

Press Release

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February 25, 2015

Fresenius Medical Care reports fourth quarter and full year 2014 results

- *Further expansion of our operations and new record level of revenue*
- *Increased dividend to be proposed at the Annual General Meeting*
- *Accelerated earnings growth expected*

Fourth quarter 2014 key figures:

Net revenue	\$4,320 million	+12%
Operating income (EBIT)	\$663 million	0%
Net income ¹	\$335 million	-4%
Basic earnings per share	\$1.11	-5%

Full year 2014 key figures:

Net revenue	\$15,832 million	+8%
Operating income (EBIT)	\$2,255 million	0%
Net income ¹	\$1,045 million	-6%
Basic earnings per share	\$3.46	-5%

Dividend proposal:

Ordinary share	€0.78	+1%
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¹ attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

Rice Powell, chief executive officer of Fresenius Medical Care, stated: "During fiscal year 2014, we continuously improved our results and delivered on revenue and net income guidance. We have strengthened our core business and also expanded our portfolio with acquisitions in the field of care coordination. After revenue of approximately 500 million US\$ in 2013 we now expect our Care Coordination business to generate around 1.7 billion of revenue in 2015. We expect accelerated earnings growth for 2015 and beyond supported mainly by a strong organic business, our acquisitions and the global efficiency program".

Fourth Quarter 2014

Revenue

Net revenue for the fourth quarter of 2014 increased by 12% to \$4,320 million (+15% at constant currency) as compared to the fourth quarter of 2013. Organic revenue growth worldwide was 7%. Health Care revenue grew by 15% to \$3,322 million (+18% at constant currency) and dialysis product revenue increased by 3% to \$998 million (+8% at constant currency) as compared to the fourth quarter of 2013.

North America revenue for the fourth quarter of 2014 increased by 15% to \$2,876 million. Organic revenue growth was 6%. Health Care revenue grew by 15% to \$2,640 million with a same market treatment growth of 4%. Net Dialysis Care revenue increased by 5% to \$2,245 million. Care Coordination revenue increased by 151% to \$395 million. Dialysis product revenue increased by 8% to 236 million compared to the fourth quarter of 2013.

International revenue increased by 5% to \$1,422 million (+15% at constant currency). Organic revenue growth was 7%. Health Care revenue increased by 12% to \$682 million (+26% at constant currency). Dialysis product revenue decreased by 1% to \$740 million (+6% at constant currency).

Earnings

Operating income (EBIT) increased from \$661 million in the fourth quarter of 2013 to \$663 million in the fourth quarter of 2014. Operating income for North America for the fourth quarter of 2014 was \$493 million, an increase of 9% as compared to the fourth

quarter of 2013. In the International segment, operating income for the fourth quarter of 2014 increased by 2% to \$278 million as compared to \$274 million in the fourth quarter of 2013.

Net interest expense for the fourth quarter of 2014 was \$117 million, compared to \$98 million in the fourth quarter of 2013.

Income tax expense was \$143 million for the fourth quarter of 2014, which translates into an effective tax rate of 26.2%. This compares to income tax expense of \$171 million and a tax rate of 30.4% for the fourth quarter of 2013. The tax rate was affected favorably by the resolution of challenged deductions for civil settlement payments taken in prior years.

Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA for the fourth quarter of 2014 was \$335 million, a decrease of 4% compared to \$349 million for the fourth quarter of 2013.

Basic earnings per share (EPS) for the fourth quarter of 2014 was \$1.11, a decrease of 5% compared to the corresponding number for the fourth quarter of 2013. The weighted average number of shares outstanding for the fourth quarter of 2014 was approximately 303.3 million shares, compared to approximately 301.0 million shares for the fourth quarter of 2013. The increase in shares outstanding resulted from stock option exercises during 2014.

Cash flow

In the fourth quarter of 2014, the company generated \$588 million in **net cash provided by operating activities**, representing 14% of revenue, almost unchanged compared to the corresponding figure of last year (\$ 589 million).

A total of \$282 million was spent for **capital expenditures**, net of disposals. **Free cash flow** was \$306 million compared to \$355 million in the fourth quarter of 2013.

A total of \$725 million in cash was spent for **acquisitions and investments, net of divestitures**. **Free cash flow after investing activities** was a negative \$419 million as compared to \$157 million in the fourth quarter of 2013.

Full year 2014

Revenue and Earnings

Net revenue for the full year 2014 increased by 8% to \$15,832 million (+10% at constant currency) as compared to the full year 2013. Organic revenue growth worldwide was 5%.

Operating income (EBIT) for the full year 2014 was \$2,255 million as compared to \$2,256 million in the full year 2013.

Net interest expense for the full year 2014 was \$411 million as compared to \$409 million in the full year 2013.

Income tax expense for the full year 2014 was \$584 million, which translates into an effective tax rate of 31.7%. This compares to income tax expense of \$592 million and a tax rate of 32.0% for the full year 2013. In 2014, the tax rate was influenced by different tax effects partially offsetting each other. In the second quarter the tax rate increased by a reversal of an original tax benefit following a financial court ruling issued against another company, while in the fourth quarter the tax rate was favourably influenced by the resolution of challenged deductions for civil settlement payments taken in prior years.

For the full year 2014, **net income** attributable to shareholders of Fresenius Medical Care AG & Co. KGaA was \$1,045 million, down by 6% from the corresponding number of \$1,110 million for the full year 2013.

In the full year 2014, **basic earnings per share (EPS)** was \$3.46, a decrease of 5% compared to the corresponding number for the full year 2013. The weighted average number of shares outstanding during the full year 2014 was approximately 302.3 million shares.

Cash flow

In the full year 2014, the company generated \$1,861 million in **net cash provided by operating activities**, representing 12% of revenue, as compared to \$2,035 million for the same period in 2013.

A total of \$920 million was spent for **capital expenditures**, net of disposals. **Free cash flow** for the full year 2014 was \$941 million as compared to \$1,307 million in the full year 2013.

A total of \$1,770 million in cash was spent for **acquisitions and investments, net of divestitures**. **Free cash flow after investing activities** was a negative \$829 million as compared to a positive \$829 million in the full year 2013.

Employees

As of December 31, 2014, Fresenius Medical Care had 99,895 **employees** (full-time equivalents) worldwide, compared to 90,690 employees at the end of December 2013. This increase of more than 9,200 employees was mainly attributable to acquisitions as well as to our continued organic growth.

Balance sheet structure

The company's total assets were \$25,447 million (Dec. 31, 2013: \$23,120 million), an increase of 10%. Current assets increased by 7% to \$6,725 million (Dec. 31, 2013: \$6,287 million). Non-current assets were \$18,722 million (Dec. 31, 2013: \$16,833 million), an increase of 11%. Total equity increased by 6% to \$10,028 million (Dec. 31, 2013: \$9,485 million). The equity ratio was 39% as compared to 41% at the end of 2013. Total debt was \$9,532 million (Dec. 31, 2013: \$8,417 million). As of December 31, 2014, the debt/EBITDA ratio was 3.1 (Dec. 31, 2013: 2.8).

Please refer to the attachments for a complete overview of the results for the fourth quarter and full year 2014.

Dividend

At the Annual General Meeting to be held on May 19, 2015, shareholders will be asked to approve a dividend of €0.78 per share, an increase of 1% from 2013 (€0.77). For the 18th consecutive year, shareholders can expect to receive an increased annual dividend.

Outlook

The information provided is based on exchange rates prevailing at the beginning of 2015. Savings from the global efficiency program are included, while potential acquisitions are not. In addition the outlook reflects further operating cost investments within the Care Coordination segment for future growth in line with our 2020 strategy.

For 2015 the company expects **revenue** to grow at 5-7% which at constant currency is a growth rate of 10-12%.

Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA is expected to increase 0–5% in 2015.

The company expects to spend around \$1.0 billion on **capital expenditures** and around \$400 million on acquisitions in 2015. The **debt/EBITDA ratio** is expected to be around 3.0 by the end of 2015.

For the year 2016 we expect an acceleration of growth with a revenue increase of 9–12% and net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA growing by 15–20%.

As disclosed in the company's long-term target for 2020 the company expects revenue to grow at an annual average growth rate of approx. 10% and net income attributable to shareholders in the high single digits.

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 2014 on Wednesday, February 25, 2015, at 10 am CET. The company cordially invites journalists to view the live video webcast at the company's website www.freseniusmedicalcare.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 2.7 million individuals worldwide. Through its network of 3,361 dialysis clinics in North America, Europe, Latin America, Asia-Pacific and Africa, Fresenius Medical Care provides dialysis treatments for 286,312 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 visit the Company's website at www.freseniusmedicalcare.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
	2014	2013	
Revenue			
Net health care	12,250	11,130	10.1%
Dialysis products	3,582	3,480	2.9%
Total net revenue	15,832	14,610	8.4%
Costs of revenue	10,836	9,872	9.8%
Gross profit	4,996	4,738	5.4%
Selling, general and administrative	2,645	2,391	10.6%
(Gain) loss on sale of dialysis clinics	(1)	(9)	-93.4%
Research and development	122	126	-2.9%
Income from equity method investees	(25)	(26)	-4.9%
Operating income (EBIT)	2,255	2,256	-0.1%
Interest expense, net	411	409	0.6%
Income before taxes	1,844	1,847	-0.2%
Income tax expense	584	592	-1.4%
Net income	1,260	1,255	0.3%
Less: Net income attributable to noncontrolling interests	215	145	47.2%
Net income attributable to shareholders of FMC AG & Co. KGaA	1,045	1,110	-5.8%
Operating income (EBIT)	2,255	2,256	-0.1%
Depreciation and amortization	699	648	7.9%
EBITDA	2,954	2,904	1.7%
EBITDA margin	18.7%	19.9%	
Weighted average number of shares			
Ordinary shares	302,339,124	301,877,303	
Preference shares		1,937,819	
Basic earnings per share	\$3.46	\$3.65	-5.4%
Basic earnings per ADS	\$1.73	\$1.83	-5.4%
In percent of revenue			
Cost of revenue	68.4%	67.6%	
Gross profit	31.6%	32.4%	
Operating income (EBIT)	14.2%	15.4%	
Net income attributable to shareholders of FMC AG & Co. KGaA	6.6%	7.6%	
Employees			
Fulltime equivalents	99,895	90,690	

Fresenius Medical Care - Statement of earnings

in US\$ million, except share data, audited

	Three months ended December 31,		Change
	2014	2013	
Revenue			
Net health care	3,322	2,895	14.7%
Dialysis products	998	972	2.7%
Total net revenue	4,320	3,867	11.7%
Costs of revenue	2,906	2,566	13.3%
Gross profit	1,414	1,301	8.7%
Selling, general and administrative	724	621	16.7%
(Gain) loss on sale of dialysis clinics	(1)	(0)	4593.6%
Research and development	31	31	-0.5%
Income from equity method investees	(3)	(12)	-75.0%
Operating income (EBIT)	663	661	0.3%
Interest expense, net	117	98	19.6%
Income before taxes	546	563	-3.1%
Income tax expense	143	171	-16.3%
Net income	403	392	2.7%
Less: Net income attributable to noncontrolling interests	68	43	56.0%
Net income attributable to shareholders of FMC AG & Co. KGaA	335	349	-3.9%
Operating income (EBIT)	663	661	0.3%
Depreciation and amortization	186	169	10.1%
EBITDA	849	830	2.3%
EBITDA margin	19.7%	21.5%	
Weighted average number of shares	303,347,550	301,041,739	
Basic earnings per share	\$1.11	\$1.16	-4.6%
Basic earnings per ADS	\$0.55	\$0.58	-4.6%
In percent of revenue			
Cost of revenue	67.3%	66.3%	
Gross profit	32.7%	33.7%	
Operating income (EBIT)	15.4%	17.1%	
Net income attributable to shareholders of FMC AG & Co. KGaA	7.8%	9.0%	