

Press Release

Matthias Link
Corporate Communications

Fresenius Medical Care
Else-Kröner-Straße 1
61352 Bad Homburg
Germany
T +49 6172 609-2872
F +49 6172 609-2294
matthias.link@fresenius.com
www.fmc-ag.com

February 25, 2014

Fresenius Medical Care reports fourth quarter and full year 2013 results

- *Targets achieved for fiscal year 2013*
- *Further expansion of global franchise and new record level of revenue*
- *Increased dividend to be proposed at the Annual General Meeting*

Fourth Quarter 2013 Key Figures:

Net revenue	\$3,867 million	+4%
Operating income (EBIT)	\$661 million	+18%
Net income ¹	\$349 million	+36%
Basic earnings per ordinary share	\$1.16	+38%

Full Year 2013 Key Figures:

Net revenue	\$14,610 million	+6%
Operating income (EBIT)	\$2,256 million	+2%
Net income ¹	\$1,110 million	-6%
Basic earnings per ordinary share	\$3.65	-6%

¹attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

Dividend proposal:

Ordinary share	€0.77	+3%
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Rice Powell, chief executive officer of Fresenius Medical Care, commented: "With a very strong fourth quarter, we completed a sound fiscal year 2013 and achieved the targets we set for ourselves. Despite the impact of the reimbursement cuts in the U.S. that were introduced last year we achieved another record in net revenue, supported by a continued excellent cash flow performance. Looking ahead we are faced with a challenging environment, in particular with structural changes due to growing pressure on reimbursement systems. In order to successfully meet these changes we are concentrating on measures aimed at enhancing our profitability in 2014 and beyond."

Fourth Quarter 2013

Revenue

Net revenue for the fourth quarter of 2013 increased by 4% to \$3,867 million (+5% at constant currency) compared to the fourth quarter of 2012. Organic revenue growth worldwide was 3%. Dialysis services revenue grew by 3% to \$2,895 million (+4% at constant currency) and dialysis product revenue increased by 8% to \$972 million (+8% at constant currency).

North America revenue for the fourth quarter of 2013 increased by 3% to \$2,507 million. Organic revenue growth was 1.5%. Dialysis services revenue grew by 3% to \$2,288 million with a same store treatment growth of 3.4%. Dialysis product revenue increased by 6% to \$219 million.

International revenue increased by 6% to \$1,351 million (+8% at constant currency). Organic revenue growth was 7%. Dialysis services revenue increased by 4% to \$607 million (+8% at constant currency). Dialysis product revenue increased by 8% to \$744 million (+8% at constant currency).

Earnings

Operating income (EBIT) for the fourth quarter of 2013 increased by 18% to \$661 million compared to \$559 million in the fourth quarter of 2012. Operating income for North America for the fourth quarter of 2013 increased by 7% to \$446 million compared to \$416 million in the fourth quarter of 2012. In the International segment, operating

income for the fourth quarter of 2013 increased by 23% to \$261 million compared to \$212 million in the fourth quarter of 2012.

Net interest expense for the fourth quarter of 2013 was \$98 million, compared to \$115 million in the fourth quarter of 2012.

Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA for the fourth quarter of 2013 was \$349 million, an increase of 36% compared to the corresponding number of \$257 million for the fourth quarter of 2012.

Income tax expense was \$171 million for the fourth quarter of 2013 which translates into an effective **tax rate** of 30.4%. This compares to income tax expense of \$142 million and a tax rate of 32.1% for the fourth quarter of 2012.

Basic earnings per ordinary share (EPS) for the fourth quarter of 2013 was \$1.16, an increase of 38% compared to the corresponding number for the fourth quarter of 2012. The weighted average number of shares outstanding for the fourth quarter of 2013 was approximately 301.0 million shares, compared to 306.4 million shares for the fourth quarter of 2012. The decrease in shares outstanding resulted from the share buy-back program, which was completed in August 2013, partially offset by stock option exercises in the past twelve months.

Cash flow

In the fourth quarter of 2013, the company generated \$589 million in **net cash provided by operating activities**, an increase of 3% compared to the corresponding figure of last year and representing 15.2% of revenue.

A total of \$234 million was spent for **capital expenditures**, net of disposals. **Free cash flow** was \$355 million (representing 9.2% of revenue) compared to \$345 million in the fourth quarter of 2012.

A total of \$198 million in cash was spent for **acquisitions, net of divestitures**. **Free cash flow after investing activities** was \$157 million, compared to \$286 million in the fourth quarter of 2012.

Full year 2013

Revenue and Earnings

Net revenue for the full year 2013 increased by 6% to \$14,610 million (+6% at constant currencies) compared to the full year 2012.

Operating income (EBIT) for the full year 2013 increased by 2% to \$2,256 million compared to \$2,219 million in the full year 2012.

Net interest expense for the full year 2013 was \$409 million compared to \$426 million for the full year 2012.

For the full year 2013, **net income** attributable to shareholders of Fresenius Medical Care AG & Co. KGaA was \$1,110 million, down by 6% from the corresponding number of \$1,187 million for the full year 2012.

Income tax expense for the full year 2013 was \$592 million which translates into an effective **tax rate** of 32.0%. This compares to income tax expense of \$605 million and a tax rate of 31.3% for the full year 2012.

In the full year of 2013, **basic earnings per ordinary share (EPS)** decreased by 6% to \$3.65 compared to \$3.89 for the full year 2012. The weighted average number of shares outstanding during the full year 2013 was approximately 303.8 million.

Cash flow

Net cash provided by operating activities during the full year 2013 was \$2,035 million (representing 13.9% of revenue) compared to \$2,039 million for the same period in 2012.

A total of \$728 million in cash was spent for **capital expenditures**, net of disposals. **Free cash flow** for the full year 2013 was \$1,307 million compared to \$1,373 million in the same period in 2012.

A total of \$478 million in cash was spent for **acquisitions**, net of divestitures. **Free cash flow after investing activities** was \$829 million compared to a negative \$242 million in the full year 2012.

Employees

As of December 31, 2013, Fresenius Medical Care had 90,690 employees (full-time equivalents) worldwide, compared to 86,153 employees at the end of 2012. This increase of approximately 4,500 employees is due to overall growth in the company's business and acquisitions.

Balance sheet structure

The company's total assets were \$23,120 million (Dec. 31, 2012: \$22,326 million), an increase of 4%. Current assets increased by 3% to \$6,287 million (Dec. 31, 2012: \$6,127 million). Non-current assets were \$16,833 million (Dec. 31, 2012: \$16,199 million), an increase of 4%. Total equity increased by 3% to \$9,485 million (Dec. 31, 2012: \$9,207 million). The equity ratio was 41%, unchanged compared to the ratio at the end of 2012. Total debt was \$8,417 million (Dec. 31, 2012: \$8,298 million). As of December 31, 2013, the debt/EBITDA ratio was 2.8 (Dec. 31, 2012: 2.8).

Please refer to the attachments for a complete overview of the results for the fourth quarter and full year 2013.

Dividend

At the Annual General Meeting to be held on May 15, 2014, shareholders will be asked to approve a dividend of €0.77 per ordinary share, an increase of 3% from 2012 (€0.75). For the 17th consecutive year, shareholders can expect to receive an increased annual dividend.

Outlook

The company expects **revenue** to be at around \$15.2 billion in 2014, translating into a growth rate of around 4%.

Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA is expected to be between \$1.0 billion and \$1.05 billion in 2014. The company initiated a global efficiency program designed to enhance the company's performance over a multi-year period. Potential cost savings before income taxes of up to \$60 million generated from this program are not included in the outlook for 2014.

For 2014, the company expects to spend around \$900 million on **capital expenditures** and around \$400 million on **acquisitions**. The **debt/EBITDA ratio** is expected to be equal to or below 3.0 by the end of 2014.

Press Conference

Fresenius Medical Care will hold a press conference at its headquarters in Bad Homburg, Germany to discuss the results of the fourth quarter and full year 2013 on Tuesday, February 25, 2014, at 10 am CET. The company cordially invites journalists to view the live video webcast at the company's website www.fmc-ag.com in the section "News and Press / Video service". A replay will be available shortly after the meeting.

Fresenius Medical Care is the world's largest integrated provider of products and services for individuals undergoing dialysis because of chronic kidney failure, a condition that affects more than 2.5 million individuals worldwide. Through its network of 3,250 dialysis clinics in North America, Europe, Latin America, Asia-Pacific and Africa, Fresenius Medical Care provides dialysis treatments for 270,122 patients around the globe. Fresenius Medical Care is also the world's leading provider of dialysis products such as hemodialysis machines, dialyzers and related disposable products.

For more information about Fresenius Medical Care, visit the company's website at www.fmc-ag.com.

Disclaimer

This release contains forward-looking statements that are subject to various risks and uncertainties. Actual results could differ materially from those described in these forward-looking statements due to certain factors, including changes in business, economic and competitive conditions, regulatory reforms, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, and the availability of financing. These and other risks and uncertainties are detailed in Fresenius Medical Care AG & Co. KGaA's reports filed with the U.S. Securities and Exchange Commission. Fresenius Medical Care AG & Co. KGaA does not undertake any responsibility to update the forward-looking statements in this release.

Fresenius Medical Care - Statement of earnings

in US\$ million, except share data, audited

	Twelve months ended December 31,		Change
	2013	2012	
Revenue			
Net dialysis care	11,130	10,492	6.1%
Dialysis products	3,480	3,308	5.2%
Total net revenue	14,610	13,800	5.9%
Costs of revenue	9,872	9,199	7.3%
Gross profit	4,738	4,601	3.0%
Selling, general and administrative	2,391	2,223	7.5%
Gain on sale of dialysis clinics	(9)	(36)	-74.0%
Research and development	126	112	12.7%
Income from equity method investees	(26)	(17)	49.7%
Other operating expenses	—	100	
Operating income (EBIT)	2,256	2,219	1.7%
Investment gain	—	(140)	
Interest expense, net	409	426	-4.1%
Income before taxes	1,847	1,933	-4.4%
Income tax expense	592	605	-2.2%
Net income	1,255	1,328	-5.4%
Less: Net income attributable to noncontrolling interests	145	141	4.0%
Net income attributable to shareholders of FMC AG & Co. KGaA	1,110	1,187	-6.5%
Operating income (EBIT)	2,256	2,219	1.7%
Depreciation and amortization	648	602	7.5%
EBITDA	2,904	2,821	2.9%
EBITDA margin	19.9%	20.4%	
Weighted average number of shares			
Ordinary shares	301,877,303	301,139,652	
Preference shares	1,937,819	3,969,307	
Basic earnings per ordinary share	\$3.65	\$3.89	-6.1%
Basic earnings per ordinary ADS	\$1.83	\$1.94	-6.1%
In percent of revenue			
Cost of revenue	67.6%	66.7%	
Gross profit	32.4%	33.3%	
Operating income (EBIT)	15.4%	16.1%	
Net income attributable to shareholders of FMC AG & Co. KGaA	7.6%	8.6%	
Employees			
Fulltime equivalents	90,690	86,153	

Fresenius Medical Care - Statement of earnings

in US\$ million, except share data, audited

	Three months ended December 31,		Change
	2013	2012	
Revenue			
Net dialysis care	2,895	2,804	3.3%
Dialysis products	972	902	7.8%
Total net revenue	3,867	3,706	4.4%
Costs of revenue	2,566	2,413	6.3%
Gross profit	1,301	1,293	0.7%
Selling, general and administrative	621	611	1.7%
Gain on sale of dialysis clinics	(0)	(2)	-98.7%
Research and development	31	28	10.6%
Income from equity method investees	(12)	(3)	318.3%
Other operating expenses	—	100	
Operating income (EBIT)	661	559	18.3%
Investment gain	—	—	
Interest expense, net	98	115	-14.7%
Income before taxes	563	444	26.8%
Income tax expense	171	142	19.9%
Net income	392	302	30.1%
Less: Net income attributable to noncontrolling interests	43	45	-2.2%
Net income attributable to shareholders of FMC AG & Co. KGaA	349	257	35.8%
Operating income (EBIT)	661	559	18.3%
Depreciation and amortization	169	157	7.9%
EBITDA	830	716	16.0%
EBITDA margin	21.5%	19.3%	
Weighted average number of shares			
Ordinary shares	301,041,739	302,388,558	
Preference shares	—	3,972,955	
Basic earnings per ordinary share	\$1.16	\$0.84	38.1%
Basic earnings per ordinary ADS	\$0.58	\$0.42	38.1%
In percent of revenue			
Cost of revenue	66.3%	65.1%	
Gross profit	33.7%	34.9%	
Operating income (EBIT)	17.1%	15.1%	
Net income attributable to shareholders of FMC AG & Co. KGaA	9.0%	6.9%	

Fresenius Medical Care - Key earnings figures

Reconciliation of non U.S. GAAP financial measures to the most directly comparable U.S. GAAP financial measures
in US\$ million, audited

	Three months ended December 31,			Twelve months ended December 31,		
	2013	2012	Change	2013	2012	Change
Operating income (EBIT), as reported	661	559	18.3%	2,256	2,219	1.7%
Special items related to Liberty acquisition ¹⁾	–	2		(8)	(12)	
Sequestration impact	18	–		56	–	
Operating income (EBIT), adjusted	679	561	21.0%	2,304	2,207	4.4%
Net income attributable to shareholders of FMC AG & Co. KGaA, as reported	349	257	35.8%	1,110	1,187	-6.5%
Special items related to Liberty acquisition ²⁾	0	1		(3)	(146)	
Sequestration impact	9	–		31	–	
Net income attributable to shareholders of FMC AG & Co. KGaA, adjusted	358	258	38.7%	1,138	1,041	9.3%

¹⁾ Legal, consulting and other expenses and gain on sale of clinics.

²⁾ Net of tax effects of legal, consulting and other expenses, gain on sale of clinics, gain on retirement of loan receivable and investment gain.