, the DAX gained only around ten percent.
- This means that Fresenius Medical Care shares were among the ten best stocks on the DAX.
- Looking back over the last ten years, Fresenius Medical Care's share price has more than tripled.
- Most analysts issue a buy recommendation for Fresenius Medical Care shares.

If you invested 10,000 euros in Fresenius Medical Care shares ten years ago and reinvested the dividends you would have had around 30,000 euros in your account on December 31, 2015. This equates to an average annual return of around 12 percent. In the same period, a comparable investment in the DAX would have yielded an average annual increase in value of only seven percent.

The positive performance of your shares also reflects the Company's dynamic performance.

Your company is successful. This success is the result of hard work and is possible because we have an excellent team. During the past years, the reimbursement environment has changed a lot and reduced our scope for action. Thanks to our employees' commitment and hard work, they have contributed decisively to the Company's success in this challenging

environment. On behalf of the entire Management Board, I would like to sincerely thank them all.

Our employees are the key to our success.

Ladies and gentlemen,

I now come to my last point: I would like to look ahead to 2016 and our long-term goals through 2020.

Outlook 2016: off to a new record year

We set challenging goals for ourselves. This motivates us.

The same is true of our goals in 2016. We are aiming for revenue growth of seven to ten percent on a constant currency basis.

We want to increase our net income by 15 to 20 percent. This income forecast is based on an adjusted net income of 1.06 billion U.S. dollars in 2015.

The following three points will play a key role in accelerating our earnings growth:

1. Further savings as part of our Global Efficiency Program.
2. The acquisitions made in the area of Care Coordination in 2014.
3. Continued strong performance in our core business.

The results of the first quarter were in line with our expectations. We can confirm the forecast for 2016 that we published in February this year.

Looking ahead: long-term goals up to 2020

We have every reason to look to the future with great confidence. In the past year, we have positioned ourselves to continue the unique success story of Fresenius Medical Care in the years to come.

This is also reflected in our long-term goals. You will be familiar with them already. I'd like to reiterate them today: In 2020, we aim to generate revenue of 28 billion U.S. dollars. That corresponds to an average annual growth rate of around 10 percent. In the same period, we expect an average increase in net income in the high single-digit percentage range.

We will continue to grow our dialysis services and products business while actively shaping the development of the dialysis market. We are extending our range of related medical services in the area of Care Coordination. We expect the share of revenue generated from Care Coordination to rise from eleven percent at present to around 18 percent in 2020.

Agenda of the Annual General Meeting

I'd just like to say a few words about three specific items on the agenda of today's Annual General Meeting. Dr. Gerd Krick will shortly be speaking about the agenda in more detail.

Item 9 relates to the authority to buy back and to utilize treasury stock. The authority you granted five years ago has expired. We would like to renew it for five years in line with the established practice of large listed companies.

Under item 10, we ask you to approve the proposed adjustment of the Pooling Agreement. To date, in addition to the European accounting standards IFRS, this agreement has given us an additional obligation to maintain our financial accounting and report in line with U.S. accounting standards. The purpose of the change is to allow us to reduce the

additional expenses related to this double accounting and to prepare our accounts and report exclusively in line with IFRS.

Finally, item 11 relates to an adaptation resulting from item 10. Our stock option program for executives and members of the management team resolved in 2011 stipulates performance targets whose attainment is based on consolidated financial statements prepared in line with US-GAAP. This adjustment allows us to calculate the performance target on the basis of the European accounting standards IFRS.

Conclusion: 20 years creating a future worth living

In closing, I would like to draw your attention to a very happy occasion. As many of you will have noticed from the exhibition in the foyer, your company is celebrating its 20th anniversary this fall.

You may think this sounds quite young. But consider: In 20 years, we have:

- Increased our patient numbers by more than five-fold.
- Achieved a ten-fold increase in the number of dialyzers produced each year.
- Grown our revenue almost twelve-fold.
- Increased net income more than eleven-fold.

We are proud of these achievements. They constitute our foundation. One that we are building on. More importantly, they are the springboard for the future of your company. The future of Fresenius Medical Care. We are always looking forward.

But being fit for the future does not happen all by itself. We still have a lot to do. This requires a bold entrepreneurial approach. It requires vision. And most of all, it requires the ability to identify opportunities.

We are taking action. And in doing so, we are constantly evolving.

But one thing remains constant: our patients. Since our company was founded 20 years ago, our patients have been our top priority. And I can assure you that it will stay that way.

Creating a future worth living. For patients. Worldwide. Every day. That is our main goal – for me and for all of our 104,000 employees.

I would like to thank you, dear shareholders, once again for your support over the last 20 years. You have shown that you believe in the future of Fresenius Medical Care. You place your trust in me and in the Company as a whole. That is important to me. We will act and use our opportunities. Passionately and with all that we have. For a successful future of Fresenius Medical Care.

With this in mind, I'd like to show you a short film. After all, a picture is worth a thousand words.

Thank you very much for your attention.

Legal notice: This speech contains statements on the future that are subject to certain risks and uncertainties. The actual results can differ significantly from the results currently expected on account of a variety of risk factors and uncertainties, such as changes in the business, economic and competitive situation, legislative changes, results of clinical studies, exchange rate fluctuations, uncertainties related to legal disputes or investigations and inquiries as well as the availability of financial resources. Fresenius Medical Care assumes no responsibility of any kind for updating the statements on the future that are contained in this speech.