

Press Release

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Fresenius Medical Care reports second quarter 2015 results and confirms guidance for full year 2015

- *Second quarter performance on track to achieve full year guidance for 2015*
- *Strong year to date revenue and earnings growth*
- *International performance mainly masked by currencies in the second quarter*
- *Strong year to date cash flow generation*

Second quarter 2015 key figures:

Net revenue	\$4,199 million	+9%
Operating income (EBIT)	\$547 million	-2%
Net income ¹	\$241 million	+3%
Basic earnings per share	\$0.79	+2%

First half 2015 key figures:

Net revenue	\$8,159 million	+10%
Operating income (EBIT)	\$1,051 million	+5%
Net income ¹	\$450 million	+3%
Basic earnings per share	\$1.48	+2%

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

Rice Powell, chief executive officer of Fresenius Medical Care stated: "Our second quarter 2015 results showed a positive underlying performance. We are pleased with our revenue and earnings growth considering the negative currency impact on our International operations in the second quarter. We have made further progress with the integration of our Care Coordination operations. Our performance is in line with our full year guidance for 2015 and we are confident to achieve our long-term targets for 2020."

Second quarter 2015

Revenue

Net revenue for the second quarter of 2015 increased by 9% to \$4,199 million (+15% at constant currency) as compared to the second quarter of 2014. Organic revenue growth worldwide was 8%. Net Health Care revenue grew by 13% to \$3,345 million (+18% at constant currency). The dialysis product revenue decreased by 4% to \$854 million as compared to the second quarter of 2014 mainly due to negative currency developments in the International product business. On a constant currency basis the dialysis product revenue increased by 8%.

North America revenue for the second quarter of 2015 increased by 17% to \$2,946 million. Organic revenue growth was 7%. Net Health Care revenue grew by 17% to \$2,722 million with a same market treatment growth of 4%. Net Dialysis Care revenue increased by 6% to \$2,254 million while the Care Coordination revenue increased by 149% to \$468 million (organic growth of 24%). Dialysis product revenue increased by 9% to \$224 million as compared to the second quarter of 2014.

International revenue decreased by 4% to \$1,247 million. On a constant currency basis revenue increased by 14%. Organic revenue growth was 9%. Net Health Care revenue decreased by 1% to \$623 million (+18% at constant currency). Dialysis product revenue decreased by 6% to \$624 million (+10% at constant currency).

International segments:

Europe, Middle East and Africa (EMEA) revenue decreased by 15% to \$668 million (+4% at constant currency). Organic revenue growth was 5%. Net Health Care revenue decreased by 17% to \$309 million (+3% at constant currency). Dialysis product revenue decreased by 14% to \$359 million (+5% at constant currency).

Asia-Pacific revenue increased by 22% to \$376 million (+32% at constant currency). Organic revenue growth was 12%. Net Health Care revenue increased by 37% to \$164 million (+55% at constant currency). Dialysis product revenue increased by 12% to \$212 million (+18% at constant currency).

Latin America revenue increased by 2% to \$203 million (+22% at constant currency). Organic revenue growth was 19%. Net Health Care revenue increased by 6% to \$150 million (+25% at constant currency). Dialysis product revenue decreased by 8% to \$53 million (+15% at constant currency).

Earnings

Operating income (EBIT) decreased by 2% from \$556 million in the second quarter of 2014 to \$547 million in the second quarter of 2015.

Operating income for North America for the second quarter of 2015 was \$428 million, an increase of 7% as compared to the second quarter of 2014.

In the International segments, operating income for the second quarter of 2015 decreased by 11% to \$217 million as compared to \$243 million in the second quarter of 2014.

International segments: Operating income for **EMEA** for the second quarter of 2015 was \$134 million, a decrease of 20% as compared to the second quarter of 2014. Operating income for **Asia-Pacific** for the second quarter of 2015 was \$67 million, an increase of 22% as compared to the second quarter of 2014. Operating income for **Latin America** for the second quarter of 2015 was \$16 million, a decrease of 20% as compared to the second quarter of 2014.

Net interest expense for the second quarter of 2015 was \$102 million as compared to \$98 million in the second quarter of 2014 which mainly reflects the financing costs of the acquisitions made in the second half of 2014.

Income tax expense was \$135 million for the second quarter of 2015, which translates into an effective tax rate of 30.4%. On an adjusted basis the tax rate for the second quarter of 2014 was 34.8%².

Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA for the second quarter of 2015 was \$241 million, an increase of 3% compared to \$234 million for the second quarter of 2014 and in line with our full year guidance for 2015.

Basic earnings per share (EPS) for the second quarter of 2015 was \$0.79, an increase of 2% compared to the corresponding number for the second quarter of 2014. The weighted average number of shares outstanding for the second quarter of 2015 was approximately 304.2 million shares, compared to approximately 301.8 million shares for the second quarter of 2014. The increase in shares outstanding resulted from stock option exercises during the second quarter of 2015.

Cash flow

In the second quarter of 2015, the company generated \$385 million, representing 9.2% of revenue, in **net cash provided by operating activities**, compared to the corresponding figure of last year of \$449 million.

A total of \$214 million was spent for **capital expenditures**, net of disposals. **Free cash flow** was \$171 million compared to \$231 million in the second quarter of 2014.

A total of \$55 million in cash was spent for **acquisitions, net of divestitures**. **Free cash flow after investing activities** was \$116 million as compared to (\$66) million in the second quarter of 2014.

² The tax rate in the second quarter of 2014 was influenced by a special tax impact which resulted in an expense of \$18 million.

First half 2015

Revenue and earnings

Net revenue for the first half of 2015 increased by 10% to \$8,159 million (+16% at constant currency) as compared to the first half of 2014. Organic revenue growth worldwide was 8%.

Operating income (EBIT) for the first half of 2015 was \$1,051 million as compared to \$1,001 million in the first half of 2014. This represents an increase of 5% on a reported basis.

Net interest expense for the first half of 2015 was \$204 million as compared to \$195 million in the first half of 2014.

Income tax expense for the first half of 2015 was \$273 million, which translates into an effective tax rate of 32.2%. On an adjusted basis the tax rate for the first half of 2014 was 32.3%.³ For the full year, the company expects the tax rate to be on the lower end of its guidance range of 33 to 34%.

For the first half of 2015, **net income** attributable to shareholders of Fresenius Medical Care AG & Co. KGaA was \$450 million, up by 3% from the corresponding number of \$439 million for the first half of 2014.

In the first half of 2015, **basic earnings per share (EPS)** was \$1.48, an increase of 2% compared to the corresponding number for the first half of 2014. The weighted average number of shares outstanding during the first half of 2015 was approximately 303.9 million shares.

Cash flow

In the first half of 2015, the company generated \$832 million in **net cash provided by operating activities**, representing 10.2% of revenue, as compared to \$562 million for the same period in 2014.

³ The tax rate in the second quarter of 2014 was influenced by a special tax impact which resulted in an expense of \$18 million.

A total of \$411 million was spent for **capital expenditures**, net of disposals. **Free cash flow** for the first half of 2015 was \$421 million as compared to \$147 million in the first half of 2014.

A total of \$66 million in cash was spent for **acquisitions and investments, net of divestitures**. **Free cash flow after investing activities** was \$355 million as compared to a (\$285) million in the first half of 2014.

Employees

As of June 30, 2015, Fresenius Medical Care had 102,893 **employees** (full-time equivalents) worldwide, compared to 94,401 employees at the end of June 2014. This increase of ~8,500 employees was mainly attributable to acquisitions as well as our continued organic growth.

Balance sheet structure

The company's total assets of \$25,410 million remained on a similar level (Dec. 31, 2014: \$25,447 million). Current assets were virtually flat at \$6,702 million (Dec. 31, 2014: \$6,725 million). Non-current assets remained almost unchanged at \$18,708 million (Dec. 31, 2014: \$18,722 million). Total equity increased by 2% to \$10,182 million (Dec. 31, 2014: \$10,028 million). The equity ratio was 40% as compared to 39% at the end of 2014. Total debt was \$9,270 million (Dec. 31, 2014: \$9,532 million). As of June 30, 2015, the debt/EBITDA ratio was 3.0 (Dec. 31, 2014: 3.1).

Please refer to the attachments for a complete overview of the results for the second quarter and first half of 2015

Outlook⁴ 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.

⁴ The outlook/projection provided for 2015/2016 is based on current exchange rates. 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.

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 around 7-10% TBD (previously 9-12%). This is due to the fact that we expect some of the initiatives in Care Coordination operations to be delayed into the following years. The net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA is still expected to grow by 15-20% (unchanged).

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 second quarter 2015 on Thursday, July 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 in the "Investors/Events" section. A replay will be available shortly after the call.

Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases of which more than 2.6 million patients worldwide regularly undergo dialysis treatment. Through its network of 3,421 dialysis clinics, Fresenius Medical Care provides dialysis treatments for 289,610 patients around the globe. Fresenius Medical Care is also the leading provider of dialysis products such as dialysis machines or dialyzers. Along with the core business, the company focuses on expanding the range of additional medical services in the field of care coordination.

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, unaudited

	Six months ended June 30,		Change
	2015	2014	
Revenue			
Net Health Care revenue	6,527	5,731	13.9%
Dialysis products revenue	1,632	1,667	-2.2%
Total net revenue	8,159	7,398	10.3%
Costs of revenue	5,678	5,104	11.2%
Gross profit	2,481	2,294	8.2%
Selling, general and administrative	1,378	1,250	10.2%
Research and development	65	61	7.7%
Income from equity method investees	(13)	(18)	-29.7%
Operating income (EBIT)	1,051	1,001	5.0%
Interest expense, net	204	195	4.8%
Income before taxes	847	806	5.1%
Income tax expense	273	278	-1.9%
Net income	574	528	8.7%
Less: Net income attributable to noncontrolling interests	124	89	39.3%
Net income attributable to shareholders of FMC AG & Co. KGaA	450	439	2.6%
Operating income (EBIT)	1,051	1,001	5.0%
Depreciation and amortization	357	336	6.2%
EBITDA	1,408	1,337	5.3%
EBITDA margin	17.3%	18.1%	
Weighted average number of shares	303,929,089	301,637,274	
Basic earnings per share	\$ 1.48	\$ 1.46	1.8%
Basic earnings per ADS	\$ 0.74	\$ 0.73	1.8%
In percent of revenue			
Cost of revenue	69.6%	69.0%	
Gross profit	30.4%	31.0%	
Operating income (EBIT)	12.9%	13.5%	
Net income attributable to shareholders of FMC AG & Co. KGaA	5.5%	5.9%	

Fresenius Medical Care - Statement of earnings

in US\$ million, except share data, unaudited

	Three months ended June 30,		Change
	2015	2014	
Revenue			
Net Health Care revenue	3,345	2,949	13.4%
Dialysis products revenue	854	886	-3.6%
Total net revenue	4,199	3,835	9.5%
Costs of revenue	2,902	2,624	10.6%
Gross profit	1,297	1,211	7.1%
Selling, general and administrative	723	631	14.6%
Research and development	34	31	12.3%
Income from equity method investees	(7)	(7)	13.9%
Operating income (EBIT)	547	556	-1.7%
Interest expense, net	102	98	3.6%
Income before taxes	445	458	-2.8%
Income tax expense	135	177	-23.6%
Net income	310	281	10.4%
Less: Net income attributable to noncontrolling interests	69	47	46.7%
Net income attributable to shareholders of FMC AG & Co. KGaA	241	234	3.0%
Operating income (EBIT)	547	556	-1.7%
Depreciation and amortization	181	169	7.1%
EBITDA	728	725	0.4%
EBITDA margin	17.3%	18.9%	
Weighted average number of shares	304,172,400	301,781,895	
Basic earnings per share	\$ 0.79	\$ 0.77	2.2%
Basic earnings per ADS	\$ 0.40	\$ 0.39	2.2%
In percent of revenue			
Costs of revenue	69.1%	68.4%	
Gross profit	30.9%	31.6%	
Operating income (EBIT)	13.0%	14.5%	
Net income attributable to shareholders of FMC AG & Co. KGaA	5.7%	6.1%	