

Press Release

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November 5, 2013

Fresenius Medical Care Reports Third Quarter And Nine Months 2013 Results

Third Quarter 2013 Key Figures:

Net revenue	\$3,666 million	+7%
Operating income (EBIT)	\$557 million	-2%
Adjusted operating income (EBIT)	\$576 million	+2%
Net income ¹	\$273 million	+1%
Adjusted net income ¹	\$285 million	+6%
Earnings per ordinary share	\$0.91	+3%
Adjusted earnings per ordinary share	\$0.95	+7%

Nine Months 2013 Key Figures:

Net revenue	\$10,743 million	+6%
Operating income (EBIT)	\$1,595 million	-4%
Adjusted operating income (EBIT)	\$1,625 million	-1%
Net income ¹	\$761 million	-18%
Adjusted net income ¹	\$783 million	0%
Earnings per ordinary share	\$2.50	-18%
Adjusted earnings per ordinary share	\$2.57	0%

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

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 third quarter and first nine months of 2013.

Rice Powell, chief executive officer of Fresenius Medical Care, commented: “Given the economic challenges we continue to face, we can be satisfied with our business performance in the third quarter, specifically with the strong organic revenue growth of 6%. As indicated after the second quarter we expected the second half of the year to be stronger to achieve our guidance for 2013. And there is no doubt that we need a very strong fourth quarter to get there. We will continue to grow our business and expand our renal network, and with this we will be best positioned for future success.”

Third Quarter 2013

Revenue

Net revenue for the third quarter of 2013 increased by 7% to \$3,666 million (+8% at constant currency) compared to the third quarter of 2012. Organic revenue growth worldwide was 6%. Dialysis services revenue grew by 8% to \$2,813 million (+9% at constant currency) and dialysis product revenue increased by 5% to \$853 million (+4% at constant currency).

North America revenue for the third quarter of 2013 increased by 8% to \$2,436 million. Organic revenue growth was 6%. Dialysis services revenue grew by 9% to \$2,224 million with a same store treatment growth of 3.5%. Dialysis product revenue increased by 5% to \$212 million.

International revenue increased by 5% to \$1,222 million (+6% at constant currency). Organic revenue growth was 4%. Dialysis services revenue increased by 5% to \$589 million (+8% at constant currency). Dialysis product revenue increased by 5% to \$633 million (+4% at constant currency).

Earnings

Operating income (EBIT) for the third quarter of 2013 decreased by 2% to \$557 million compared to \$568 million in the third quarter of 2012. Operating income for North America for the third quarter of 2013 decreased by 1% to \$416 million compared to \$420 million in the third quarter of 2012. In the International segment, operating income for the third quarter of 2013 increased by 5% to \$204 million compared to \$195 million in the third quarter of 2012.

Adjusted for the impact from the budget cuts in the U.S. (sequestration), that were effectively introduced in April 2013, the operating income for the third quarter of 2013 increased by 2% to \$576 million.

Net interest expense for the third quarter of 2013 was \$103 million, compared to \$108 million in the third quarter of 2012.

Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA for the third quarter of 2013 was \$273 million, an increase of 1% compared to the corresponding number of \$270 million for the third quarter of 2012. Adjusted for the net of tax effects of the special item mentioned above, net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA for the third quarter of 2013 increased by 6% to \$285 million.

Income tax expense was \$148 million for the third quarter of 2013 which translates into an effective **tax rate** of 32.6%. This compares to income tax expense of \$153 million and a tax rate of 33.3% for the third quarter of 2012.

Earnings per ordinary share (EPS) for the third quarter of 2013 was \$0.91, an increase of 3% compared to the corresponding number for the third quarter of 2012. Adjusted for the special item mentioned above, EPS for the third quarter of 2013 increased by 7% to \$0.95. The weighted average number of shares outstanding for the third quarter of 2013 was approximately 301.3 million shares, compared to 305.5 million shares for the third quarter of 2012. The decrease in shares outstanding resulted from the effect of the share buy-back program, which was fully completed in August 2013, partially offset by stock option exercises in the past twelve months.

Cash flow

In the third quarter of 2013, the company generated \$605 million in **cash from operations**, an increase of 13% compared to the corresponding figure of last year and representing 16.5% of revenue.

A total of \$175 million was spent for **capital expenditures**, net of disposals. **Free cash flow before acquisitions** was \$430 million (representing 11.7% of revenue) compared to \$371 million in the third quarter of 2012.

A total of \$195 million in cash was spent for **acquisitions and investments**, net of divestitures. **Free cash flow after acquisitions and divestitures** was \$235 million, compared to \$334 million in the third quarter of 2012.

First Nine Months 2013:

Revenue and Earnings

Net revenue for the first nine months of 2013 increased by 6% to \$10,743 million (+7% at constant currencies) compared to the first nine months of 2012.

Operating income (EBIT) for the first nine months of 2013 decreased by 4% to \$1,595 million compared to \$1,659 million in the first nine months of 2012. Adjusted for special items related to the acquisition of Liberty Dialysis Holdings Inc. and the impact from sequestration the operating income for the first nine months of 2013 decreased by 1% to \$1,625 million compared to \$1,645 million for the first nine months of 2012.

Net interest expense for the first nine months of 2013 was \$310 million compared to \$311 million for the first nine months of 2012.

For the first nine months of 2013, **net income** attributable to shareholders of Fresenius Medical Care AG & Co. KGaA was \$761 million, down by 18% from the corresponding number of \$930 million for the first nine months of 2012. Adjusted for the net of tax effects of the special items mentioned above, net income attributable to shareholders of

Fresenius Medical Care AG & Co. KGaA for the first nine months of 2013 was \$783 million as compared to \$784 million for the first nine months of 2012.

Income tax expense for the first nine months of 2013 was \$421 million which translates into an effective **tax rate** of 32.8%. This compares to income tax expense of \$462 million and a tax rate of 31.1% for the first nine months of 2012.

In the first nine months of 2013, **earnings per ordinary share (EPS)** decreased by 18% to \$2.50 compared to \$3.05 for the first nine months of 2012. Adjusted for the special items mentioned above, EPS for the first nine months of 2013 remained unchanged at \$2.57 compared to the first nine months of 2012. The weighted average number of shares outstanding during the first nine months of 2013 was approximately 304.7 million.

Cash Flow

Cash from operations during the first nine months of 2013 was \$1,446 million (representing 13.5% of revenue) compared to \$1,467 million for the same period in 2012.

A total of \$494 million in cash was spent for **capital expenditures**, net of disposals. **Free cash flow before acquisitions** for the first nine months of 2013 was \$952 million compared to \$1,029 million in the same period in 2012. A total of \$279 million in cash was spent for **acquisitions**, net of divestitures. **Free cash flow after acquisitions and divestitures** was \$673 million compared to a negative \$528 million in the first nine months of last year.

Please refer to the attachments for a complete overview of the results for the third quarter and first nine months of 2013.

Patients – Clinics – Treatments

As of September 30, 2013, Fresenius Medical Care treated 265,824 **patients** worldwide, which represents an increase of 4% compared to the previous year's figure. North America provided dialysis treatments for 168,893 patients, an increase of 3% compared to the corresponding number for 2012. The International segment provided dialysis treatments for 96,931 patients, an increase of 4% over the prior year's figure.

As of September 30, 2013, the company operated a total of 3,225 **clinics** worldwide, an increase of 3% compared to the corresponding number for 2012. The number of clinics is comprised of 2,116 clinics in North America (+3%) and 1,109 clinics in the International segment (+3%).

During the first nine months of 2013, Fresenius Medical Care delivered approximately 30.03 million dialysis **treatments** worldwide. This represents an increase of 5% compared to the previous year's figure. North America accounted for 19.04 million treatments, an increase of 5%. The International segment delivered 10.99 million treatments, an increase of 4%.

Employees

As of September 30, 2013, Fresenius Medical Care had 89,282 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) slightly increased from 2.92 at the end of the second quarter of 2013 to 2.94 at the end of the third quarter of 2013.

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 Ratings is currently reviewing Fresenius Medical Care's ratings.

Share buy-back program

Fresenius Medical Care's share buy-back program was completed on August 14, 2013. The company bought back a total number of approximately 7.5 million shares with an aggregate value of €385 million (approximately \$500 million). The program was financed from cash flow and existing credit facilities.

Guidance for 2013 confirmed

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 \$1.15 billion in 2013, likely at the low end of the range.

For 2013, the company expects to spend around \$700 million on **capital expenditures** and around \$500 million on **acquisitions**. The **debt/EBITDA ratio** is expected to be equal or below 3.0 by the end of 2013.

Conference Call

Fresenius Medical Care will hold a conference call to discuss the results of the third quarter and first nine months of 2013 on Tuesday, November 5, 2013, at 3.30 p.m. CET/ 9.30 a.m. EST. The company invites investors to follow the live webcast of the call at the company's website 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 3,225 dialysis clinics in North America, Europe, Latin America, Asia-Pacific and Africa, Fresenius Medical Care provides dialysis treatments for 265,824 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-\$ thousands, except per share data
(unaudited)

	Nine months ended September 30,		Change
	2013	2012	
Revenue			
Dialysis care	8,439,921	7,894,374	6.9%
Less: patient service bad debt provision	205,137	206,665	-0.7%
Net dialysis care	8,234,784	7,687,709	7.1%
Dialysis products	2,507,784	2,406,957	4.2%
Total net revenue	10,742,568	10,094,666	6.4%
Cost of revenue	7,305,548	6,785,972	7.7%
Gross profit	3,437,020	3,308,694	3.9%
Selling, general and administrative	1,771,619	1,614,625	9.7%
Gain on sale of dialysis clinics	(9,397)	(34,019)	-72.4%
Research and development	94,504	83,327	13.4%
Income from equity method investees	(14,518)	(14,672)	-1.1%
Operating income (EBIT)	1,594,812	1,659,433	-3.9%
Investment gain	—	(139,600)	
Interest expense, net	310,452	311,040	-0.2%
Income before taxes	1,284,360	1,487,993	-13.7%
Income tax expense	420,873	462,354	-9.0%
Net income	863,487	1,025,639	-15.8%
Less: Net income attributable to noncontrolling interests	102,490	95,942	6.8%
Net income attributable to shareholders of FMC AG & Co. KGaA	760,997	929,697	-18.1%
Operating income (EBIT)	1,594,812	1,659,433	-3.9%
Depreciation and amortization	479,433	446,463	7.4%
EBITDA	2,074,245	2,105,896	-1.5%
Earnings per ordinary share	2.50	3.05	-18.2%
Earnings per ordinary ADS	1.25	1.53	-18.2%
Weighted average number of shares			
Ordinary shares	302,158,886	300,720,312	
Preference shares	2,590,857	3,968,082	
Employees			
Full-time equivalents		89,282	

Fresenius Medical Care Statement of Earnings

in US-\$ thousands, except per share data
(unaudited)

	Three months ended September 30,		Change
	2013	2012	
Revenue			
Dialysis care	2,886,742	2,674,893	7.9%
Less: patient service bad debt provision	73,590	69,503	5.9%
Net dialysis care	2,813,152	2,605,390	8.0%
Dialysis products	852,980	812,548	5.0%
Total net revenue	3,666,132	3,417,938	7.3%
Cost of revenue	2,497,003	2,305,627	8.3%
Gross profit	1,169,129	1,112,311	5.1%
Selling, general and administrative	584,549	522,177	11.9%
Gain on sale of dialysis clinics	(597)	(58)	945.1%
Research and development	33,211	27,867	19.2%
Income from equity method investees	(5,294)	(5,317)	-0.4%
Operating income (EBIT)	557,260	567,642	-1.8%
Interest expense, net	103,172	107,965	-4.4%
Income before taxes	454,088	459,677	-1.2%
Income tax expense	148,259	153,036	-3.1%
Net income	305,829	306,641	-0.3%
Less: Net income attributable to noncontrolling interests	32,855	36,779	-10.7%
Net income attributable to shareholders of FMC AG & Co. KGaA	272,974	269,862	1.2%
Operating income (EBIT)	557,260	567,642	-1.8%
Depreciation and amortization	164,279	152,212	7.9%
EBITDA	721,539	719,854	0.2%
Earnings per ordinary share	0.91	0.88	2.6%
Earnings per ordinary ADS	0.45	0.44	2.6%
Weighted average number of shares			
Ordinary shares	301,310,149	301,531,173	
Preference shares	–	3,971,607	

Fresenius Medical Care

Key earnings figures

(in US\$ million, unaudited)

Reconciliation of non U.S. GAAP financial measures to the most directly comparable U.S. GAAP financial measures

	Three months ended Sept. 30			Nine months ended Sept. 30,		
	2013	2012	Change	2013	2012	Change
EBIT, as reported	557	568	-1.8%	1,595	1,659	-3.9%
Special items related to Liberty acquisition ¹⁾	–	–		(8)	(14)	
Sequestration impact	19	–		38	–	
EBIT, adjusted	576	568	1.5%	1,625	1,645	-1.2%
Income before taxes, as reported	454	460	-1.2%	1,285	1,488	-13.7%
Special items related to Liberty acquisition ²⁾	–	–		(8)	(162)	
Sequestration impact	19	–		38	–	
Income before taxes, adjusted	473	460	2.9%	1,315	1,326	-0.8%
Income tax expense, as reported	148	153	-3.1%	421	462	-9.0%
Special items related to Liberty acquisition ³⁾	–	–		(5)	(16)	
Sequestration impact	7	–		13	–	
Income tax expense, adjusted	155	153	1.3%	429	446	-3.7%
Net income attributable to shareholders of FMC AG & Co. KGaA, as reported	273	270	1.2%	761	930	-18.1%
Special items related to Liberty acquisition ⁴⁾	–	–		(3)	(146)	
Sequestration impact	12	–		25	–	
Net income attributable to shareholders of FMC AG & Co. KGaA, adjusted	285	270	5.6%	783	784	-0.1%

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

²⁾ Legal, consulting and other expenses, gain on sale of clinics, gain on retirement of loan receivable and investment gain.

³⁾ Tax benefit/ expense on legal, consulting and other expenses, gain on sale of clinics and gain on retirement of loan receivable.

⁴⁾ Net of tax effects of legal, consulting and other expenses, gain on sale of clinics, gain on retirement of loan receivable and investment gain.