

## 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

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### **Fresenius Medical Care Reports First Quarter 2013 Results And Confirms Guidance For Full Year 2013**

#### **First Quarter 2013 Key Figures:**

Net Revenue	\$3,464 million	+7%
Operating income (EBIT)	\$493 million	-2%
Net income <sup>1</sup>	\$225 million	-39% <sup>2</sup>
Earnings per ordinary share	\$0.74	-40% <sup>2</sup>

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<sup>1</sup>Attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

<sup>2</sup>The corresponding number for the first quarter of 2012 includes an investment gain of \$127 million

**Bad Homburg, Germany** – Fresenius Medical Care AG & Co. KGaA (the “company” or “Fresenius Medical Care”; Frankfurt Stock Exchange: FME / New York Stock Exchange: FMS), the world’s largest provider of dialysis products and services, today announced its results for the first quarter of 2013.

## Revenue

**Net revenue** for the first quarter of 2013 increased by 7% to \$3,464 million (+7% at constant currency) compared to the first quarter of 2012. Organic revenue growth worldwide was 4%. Dialysis services revenue grew by 8% to \$2,678 million (+9% at constant currency) and dialysis product revenue increased by 2% to \$786 million (+2% at constant currency).

**North America** revenue for the first quarter of 2013 increased by 9% to \$2,287 million. Dialysis services revenue grew by 10% to \$2,104 million with a same store treatment growth of 4%. Average revenue per treatment for U.S. services increased to \$359 in the first quarter of 2013 compared to \$353 for the corresponding quarter in 2012. Dialysis product revenue decreased by 2% to \$183 million.

**International** revenue increased by 3% to \$1,169 million (+4% at constant currency). Organic revenue growth was 5%. Dialysis services revenue increased by 3% to \$574 million (+5% at constant currency). Dialysis product revenue increased by 3% to \$595 million (+3% at constant currency).

## Earnings

**Operating income (EBIT)** for the first quarter of 2013 decreased by 2% to \$493 million compared to \$503 million in the first quarter of 2012. This resulted in an operating margin of 14.2% for the first quarter of 2013 as compared to 15.5% for the corresponding quarter in 2012.

The operating margin for North America decreased from 16.5% to 16.1%. This development was impacted by higher personnel expenses and two less dialysis days in the first quarter of 2013 as compared to the first quarter of 2012. Average costs per treatment for U.S. services increased to \$294 in the first quarter of 2013 as compared to \$286 in the first quarter of 2012.

In the International segment, the operating margin decreased from 17.2% to 15.7%. The margin development was negatively influenced by the devaluation of the Venezuelan Bolivar.

**Net interest expense** for the first quarter of 2013 was \$104 million, compared to \$99 million in the first quarter of 2012. This development was positively influenced by lower interest rates but offset by lower interest income as a result of the retirement of a loan associated with the acquisition of Liberty Dialysis Holdings, Inc.

**Net income** attributable to shareholders of Fresenius Medical Care AG & Co. KGaA for the first quarter of 2013 was \$225 million, a decrease of 39% compared to the corresponding number for the first quarter of 2012. Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA decreased by 8% in the first quarter of 2013 if compared to the adjusted net income number of \$244 million for the first quarter of 2012 excluding an investment gain of \$127 million.

**Income tax expense** was \$129 million for the first quarter of 2013 and translating into an effective **tax rate** of 33.2%. This compares to income tax expense of \$137 million and a tax rate of 25.8% and, excluding the investment gain, an adjusted effective tax rate of 33.9% for the first quarter of 2012.

**Earnings per ordinary share (EPS)** for the first quarter of 2013 was \$0.74, a decrease of 40% compared to the corresponding number for the first quarter of 2012. EPS decreased by 8% in the first quarter of 2013 if compared to an adjusted EPS number of \$0.80, excluding the investment gain, for the first quarter of 2012. The weighted average number of shares outstanding for the first quarter of 2013 was approximately 306.7 million shares, compared to 304.2 million shares for the first quarter of 2012. The increase in shares outstanding resulted from stock option exercises in the past twelve months.

## **Cash flow**

In the first quarter of 2013, the company generated \$315 million in **cash from operations**, a decrease of 34% compared to the corresponding figure of last year and representing 9.1% of revenue.

A total of \$146 million was spent for **capital expenditures**, net of disposals. **Free cash flow before acquisitions** was \$169 million (representing 4.9% of revenue) compared to \$359 million in the first quarter of 2012. A total of \$71 million in cash was spent for **acquisitions and investments**, net of divestitures. **Free cash flow after acquisitions and divestitures** was \$98 million, compared to minus \$1,167 million in the first quarter of 2012.

*Please refer to the attachments for a complete overview on the first quarter of 2013.*

## **Patients – Clinics – Treatments**

As of March 31, 2013, Fresenius Medical Care treated 261,648 **patients** worldwide, which represents an increase of 3% compared to the previous year's figure. North America provided dialysis treatments for 167,233 patients, an increase of 3% compared to the corresponding number for 2012. The International segment provided dialysis treatments for 94,415 patients, an increase of 3% over the prior year's figure.

As of March 31, 2013, the company operated a total of 3,180 **clinics** worldwide, an increase of 2% compared to the corresponding number for 2012. The number of clinics is comprised of 2,090 clinics in North America (+2%) and 1,090 clinics in the International segment (+2%).

During the first quarter of 2013, Fresenius Medical Care delivered approximately 9.7 million dialysis **treatments** worldwide. This represents an increase of 5% compared to the previous year's figure. North America accounted for 6.1 million treatments, an increase of 7%. The International segment delivered 3.5 million treatments, an increase of 2%.

## **Employees**

As of March 31, 2013, Fresenius Medical Care had 86,855 employees (full-time equivalents) worldwide, compared to 86,153 employees at the end of 2012.

## Debt/EBITDA ratio

The ratio of debt to earnings before interest, taxes, depreciation and amortization (EBITDA) decreased from 2.96 at the end of the first quarter of 2012 to 2.78 at the end of the first quarter of 2013. The debt/EBITDA ratio at the end of 2012 was 2.83.

## Rating

Standard & Poor's rates the company's corporate credit as 'BB+', with a 'positive' outlook. Moody's rates the company's corporate credit as 'Ba1' with a 'stable' outlook. Fitch rates the company's corporate credit as 'BB+' with a 'stable' outlook.

## Share buy-back program and simplification of capital structure

The management board and the supervisory board have approved a share buy-back program with an aggregate value of up to €385 million. The program will be financed from cash flow and existing credit facilities.

The boards also approved a proposal to optimize the organization's capital structure by the mandatory conversion of all preference shares into ordinary shares on a 1:1 basis. The preference shares currently represent approximately 1.3% of the company's total share capital. At its upcoming annual general meeting and in a separate meeting of preference shareholders the company will ask its shareholders to approve this conversion.

## Guidance for 2013 confirmed

For the full year 2013, the company confirms its revenue and earnings outlook.

The company expects **revenue** to grow to more than \$14.6 billion in 2013, translating into a growth rate of more than 6%.

**Net income** attributable to shareholders of Fresenius Medical Care AG & Co. KGaA is expected to be between \$1.1 billion and \$1.2 billion in 2013. This represents an increase of between 5% and 15% if compared to the net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA for 2012 excluding an investment gain in the

amount of \$140 million. As we previously disclosed, the range of our net income guidance considers the U.S. government reversing the effect of sequestration for the calendar year. If this takes place it represents approximately \$45 million in net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA. It is possible that the U.S. government may modify all or a portion of this but the likelihood of this diminishes as the year progresses.

For 2013, the company expects to spend around \$700 million on **capital expenditures** and around \$300 million on **acquisitions**. The **debt/EBITDA ratio** is expected to be equal or below 3.0 by the end of 2013.

Rice Powell, chief executive officer of Fresenius Medical Care, commented: "In a challenging, uncertain environment we delivered solid first quarter results led by the continuous growth in our dialysis services business in North America. Also of note is that we are confident meeting our guidance range for the full year, although we are not completely satisfied with our growth internationally in the first quarter of 2013. Along with the outstanding efforts of our talented people, we will continue to further strengthen our business to deliver sustainable growth and meaningful innovations for reliable high quality products to dialysis patients around the world."

## Conference Call

Fresenius Medical Care will hold a conference call to discuss the results of the first quarter of 2013 on Tuesday, April 30, 2013, at 3:30 p.m. CEDT / 9:30 a.m. EDT. The company invites investors to follow the live webcast of the call at the company's website [www.fmc-ag.com](http://www.fmc-ag.com) in the "Investor Relations" section. A replay will be available shortly after the call.

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 2.3 million individuals worldwide. Through its network of 3,180 dialysis clinics in North America, Europe, Latin America, Asia-Pacific and Africa, Fresenius Medical Care provides dialysis treatment to 261,648 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](http://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-\$ thousands, except per share data  
(unaudited)

	Three months ended March 31,		Change
	2013	2012	
<b>Revenue</b>			
Dialysis care	2,741,935	2,544,059	7.8%
Less: patient service bad debt provision	63,749	66,859	-4.7%
Net dialysis care	2,678,186	2,477,200	8.1%
Dialysis products	785,735	771,555	1.8%
<b>Total net revenue</b>	<b>3,463,921</b>	<b>3,248,755</b>	<b>6.6%</b>
Cost of revenue	2,354,403	2,179,246	8.0%
Gross profit	1,109,518	1,069,509	3.7%
Selling, general and administrative	591,714	552,832	7.0%
Gain on sale of dialysis clinics	(1,073)	(9,314)	-88.5%
Research and development	30,372	28,522	6.5%
Income from equity method investees	(4,808)	(5,497)	-12.5%
<b>Operating income (EBIT)</b>	<b>493,313</b>	<b>502,966</b>	<b>-1.9%</b>
Investment gain	—	(126,685)	
Interest expense, net	104,229	98,880	5.4%
<b>Income before taxes</b>	<b>389,084</b>	<b>530,771</b>	<b>-26.7%</b>
Income tax expense	129,001	137,077	-5.9%
<b>Net income</b>	<b>260,083</b>	<b>393,694</b>	<b>-33.9%</b>
Less: Net income attributable to noncontrolling interests	34,584	23,196	49.1%
<b>Net income attributable to shareholders of FMC AG &amp; Co. KGaA</b>	<b>225,499</b>	<b>370,498</b>	<b>-39.1%</b>
<b>Operating income (EBIT)</b>	<b>493,313</b>	<b>502,966</b>	<b>-1.9%</b>
Depreciation and amortization	156,353	143,374	9.1%
<b>EBITDA</b>	<b>649,666</b>	<b>646,340</b>	<b>0.5%</b>
<b>Earnings per ordinary share</b>	<b>\$0.74</b>	<b>\$1.22</b>	<b>-39.6%</b>
<b>Earnings per ordinary ADS</b>	<b>\$0.37</b>	<b>\$0.61</b>	<b>-39.6%</b>
<b>Weighted average number of shares</b>			
Ordinary shares	302,773,218	300,205,126	
Preference shares	3,973,333	3,966,001	