

Press Release

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Fresenius Medical Care reports strong operating results for the third quarter 2014 and confirms guidance for full year 2014

- *Third quarter shows strong organic revenue growth*
- *Operating cash flow on record level in third quarter*
- *Company remains on track to achieve full year guidance*

Third quarter 2014 key figures:

Net revenue	\$4,113 million	+12%
Operating income (EBIT)	\$590 million	+6%
Net income ¹	\$271 million	-1%
Basic earnings per share	\$0.89	-1%

First nine months 2014 key figures

Net revenue	\$11,511 million	+7%
Operating income (EBIT)	\$1,591 million	0%
Net income ¹	\$710 million	-7%
Basic earnings per share	\$2.35	-6%

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

Rice Powell, chief executive officer of Fresenius Medical Care stated: "The third quarter has confirmed the positive trend from the previous quarter. Growth rates in revenue and earnings again improved and our operating cash flow has reached an all time high for a single quarter. We are on track to achieve our guidance as well as our cost savings target for the full year. The recent acquisitions, in combination with financing activities were important steps in the execution of our strategy to achieve our long term target 2020."

Third quarter 2014

Revenue

Net revenue for the third quarter of 2014 increased by 12% to \$4,113 million (+13% at constant currency) as compared to the third quarter of 2013. Organic revenue growth worldwide was 7%. Dialysis services revenue grew by 14% to \$3,197 million (+15% at constant currency) and dialysis product revenue increased by 7% to \$916 million (+7% at constant currency) as compared to the third quarter of 2013.

North America revenue for the third quarter of 2014 increased by 11% to \$2,710 million. Organic revenue growth was 5%. Dialysis services revenue grew by 12% to \$2,498 million with a same store treatment growth of 3.5%. Dialysis product revenue was flat compared to the third quarter of 2013 at \$212 million.

International revenue increased by 13% to \$1,386 million (+16% at constant currency). Organic revenue growth was 8%. Dialysis services revenue increased by 19% to \$699 million (+25% at constant currency). Dialysis product revenue increased by 9% to \$687 million (+9% at constant currency).

Earnings

Operating income (EBIT) for the third quarter of 2014 increased by 6% to \$590 million as compared to \$557 million in the third quarter of 2013. Operating income for North America for the third quarter of 2014 was \$413 million, flat as compared to the third quarter of 2013. In the International segment, operating income for the third quarter of 2014 increased by 26% to \$269 million as compared to \$214 million in the third quarter of 2013.

Net interest expense for the third quarter of 2014 was \$99 million, compared to \$103 million in the third quarter of 2013.

Income tax expense was \$162 million for the third quarter of 2014, which translates into an effective tax rate of 32.9%. This compares to income tax expense of \$148 million and a tax rate of 32.6% for the third quarter of 2013.

Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA for the third quarter of 2014 was \$271 million, a decrease of 1% compared to the corresponding number of \$273 million for the third quarter of 2013.

Basic earnings per share (EPS) for the third quarter of 2014 was \$0.89, a decrease of 1% compared to the corresponding number for the third quarter of 2013. The weighted average number of shares outstanding for the third quarter of 2014 was approximately 302.7 million shares, compared to 301.3 million shares for the third quarter of 2013. The increase in shares outstanding resulted from stock option exercises in the past twelve months.

Cash flow

In the third quarter of 2014, the company generated \$712 million in **net cash provided by operating activities**, an increase of 18% compared to the corresponding figure of last year and representing 17% of revenue.

A total of \$224 million was spent for **capital expenditures**, net of disposals. **Free cash flow** was \$488 million compared to \$430 million in the third quarter of 2013.

A total of \$613 million in cash was spent for **acquisitions and investments, net of divestitures**. **Free cash flow after investing activities** was a negative \$125 million as compared to \$235 million in the third quarter of 2013.

First nine months 2014

Revenue and earnings

Net revenue for the first nine months of 2014 increased by 7% to \$11,511 million (+8% at constant currency) as compared to the first nine months of 2013. Organic revenue growth worldwide was 5%.

Operating income (EBIT) for the first nine months of 2014 was \$1,591 million as compared to \$1,595 million in the first nine months of 2013.

Net interest expense for the first nine months of 2014 was \$294 million as compared to \$310 million in the first nine months of 2013.

Income tax expense for the first nine months of 2014 was \$440 million, which translates into an effective tax rate of 33.9%. This compares to income tax expense of \$421 million and a tax rate of 32.8% for the first nine months of 2013.

For the first nine months of 2014, **net income** attributable to shareholders of Fresenius Medical Care AG & Co. KGaA was \$710 million, down by 7% from the corresponding number of \$761 million for the first nine months of 2013.

In the first nine months of 2014, **basic earnings per share (EPS)** was \$2.35, a decrease of 6% compared to the corresponding number for the first nine months of 2013. The weighted average number of shares outstanding during the first nine months of 2014 was approximately 302.0 million shares.

Cash flow

In the first nine months of 2014, the company generated \$1,274 million in **net cash provided by operating activities** as compared to \$1,446 million for the same period in 2013 and representing 11% of revenue.

A total of \$639 million was spent for **capital expenditures**, net of disposals. **Free cash flow** for the first nine months of 2014 was \$635 million as compared to \$952 million in the first nine months of 2013.

A total of \$1,045 million in cash was spent for **acquisitions and investments, net of divestitures**. **Free cash flow after investing activities** was a negative \$410 million as compared to \$673 million in the first nine months of 2013.

Employees

As of September 30, 2014, Fresenius Medical Care had 97,327 employees (full-time equivalents) worldwide, compared to 89,282 employees at the end of September 2013. This increase of more than 8,000 employees was attributable to acquisitions as well as to our continued organic growth.

Balance sheet structure

The company's **total assets** were \$24,253 million (Dec. 31, 2013: \$23,120 million), an increase of 5%. **Current assets** increased by 3% to \$6,459 million (Dec. 31, 2013: \$6,287 million). **Non-current assets** were \$17,794 million (Dec. 31, 2013: \$16,833 million), an increase of 6%.

Total equity increased by 3% to \$9,750 million (Dec. 31, 2013: \$9,485 million). The equity ratio was 40% as compared to 41% at the end of 2013. **Total debt** was \$9,068 million (Dec. 31, 2013: \$8,417 million). As of September 30, 2014, the **debt/EBITDA ratio** was 3.0 (Dec. 31, 2013: 2.8).

Please refer to the attachments for a complete overview of the results for the third quarter and first nine months of 2014.

Outlook

The company expects **revenue** to be at around \$15.2 billion in 2014, translating into a growth rate of around 4%. This outlook excludes revenue of approximately \$500 million from acquisitions completed during the first nine months of 2014.

Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA is expected to be unchanged between \$1.0 billion and \$1.05 billion in 2014. The company

initiated a global efficiency program designed to enhance the company's performance over a multi-year period. Potential cost savings, before income taxes, of up to \$60 million generated from this program, and net of implementation costs are not included in the outlook for 2014.

For 2014, the company expects to spend around \$900 million on **capital expenditures**. Reflecting the latest acquisitions the company now expects **acquisition** spending of around \$1.3 billion for fiscal year 2014 (previously \$1 billion). The **debt/EBITDA ratio** is expected to be around 3.0 by the end of 2014.

Conference call

Fresenius Medical Care will hold a conference call to discuss the results of the second quarter 2014 on Tuesday, November 4, 2014 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 2.5 million individuals worldwide. Through its network of 3,349 dialysis clinics in North America, Europe, Latin America, Asia-Pacific and Africa, Fresenius Medical Care provides dialysis treatments for 283,135 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\$ million, except share data, unaudited

	Nine months ended September 30,		Change
	2014	2013	
Dialysis care revenue	9,136	8,440	8.2%
Less: patient service bad debt provision	208	205	1.3%
Net dialysis care revenue	8,928	8,235	8.4%
Dialysis products revenue	2,583	2,508	3.0%
Total net revenue	11,511	10,743	7.2%
Costs of revenue	7,929	7,306	8.5%
Gross profit	3,582	3,437	4.2%
Selling, general and administrative	1,921	1,772	8.4%
Gain (loss) on sale of dialysis clinics	1	(9)	-107.9%
Research and development	91	95	-3.7%
Income from equity method investees	(22)	(16)	51.1%
Operating income (EBIT)	1,591	1,595	-0.2%
Interest expense, net	294	310	-5.4%
Income before taxes	1,297	1,285	1.0%
Income tax expense	440	421	4.6%
Net income	857	864	-0.7%
Less: Net income attributable to noncontrolling interests	147	103	43.5%
Net income attributable to shareholders of FMC AG & Co. KGaA	710	761	-6.7%
Operating income (EBIT)	1,591	1,595	-0.2%
Depreciation and amortization	514	479	7.1%
EBITDA	2,105	2,074	1.5%
EBITDA margin	18.3%	19.3%	
Weighted average number of shares			
Ordinary shares	301,999,288	302,158,886	
Preference shares	—	2,590,857	
Basic earnings per share	\$2.35	\$2.50	-5.9%
Basic earnings per ADS	\$1.18	\$1.25	-5.9%
In percent of revenue			
Cost of revenue	68.9%	68.0%	
Gross profit	31.1%	32.0%	
Operating income (EBIT)	13.8%	14.8%	
Net income attributable to shareholders of FMC AG & Co. KGaA	6.2%	7.1%	

Fresenius Medical Care - Statement of earnings

in US\$ million, except share data, unaudited

	Three months ended September 30,		Change
	2014	2013	
Dialysis care revenue	3,277	2,887	13.5%
Less: patient service bad debt provision	80	74	8.5%
Net dialysis care revenue	3,197	2,813	13.6%
Dialysis products revenue	916	853	7.4%
Total net revenue	4,113	3,666	12.2%
Costs of revenue	2,825	2,497	13.1%
Gross profit	1,288	1,169	10.2%
Selling, general and administrative	670	585	14.7%
Gain (loss) on sale of dialysis clinics	1	(1)	-263.5%
Research and development	30	33	-9.0%
Income from equity method investees	(3)	(5)	-34.8%
Operating income (EBIT)	590	557	5.9%
Interest expense, net	99	103	-3.9%
Income before taxes	491	454	8.1%
Income tax expense	162	148	9.1%
Net income	329	306	7.6%
Less: Net income attributable to noncontrolling interests	58	33	77.3%
Net income attributable to shareholders of FMC AG & Co. KGaA	271	273	-0.8%
Operating income (EBIT)	590	557	5.9%
Depreciation and amortization	177	165	8.0%
EBITDA	767	722	6.3%
EBITDA margin	18.7%	19.7%	
Weighted average number of shares			
Ordinary shares	302,711,512	301,310,149	
Preference shares	—	—	
Basic earnings per share	\$0.89	\$0.91	-1.2%
Basic earnings per ADS	\$0.45	\$0.45	-1.2%
In percent of revenue			
Cost of revenue	68.7%	68.1%	
Gross profit	31.3%	31.9%	
Operating income (EBIT)	14.3%	15.2%	
Net income attributable to shareholders of FMC AG & Co. KGaA	6.6%	7.4%	