

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 Third Quarter 2012 And Nine Months 2012 Results

Summary Third Quarter 2012:

Net revenue	\$3,418 million	+7%
Operating income (EBIT)	\$568 million	+6%
Net income *	\$270 million	-3%
Earnings per ordinary share	\$0.88	-4%

Summary First Nine Months 2012:

Net revenue	\$10,095 million	+8%
Operating income (EBIT)	\$1,659 million	+11%
Net income *	\$930 million	+22%
Earnings per ordinary share	\$3.05	+21%
Earnings excluding investment gain:		
Net income *	\$790 million	+4%
Earnings per ordinary share	\$2.59	+3%

* Attributable 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 2012.

Third Quarter of 2012

Revenue

Net revenue for the third quarter of 2012 increased by 7% to \$3,418 million (+11% at constant currency) compared to the third quarter of 2011. Organic revenue growth worldwide was 4%. Dialysis services revenue grew by 10% to \$2,605 million (+12% at constant currency) and dialysis product revenue decreased by 1% to \$813 million and increased by 7% at constant currency.

North America revenue for the third quarter of 2012 increased by 13% to \$2,249 million. Dialysis services revenue grew by 15% to \$2,047 million with a same market treatment growth of 4%. Average revenue per treatment for U.S. clinics increased to \$349 in the third quarter of 2012 compared to \$345 for the corresponding quarter in 2011. Dialysis product revenue decreased by 1% to \$202 million. After adjusting for the Liberty acquisition, dialysis product revenue increased by 2%.

International revenue decreased by 2% to \$1,163 million and increased by 7% at constant currency. Organic revenue growth was 7%. Dialysis services revenue decreased by 4% to \$558 million and increased by 6% at constant currency. Dialysis product revenue decreased by 1% to \$605 million and increased by 9% at constant currency.

Earnings

Operating income (EBIT) for the third quarter of 2012 increased by 6% to \$568 million compared to \$534 million in the third quarter of 2011. This resulted in an operating margin of 16.6% for the third quarter of 2012 compared to 16.8% for the corresponding quarter in 2011.

In North America, the operating margin decreased from 18.8% to 18.7%. Average costs per treatment for U.S. clinics increased by \$2 to \$281 in the third quarter of 2012 as compared to \$279 in the third quarter of 2011.

In the International segment, the operating margin decreased from 17.3% to 16.8%.

Net interest expense for the third quarter of 2012 was \$108 million, compared to \$68 million in the third quarter of 2011. This development was mainly attributable to the higher level of indebtedness as a result of the issuance of various tranches of senior notes over the course of 2011 and 2012 to finance dialysis clinic acquisitions.

Income tax expense was \$153 million for the third quarter of 2012 compared to \$163 million in the third quarter of 2011, reflecting effective **tax rates** of 33.3% and 35.0%, respectively.

Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA for the third quarter of 2012 was \$270 million, a decrease of 3% compared to the corresponding quarter of 2011.

Earnings per ordinary share (EPS) for the third quarter 2012 was \$0.88 compared to \$0.92 for the third quarter of 2011. The weighted average number of shares outstanding for the third quarter of 2012 was approximately 305.5 million shares, compared to 303.2 million shares for the third quarter of 2011. The increase in shares outstanding resulted from stock option exercises in the past 12 months.

Cash flow

In the third quarter of 2012, the company generated \$535 million in **cash from operations**, an increase of 16% compared to the corresponding figure last year and representing 15.7% of revenue. The cash flow generation was supported by the favorable earnings development as well as the favorable development of working capital items including inventory.

A total of \$164 million was spent for **capital expenditures**, net of disposals. **Free cash flow before acquisitions** was \$371 million (representing 10.8% of revenue) compared

to \$313 million in the third quarter of 2011. A total of \$37 million in cash was spent for **acquisitions and investments**, net of divestitures. **Free cash flow after acquisitions and divestitures** was \$334 million, compared to \$264 million in the third quarter of 2011.

First Nine Months of 2012

Revenue and Earnings

Net revenue for the first nine months of 2012 increased by 8% to \$10,095 million (+11% at constant currency) compared to the first nine months of 2011. Organic revenue growth was 4% in the first nine months of 2012.

Operating income (EBIT) for the first nine months of 2012 increased by 11% to \$1,659 million compared to \$1,488 million in the first nine months of 2011. The operating income margin increased to 16.4% for the first nine months of 2012 as compared to 16.0% in the same period in 2011.

Net interest expense for the first nine months of 2012 was \$311 million compared to \$214 million in the same period of 2011.

For the first nine months of 2012, **net income** attributable to shareholders of Fresenius Medical Care AG & Co. KGaA was \$930 million, up by 22% from the first nine months of 2011. This includes a non-taxable investment gain of \$140 million related to the acquisition of Liberty Dialysis Holdings, Inc., including its 51% stake in Renal Advantage Partners, LLC (RAI). The gain is a result of measuring the 49% equity interest in RAI held by the company at its fair value at the time of the Liberty acquisition. Excluding this investment gain, net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA increased by 4% to \$790 million.

Income tax expense for the first nine months of 2012 was \$462 million compared to \$436 million in the same period in 2011, reflecting effective **tax rates** of 31.1% and 34.2%, respectively. Excluding the investment gain the effective tax rate for the first nine months of 2012 was 34.3%.

In the first nine months of 2012, **earnings per ordinary share** rose by 21% to \$3.05 and by 3% to \$2.59 if excluding the investment gain. The weighted average

number of shares outstanding during the first nine months of 2012 was approximately 304.7 million compared to 302.7 million shares for the first nine months of 2011.

Cash Flow

Cash from operations during the first nine months of 2012 was \$1,467 million compared to \$950 million for the same period in 2011, representing 14.5% of revenue.

A total of \$438 million in cash was spent for **capital expenditures**, net of disposals.

Free cash flow before acquisitions for the first nine months of 2012 was \$1,029 million compared to \$570 million in the same period in 2011. A total of \$1,557 million in cash was spent for **acquisitions**, net of divestitures. **Free cash flow after acquisitions and divestitures** was minus \$528 million compared to minus \$601 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 2012.

Patients – Clinics – Treatments

As of September 30, 2012, Fresenius Medical Care treated 256,521 **patients** worldwide, which represents a 12% increase compared to the previous year's figure. North America provided dialysis treatments for 163,454 patients, an increase of 16%. Including 31 clinics managed by Fresenius Medical Care North America, the number of patients in North America was 165,754. The International segment provided dialysis treatment to 93,067 patients, an increase of 6% over the prior year's figure.

As of September 30, 2012, the company operated a total of 3,135 **clinics** worldwide, which represents a 9% increase compared to the previous year's figure. The number of clinics is comprised of 2,056 clinics in North America (2,087 including managed clinics), and 1,079 clinics in the International segment, representing an increase of 12% and 4%, respectively.

During the first nine months of 2012, Fresenius Medical Care delivered approximately 28.6 million dialysis **treatments** worldwide. This represents an increase of 12%, compared to last year's figure. North America accounted for 18.1 million treatments, an

increase of 12%. The International segment delivered 10.5 million treatments, an increase of 13%.

Employees

As of September 30, 2012, Fresenius Medical Care had 85,368 employees (full-time equivalents) worldwide, compared to 79,159 employees at the end of 2011. This increase of more than 6,200 employees is due to overall growth in the company's business and acquisitions including Liberty Dialysis Holdings, Inc.

Debt/EBITDA ratio

The ratio of debt to earnings before interest, taxes, depreciation and amortization (EBITDA) increased from 2.55 at the end of the third quarter of 2011 to 2.81 at the end of the third quarter of 2012. The debt/EBITDA ratio at the end of the second quarter 2012 was 2.92.

Rating

During the third quarter of 2012, Standard & Poor's removed the company's ratings from review and affirmed the company's corporate credit as 'BB+' with a 'stable' outlook. Moody's rates the company's corporate credit as 'Ba1' with a 'stable' outlook, and Fitch rates the company's corporate credit as 'BB+' with a 'stable' outlook. 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.

Successful Renewal of Credit Agreement

Fresenius Medical Care successfully renewed its syndicated credit agreement including a revolving facility and a long term loan. The refinancing of those facilities was well received in the bank market. The company entered into a \$3.85 billion syndicated credit agreement, comprised of 5-year revolving facilities (including a \$200 million U.S. Dollar facility, a €500 million Euro facility and a \$ 400 million multi-currency facility) and a 5-year \$2.6 billion term loan. Proceeds from the credit facilities were used to refinance the

company's existing credit facilities, which otherwise would have matured on March 31, 2013, and for general corporate purposes.

Sales and earnings outlook for 2012 confirmed

For the full year 2012, the company confirms its sales and earnings outlook.

The company expects **revenue** to grow to ~ \$14 billion in 2012¹. **Net income** attributable to shareholders of Fresenius Medical Care AG & Co. KGaA is expected to grow to ~ \$1.14 billion¹. This does neither include the investment gain in the amount of \$140 million in the first nine months of 2012 nor does it consider charges of up to \$70 million after tax mainly related to the intended renegotiation of the distribution, manufacturing and supply agreement for iron products in North America to reflect changes in the market and a donation to the American Society of Nephrology foundation to establish the Ben J. Lipps Research Fellowship Program.

For 2012, the company expects to spend ~ \$700 million on **capital expenditures** and ~ \$1.8 billion on **acquisitions**. The **debt/EBITDA ratio** is expected to be below 3.0 by the end of 2012.

Ben Lipps, chief executive officer of Fresenius Medical Care, commented: "In light of the negative implications from the difficult economic environment and from currency fluctuations, we achieved good operating results with an excellent operating cash flow in the third quarter of 2012. In summary, we are confirming our guidance for the full year at the lower end of the previously indicated range. We anticipate some special collection efforts related to services performed in prior years and other initiatives in the fourth quarter that will help us to achieve our guidance. The integration progress of our latest acquisitions continues and we are very pleased with our Quality Improvement programs and patient outcomes continuing to improve in nutritional status and reduced hospital days. The CEO transition to Rice Powell continues on track with the appointment of Ron Kuerbitz as the new CEO for North America effective January 2013."

¹ We define the ~ sign as a +/- 0-2% deviation from the respective numbers.

Conference call

Fresenius Medical Care will hold a conference call to discuss the results of the third quarter and first nine months of 2012 on Wednesday, October 31, 2012, at 3:30 p.m. CET / 10:30 a.m. EDT. The company invites investors to view 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 2.1 million individuals worldwide. Through its network of 3,135 dialysis clinics in North America, Europe, Latin America, Asia-Pacific and Africa, Fresenius Medical Care provides dialysis treatment to 256,521 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)

	Three months ended September 30,		Change
	2012	2011	
Revenue			
Dialysis care	2,674,893	2,425,092	10.3%
Less: patient service bad debt provision	69,503	58,025	19.8%
Net dialysis care	2,605,390	2,367,067	10.1%
Dialysis products	812,548	816,999	-0.5%
Total net revenue	3,417,938	3,184,066	7.3%
Cost of revenue	2,305,627	2,123,792	8.6%
Gross profit	1,112,311	1,060,274	4.9%
Selling, general and administrative	522,177	504,868	3.4%
Gain on sale of dialysis clinics	(58)	—	
Research and development	27,867	27,612	0.9%
Income from equity method investees	(5,317)	(5,940)	-10.5%
Operating income (EBIT)	567,642	533,734	6.4%
Investment gain	—	—	
Interest expense, net	107,965	68,073	58.6%
Income before taxes	459,677	465,661	-1.3%
Income tax expense	153,036	162,797	-6.0%
Net income	306,641	302,864	1.2%
Less: Net income attributable to noncontrolling interests	36,779	23,609	55.8%
Net income attributable to shareholders of FMC AG & Co. KGaA	269,862	279,255	-3.4%
Operating income (EBIT)	567,642	533,734	6.4%
Depreciation and amortization	152,212	141,422	7.6%
EBITDA	719,854	675,156	6.6%
Earnings per ordinary share	0.88	0.92	-4.1%
Earnings per ordinary ADS	0.88	0.92	-4.1%
Weighted average number of shares			
Ordinary shares	301,531,173	299,280,448	
Preference shares	3,971,607	3,964,914	

Fresenius Medical Care

Statement of Earnings

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

	Nine months ended September 30,		Change
	2012	2011	
Revenue			
Dialysis care	7,894,374	7,071,971	11,6%
Less: patient service bad debt provision	206,665	166,991	23,8%
Net dialysis care	7,687,709	6,904,980	11,3%
Dialysis products	2,406,957	2,400,560	0,3%
Total net revenue	10,094,666	9,305,540	8,5%
Cost of revenue	6,785,972	6,268,373	8,3%
Gross profit	3,308,694	3,037,167	8,9%
Selling, general and administrative	1,614,625	1,490,663	8,3%
Gain on sale of dialysis clinics	(34,019)	—	
Research and development	83,327	80,544	3,5%
Income from equity method investees	(14,672)	(22,402)	-34,5%
Operating income (EBIT)	1,659,433	1,488,362	11,5%
Investment gain	(139,600)	—	
Interest expense, net	311,040	214,242	45,2%
Income before taxes	1,487,993	1,274,120	16,8%
Income tax expense	462,354	436,057	6,0%
Net income	1,025,639	838,063	22,4%
Less: Net income attributable to noncontrolling interests	95,942	77,346	24,0%
Net income attributable to shareholders of FMC AG & Co. KGaA	929,697	760,717	22,2%
Operating income (EBIT)	1,659,433	1,488,362	11,5%
Depreciation and amortization	446,463	413,695	7,9%
EBITDA	2,105,896	1,902,057	10,7%
Earnings per ordinary share	3.05 	2.51	21,4%
Earnings per ordinary ADS	3.05 	2.51	21,4%
Weighted average number of shares			
Ordinary shares	300,720,312	298,714,674	
Preference shares	3,968,082	3,960,315	
Employees			
Full-time equivalents	85,368	77,825	