

## Press Release

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### **Fresenius Medical Care reports first quarter 2015 results and confirms guidance for full year 2015**

- *First quarter performance fully on track to achieve full year guidance*
- *Strong revenue and earnings growth*
- *Strong cash flow generation*

#### **First quarter 2015 key figures:**

Net revenue	\$3,960 million	+11%
Operating income (EBIT)	\$504 million	+13%
Net income <sup>1</sup>	\$210 million	+2%
Basic earnings per share	\$0.69	+1%

Rice Powell, chief executive officer of Fresenius Medical Care stated: "Our first quarter 2015 results show a positive start into the year. We are pleased with our revenue and earnings growth. We have made good progress on our Care Coordination business and will make operating cost investments in this area in 2015 for future growth. Our performance is in line with our full year guidance for 2015 and we are on track to achieve our long-term targets".

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

## **First quarter 2015**

### **Revenue**

**Net revenue** for the first quarter of 2015 increased by 11% to \$3,960 million (+17% at constant currency) as compared to the first quarter of 2014. Organic revenue growth worldwide was 7%. Net Health Care revenue grew by 14% to \$3,182 million (+18% at constant currency). The dialysis product revenue of \$778 million remained on a similar level as compared to the first quarter of 2014 solely due to negative currency developments. On a constant currency basis the dialysis product revenue increased by +11%.

**North America** revenue for the first quarter of 2015 increased by 16% to \$2,771 million. Organic revenue growth was 6%. Net Health Care revenue grew by 17% to \$2,571 million with a same market treatment growth of 4%. Net Dialysis Care revenue increased by 4% to \$2,137 million while the Care Coordination revenue increased by 191% to \$434 million (organic growth of 39%). Dialysis product revenue increased by 4% to \$200 million as compared to the first quarter of 2014.

**International** revenue increased by 2% to \$1,180 million. On a constant currency basis revenue increased 18%. Organic revenue growth was 10%. Net Health Care revenue increased by 5% to \$611 million (+24% at constant currency). Dialysis product revenue decreased by 2% to \$569 million (+13% at constant currency).

### **Earnings**

**Operating income (EBIT)** increased by 13% from \$445 million in the first quarter of 2014 to \$504 million in the first quarter of 2015. Delivered EBIT (operating income less noncontrolling interests)<sup>2</sup> increased 12% to \$450 million.

Operating income for North America for the first quarter of 2015 was \$340 million, an increase of 1% as compared to the first quarter of 2014. Delivered EBIT decreased 3% to \$288 million.

In the International segment, operating income for the first quarter of 2015 increased by 35% to \$244 million as compared to \$180 million in the first quarter of 2014.

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<sup>2</sup> Approximates the operating income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA.

**Net interest expense** for the first quarter of 2015 was \$102 million as compared to \$96 million in the first quarter of 2014 which mainly reflects the financing costs of the acquisitions made in the second half of 2014.

**Income tax expense** was \$138 million for the first quarter of 2015, which translates into an effective tax rate of 34.3%. This compares to income tax expense of \$102 million and a tax rate of 29.1% for the first quarter of 2014. Adjusted for the positive impact of a German tax audit the tax rate would have been 33.6% in the first quarter of 2014.

**Net income** attributable to shareholders of Fresenius Medical Care AG & Co. KGaA for the first quarter of 2015 was \$210 million, an increase of 2% compared to \$205 million for the first quarter of 2014.

**Basic earnings per share (EPS)** for the first quarter of 2015 was \$0.69, an increase of 1% compared to the corresponding number for the first quarter of 2014. The weighted average number of shares outstanding for the first quarter of 2015 was approximately 303.7 million shares, compared to approximately 301.5 million shares for the first quarter of 2014. The increase in shares outstanding resulted from stock option exercises during the first quarter of 2015.

## **Cash flow**

In the first quarter of 2015, the company generated \$447 million in **net cash provided by operating activities**, representing 11% of revenue, compared to the corresponding figure of last year (\$112 million).

A total of \$197 million was spent for **capital expenditures**, net of disposals. **Free cash flow** was \$250 million compared to a negative \$85 million in the first quarter of 2014.

A total of \$11 million in cash was spent for **acquisitions, net of divestitures**. **Free cash flow after investing activities** was \$239 million as compared to a negative \$220 million in the first quarter of 2014.

## Employees

As of March 31, 2015, Fresenius Medical Care had 101,543 **employees** (full-time equivalents) worldwide, compared to 91,542 employees at the end of March 2014. This increase of ~10,000 employees was mainly attributable to acquisitions as well as our continued organic growth.

## Balance sheet structure

The company's total assets were \$25,107 million (Dec. 31, 2014: \$25,447 million), a decrease of 1%. Current assets decreased by 2% to \$6,599 million (Dec. 31, 2014: \$6,725 million). Non-current assets were \$18,508 million (Dec. 31, 2014: \$18,722 million), a decrease of 1%. Total equity increased by 1% to \$10,139 million (Dec. 31, 2014: \$10,028 million). The equity ratio was 40% as compared to 39% at the end of 2014. Total debt was \$9,052 million (Dec. 31, 2014: \$9,532 million). As of March 31, 2015, the debt/EBITDA ratio was 2.9 (Dec. 31, 2014: 3.1).

*Please refer to the attachments for a complete overview on the first quarter of 2015.*

## Outlook<sup>3</sup> confirmed

For the 2015 outlook 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 by 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 2016 projections we expect revenue to increase 9-12% and net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA to grow by 15-20%.

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<sup>3</sup> The original outlook/projection provided for 2015/2016 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 business for future growth in line with our 2020 strategy.

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

## **Conference call**

Fresenius Medical Care will hold a conference call to discuss the results of the first quarter 2015 on Thursday, April 30, 2015 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.freseniusmedicalcare.com](http://www.freseniusmedicalcare.com) in the "Investors/Events" 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 2.6 million individuals worldwide. Through its network of 3,396 dialysis clinics in North America, Europe, Latin America, Asia-Pacific and Africa, Fresenius Medical Care provides dialysis treatments for 286,768 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](http://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, unaudited

	Three months ended March 31,		Change
	2015	2014	
<b>Revenue</b>			
Net Health Care revenue	3,182	2,782	14.4%
Dialysis products revenue	778	782	-0.5%
<b>Total net revenue</b>	<b>3,960</b>	<b>3,564</b>	<b>11.1%</b>
Costs of revenue	2,776	2,482	11.9%
Gross profit	1,184	1,082	9.4%
Selling, general and administrative	655	620	5.7%
Research and development	31	30	3.0%
Income from equity method investees	(6)	(13)	-50.5%
<b>Operating income (EBIT)</b>	<b>504</b>	<b>445</b>	<b>13.4%</b>
Interest expense, net	102	96	6.1%
<b>Income before taxes</b>	<b>402</b>	<b>349</b>	<b>15.4%</b>
Income tax expense	138	102	36.1%
<b>Net income</b>	<b>264</b>	<b>247</b>	<b>6.9%</b>
Less: Net income attributable to noncontrolling interests	54	42	31.0%
<b>Net income attributable to shareholders of FMC AG &amp; Co. KGaA</b>	<b>210</b>	<b>205</b>	<b>2.0%</b>
<b>Operating income (EBIT)</b>	<b>504</b>	<b>445</b>	<b>13.4%</b>
Depreciation and amortization	176	167	5.2%
<b>EBITDA</b>	<b>680</b>	<b>612</b>	<b>11.1%</b>
EBITDA margin	17.2%	17.2%	
<b>Weighted average number of shares</b>	<b>303,683,075</b>	<b>301,491,046</b>	
<b>Basic earnings per share</b>	<b>\$0.69</b>	<b>\$0.68</b>	<b>1.3%</b>
<b>Basic earnings per ADS</b>	<b>\$0.35</b>	<b>\$0.34</b>	<b>1.3%</b>
<b>In percent of revenue</b>			
Cost of revenue	70.1%	69.6%	
Gross profit	29.9%	30.4%	
Operating income (EBIT)	12.7%	12.5%	
<b>Net income attributable to shareholders of FMC AG &amp; Co. KGaA</b>	<b>5.3%</b>	<b>5.8%</b>	