



Fresenius Medical Care

P R E S S – R E L E A S E

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Fresenius Medical Care Reports Excellent Third Quarter and Nine Months Results and Improves Outlook for 2010

Summary Third Quarter 2010:

Net revenue	\$ 3,058 million	+ 6 %
Operating income (EBIT)	\$ 493 million	+ 9 %
Net income ¹	\$ 248 million	+ 10 %
Earnings per share	\$ 0.82	+ 9 %

Summary First Nine Months 2010:

Net revenue	\$ 8,886 million	+ 8 %
Operating income (EBIT)	\$ 1,385 million	+ 10 %
Net income ¹	\$ 707 million	+ 10 %
Earnings per share	\$ 2.35	+ 9 %

¹ Net income attributable to Fresenius Medical Care AG & Co. KGaA

Bad Homburg, Germany – Fresenius Medical Care AG & Co. KGaA (the Company or FMC AG & Co. KGaA; 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 the first nine months of 2010.

Third Quarter 2010:

Revenue

Net revenue for the third quarter of 2010 increased by 6% to \$3,058 million (+7% at constant currency) compared to the third quarter of 2009. Organic revenue growth worldwide was 6%. Dialysis services revenue grew by 8% to \$2,321 million (+9% at constant currency) in the third quarter of 2010. Dialysis product revenue decreased by 1% to \$737 million and increased by 3% at constant currency in the same period.

North America revenue increased by 6% to \$2,071 million. Organic revenue growth was 6%. Dialysis services revenue grew by 7% to \$1,863 million. Average revenue per treatment for U.S. clinics increased to \$359 in the third quarter of 2010 compared to \$348 for the same quarter in 2009 and \$356 for the second quarter of 2010. This development was attributable principally to reimbursement increases. Dialysis product revenue slightly decreased from \$209 million in the third quarter of 2009 to \$208 million in the third quarter of 2010. Sales performance was impacted favorably by higher sales of bloodlines and machines and higher product sales in the home therapy market. This was offset by changes in the dialysis products mix and lower Medicare average selling prices (ASP) for the intravenous iron product Venofer[®].

International revenue increased by 5% to \$987 million. Based on constant currency, revenue grew by 9%. Organic revenue growth was 5%. Dialysis services revenue was \$458 million, an increase of 13% (+17% at constant currency). Dialysis product revenue decreased by 1% to \$529 million compared to the corresponding figure last year and increased by 4% at constant currency, led by increased sales of dialyzers, machines and bloodlines as well as products for acute care treatments.

Earnings

Operating income (EBIT) for the third quarter of 2010 increased by 9% to \$493 million compared to \$451 million in the third quarter of 2009 resulting in an operating margin of 16.1% compared to 15.6% for the corresponding quarter in 2009.

In North America, the operating margin increased from 16.7% to 18.1%. The margin development benefitted primarily from an increase in revenue per treatment as well as the effect of economies of scale.

In the International segment, the operating margin decreased from 16.7% to 15.8% due to lower gross profit margins of acquired clinics in Europe and Asia-Pacific, the impact of Venezuelan hyperinflation and higher bad debt expense. This was partially offset by economies of scale and favorable currency effects.

Net interest expense for the third quarter of 2010 was \$70 million compared to \$75 million in the comparable quarter of 2009, mainly attributable to lower short-term interest rates.

Income tax expense was \$153 million for the third quarter of 2010 compared to \$131 million in the third quarter of 2009, reflecting effective **tax rates** of 36.2% and 35.0%, respectively. The full year tax rate for 2010 is expected to be between 34.5% and 35.5%.

Net income attributable to FMC AG & Co. KGaA for the third quarter of 2010 was \$248 million, an increase of 10% compared to the same quarter of 2009.

Earnings per share (EPS) for the third quarter of 2010 rose by 9% to \$0.82 per ordinary share compared to \$0.76 for the third quarter of 2009. The weighted average number of shares outstanding for the third quarter of 2010 was approximately 301.2 million shares compared to 298.3 million shares for the third quarter of 2009. The increase in shares outstanding resulted from stock option exercises in the past 12 months.

Cash Flow

In the third quarter of 2010, the Company generated \$384 million in **cash from operations**, representing approximately 13% of revenue. The cash flow generation was supported by increased earnings.

A total of \$121 million was spent for **capital expenditures**, net of disposals. **Free Cash Flow before acquisitions** was \$263 million compared to \$304 million in the third quarter of 2009. A total of \$87 million in cash was spent for **acquisitions**, net of divestitures. **Free Cash Flow after acquisitions and divestitures** was \$176 million compared to \$278 million in the third quarter of last year.

Nine Months Ended September 30, 2010

Revenue and Earnings

Net revenue for the first nine months of 2010 was \$8,886 million, up 8% from the first nine months of 2009. At constant currency, net revenue also rose 8%. Organic growth was 6% in the first nine months of 2010.

Operating income (EBIT) for the first nine months of 2010 increased by 10% to \$1,385 million compared to \$1,265 million in the first nine months of 2009, resulting in an operating margin of 15.6% compared to 15.4% for the first nine months of 2009.

Net interest expense for the first nine months of 2010 was \$206 million compared to \$225 million in the same period of 2009.

Income tax expense was \$410 million in the first nine months of 2010 compared to \$345 million in the same period of 2009, reflecting effective **tax rates** of 34.7% and 33.2%, respectively.

For the first nine months of 2010, **net income** attributable to FMC AG & Co. KGaA was \$707 million, up 10% from the first nine months of 2009.

In the first nine months of 2010, **earnings per ordinary share** rose 9% to \$2.35. The weighted average number of shares outstanding during the first nine months of 2010 was approximately 300.3 million.

Cash Flow

Cash from operations during the first nine months of 2010 was \$1,027 million compared to \$880 million for the same period in 2009, representing approximately 12% of revenue.

A total of \$339 million was spent for **capital expenditures**, net of disposals. **Free Cash Flow before acquisitions** for the first nine months of 2010 was \$688 million compared to \$492 million in the same period in 2009. A total of \$239 million in cash was spent for **acquisitions**, net of divestitures. **Free Cash Flow after acquisitions and divestitures** was \$449 million compared to \$385 million in the first nine months of last year.

Please refer to the attachments for a complete overview on the third quarter and first nine months of 2010.

Patients – Clinics – Treatments

As of September 30, 2010, Fresenius Medical Care treated 210,191 **patients** worldwide, which represents a 9% increase compared to the previous year. North America provided dialysis treatments for 135,746 patients, the number of patients treated rose by 4%. Including 30 clinics managed by Fresenius Medical Care North America the number of patients in North America was 137,623. The International segment served 74,445 patients, the number of patients treated increased by 20%.

As of September 30, 2010, the Company operated a total of 2,716 **clinics** worldwide, which represents an 8% increase compared to the previous year. The number of clinics is comprised of 1,809 clinics in North America (1,839 including

managed clinics) and 907 clinics in the International segment, representing an increase of 3% and 19%, respectively.

Fresenius Medical Care delivered approximately 23.41 million dialysis **treatments** worldwide during the first nine months of 2010. This represents an increase of 7% compared to the corresponding period last year. North America accounted for 15.51 million treatments, an increase of 5%, and the International segment delivered 7.9 million treatments, an increase of 11%.

Employees

As of September 30, 2010, Fresenius Medical Care had 72,812 employees (full-time equivalents) worldwide compared to 67,988 employees at the end of 2009. The increase of approximately 4,800 employees is due to overall growth in the Company's business and acquisitions.

Debt/EBITDA Ratio

The ratio of debt to Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) decreased from 2.62 at the end of the third quarter of 2009 to 2.37 at the end of the third quarter of 2010. At the end of 2009, the debt/EBITDA ratio was 2.46.

Rating

Standard & Poor's Rating Services continued to rate the Company's corporate credit as 'BB' with a 'positive' outlook. Moody's continued to rate the Company's corporate credit as 'Ba1' with a 'stable' outlook. Fitch rates the Company's corporate credit as 'BB'. On August 3, 2010, Fitch raised the outlook from 'stable' to 'positive'. For further information on Fresenius Medical Care's credit ratings, maturity profiles and credit instruments, please visit our website at www.fmc-ag.com / Investor Relations / Credit Relations.

Agreement to acquire Gambro's worldwide peritoneal dialysis business

On August 26, 2010, Fresenius Medical Care announced that it had signed an agreement to acquire Gambro's worldwide peritoneal dialysis (PD) business. Gambro decided to prioritize its investments in the hemodialysis field. Fresenius Medical Care is taking advantage of this opportunity to expand its activities in the homecare market, especially in Europe and Asia-Pacific. Completion of the acquisition is still subject to regulatory approvals by the relevant antitrust authorities as well as works council consultations in some jurisdictions.

Extension of credit agreement

On October 1, 2010, Fresenius Medical Care announced successful completion of the upsizing and extension of its senior secured credit facility. The refinancing of the revolving facility and Term Loan A enables the Company to upsize these facilities by \$250 million for a total facility of \$2.565 billion. The new agreement was extended from March 31, 2011, to March 31, 2013, matching the final maturity of the \$1.546 billion Term Loan B. The facilities will be used for general corporate purposes and working capital needs.

Improved Outlook for 2010

Based on the strong operational performance in the first nine months of 2010, the Company improves its outlook for the full year 2010 and now expects **net income** attributable to FMC AG & Co. KGaA to be between \$960 million and \$980 million. Previously, the Company expected net income in the range of \$950 million to \$980 million.

Revenue is still expected to grow to more than \$12 billion.

For 2010 the Company expects to spend \$550 million to \$650 million on **capital expenditures** and up to \$500 million on **acquisitions**. The **debt/EBITDA ratio** is expected to be below 2.5 by the end of 2010.

“Given our excellent third quarter results, we have improved our guidance for the full year 2010,” said Ben Lipps, Chief Executive Officer of Fresenius Medical Care. “Our operating performance in North America has continued to develop favorably, and we have seen good treatment growth. In International, we have continued to expand our clinic network with significant dialysis clinic acquisitions in selected countries. We remain focused to continuously improve our quality performance and operating efficiency.”

Conference Call

Fresenius Medical Care will hold a conference call to discuss the results of the third quarter and the first nine months of 2010 on Tuesday, November 2, 2010, at 3:30 p.m. CET / 10:30 a.m. EDT. The Company invites investors to listen to 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.

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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 1.89 million individuals worldwide. Through its network of 2,716 dialysis clinics in North America, Europe, Latin America, Asia-Pacific and Africa, Fresenius Medical Care provides dialysis treatment to 210,191 patients around the globe. Fresenius Medical Care also is the world's leading provider of dialysis products such as hemodialysis machines, dialyzers and related disposable products. Fresenius Medical Care is listed on the Frankfurt Stock Exchange (FME, FME3) and the New York Stock Exchange (FMS, FMS/P). For more information about Fresenius Medical Care, visit the company’s website at www.fmc-ag.com.

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 September 30,		Change
	2010	2009	
Net revenue			
Dialysis Care	2,321,175	2,146,349	8.1%
Dialysis Products	736,930	742,320	-0.7%
Total net revenue	3,058,105	2,888,669	5.9%
Cost of revenue	2,003,627	1,910,168	4.9%
Gross profit	1,054,478	978,501	7.8%
Selling, general and administrative	538,434	504,520	6.7%
Research and development	22,794	22,656	0.6%
Operating Income (EBIT)	493,250	451,325	9.3%
Interest expense, net	70,367	75,145	-6.4%
Income before taxes	422,883	376,180	12.4%
Income tax expense	152,904	131,687	16.1%
Net income	269,979	244,493	10.4%
Less: Net income attributable to Noncontrolling interest	22,191	19,193	15.6%
Net income attributable to FMC AG & Co. KGaA	247,788	225,300	10.0%
Operating Income (EBIT)	493,250	451,325	9.3%
Depreciation and amortization	123,959	118,291	4.8%
EBITDA	617,209	569,616	8.4%
Earnings per ordinary share	0.82	0.76	8.9%
Earnings per ordinary ADS	0.82	0.76	8.9%
Weighted average number of shares			
Ordinary shares	297,244,371	294,443,038	
Preference shares	3,914,044	3,857,335	

Fresenius Medical Care
Statement of Earnings

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

	Nine months ended September 30,		Change
	2010	2009	
Net revenue			
Dialysis Care	6,176,280	6,123,774	9.7%
Dialysis Products	2,170,153	2,088,274	3.9%
Total net revenue	8,886,433	8,212,048	8.2%
Cost of revenue	5,856,055	5,439,530	7.7%
Gross profit	3,030,378	2,772,518	9.3%
Selling, general and administrative	1,578,128	1,443,206	9.3%
Research and development	67,256	64,508	4.3%
Operating Income (EBIT)	1,384,994	1,264,804	9.5%
Interest expense, net	206,016	224,669	-8.3%
Income before taxes	1,178,978	1,040,135	13.3%
Income tax expense	409,507	345,436	18.5%
Net income	769,471	694,699	10.8%
Less: Net income attributable to Noncontrolling interest	62,298	50,180	24.1%
Net income attributable to FMC AG & Co. KGaA	707,173	644,519	9.7%
Operating Income (EBIT)	1,384,994	1,264,804	9.5%
Depreciation and amortization	369,324	334,133	10.5%
EBITDA	1,754,318	1,598,937	9.7%
Earnings per ordinary share	2.35	2.16	8.9%
Earnings per ordinary ADS	2.35	2.16	8.9%
Weighted average number of shares			
Ordinary shares	296,370,673	294,181,563	
Preference shares	3,901,126	3,832,367	
Employees			
Full-time equivalents	72,812	67,245	