

## 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.freseniusmedicalcare.com

October 29, 2015

### **Fresenius Medical Care reports third quarter 2015 results and confirms guidance for full year 2015**

- **Strong organic growth and very positive earnings development in North America**
- **Strong growth dynamic in Care Coordination activities**
- **International performance furthermore impacted by currency fluctuations**
- **EBIT and net income influenced by one-time items**

#### **Third quarter 2015 key figures**

|  |                 |     |
|--|-----------------|-----|
| Net revenue  | \$4,231 million | +3% |
| Operating income (EBIT)                            | \$614 million   | +4% |
| Operating income (EBIT) excluding one-time items   | \$632 million   | +5% |
| Net income <sup>1</sup>                            | \$262 million   | -3% |
| Net income excluding one-time items <sup>1</sup> , | \$284 million   | +2% |
| Basic earnings per share                           | \$0.86          | -4% |

### **First nine months 2015 key figures**

|  |                  |     |
|--|------------------|-----|
| Net revenue                                      | \$12,390 million | +8% |
| Operating income (EBIT)                          | \$1,665 million  | +5% |
| Operating income (EBIT) excluding one-time items | \$1,683 million  | +5% |
| Net income <sup>1</sup>                          | \$713 million    | 0%  |
| Net income excluding one-time items <sup>1</sup> | \$735 million    | +3% |
| Basic earnings per share                         | \$2.34           | 0%  |

Rice Powell, chief executive officer of Fresenius Medical Care stated: "With the dynamic growth in our Care Coordination business and our continued strong operating performance in our core businesses, we are well positioned for future success. We are very satisfied with our accomplishments in the third quarter despite the unfavorable currency impacts. We confirm our outlook for the full year 2015 and remain focused to further strengthen our business to deliver high quality care for our patients."

### **Third quarter 2015**

#### **Revenue**

**Net revenue** for the third quarter of 2015 increased by 3% to \$4,231 million (+9% at constant currency) as compared to the third quarter of 2014. Organic revenue growth worldwide was 6%. Net Health Care revenue grew by 6% to \$3,402 million (+10% at constant currency). After two very strong quarters in the product business, we are closer to a normalized organic revenue level. Dialysis product revenue was down by 9% to \$829 million as compared to the third quarter of 2014 mainly due to a negative currency impact in the three International segments. On a constant currency basis, the dialysis product revenue increased by 2%.

**North America** revenue for the third quarter of 2015 increased by 11% to \$3,013 million. Organic revenue growth was 6%. Net Health Care revenue grew by 12% to \$2,794 million with a same market treatment growth of 5%. Net Dialysis Care revenue increased by 6% to \$2,314 million and Care Coordination revenue increased by 56% to

---

<sup>1</sup> attributable for shareholders of Fresenius Medical Care AG & Co. KGaA

\$480 million (organic growth of 17%). Dialysis product revenue increased by 3% to \$219 million as compared to the third quarter of 2014.

**International** revenue decreased by 12% to \$1,213 million (an increase of 5% on a constant currency basis). Organic revenue growth was 6%. While the underlying organic revenue developed positively, the currency translation resulted in a negative impact. Net Health Care revenue decreased by 13% to \$608 million (+6% at constant currency). Dialysis product revenue decreased by 12% to \$605 million (+3% at constant currency).

**International segments:**

**Europe, Middle East and Africa (EMEA)** revenue decreased by 16% to \$659 million (+2% at constant currency). Organic revenue growth was 2%. Net Health Care revenue decreased by 16% to \$309 million (+3% at constant currency). Dialysis product revenue decreased by 16% to \$350 million (stable at constant currency).

**Asia-Pacific** revenue decreased by 2% to \$378 million (+9% at constant currency). Organic revenue growth was 10%. Net Health Care revenue decreased by 9% to \$168 million (+4% at constant currency). Dialysis product revenue increased by 3% to \$210 million (+13% at constant currency).

**Latin America** revenue decreased by 18% to \$176 million (+7% at constant currency). Organic revenue growth was 13%. Net Health Care revenue decreased by 12% to \$131 million (+12% at constant currency). Dialysis product revenue decreased by 33% to \$44 million (a decrease of 6% at constant currency). The regional performance was impacted by the divestiture of our dialysis service business in Venezuela.

## ***Earnings***

**Operating income (EBIT)** increased by 4% from \$590 million in the third quarter of 2014 to \$614 million in the third quarter of 2015. Operating income, excluding one-time items, increased by 5% from \$601 million to \$632 million; adjusted for: a negative impact (\$26 million) from the divestiture of the dialysis service business in Venezuela, a negative impact due to the closing of a manufacturing plant in the third quarter of 2014 (\$11 million) and a positive impact of \$8 million from the sale of our European marketing rights for certain renal pharmaceuticals to our joint venture Vifor Fresenius Medical Care Renal Pharma. The sale of remaining marketing rights is being recognized as they are

transferred at the country level. Therefore, we anticipate additional gains will be realized in the fourth quarter of 2015.

Operating income for **North America** for the third quarter of 2015 was \$515 million, an increase of 25% as compared to the third quarter of 2014.

**International segments:**

Operating income for **EMEA** for the third quarter of 2015 was \$130 million, a decrease of 14% as compared to the third quarter of 2014. Operating income, excluding one-time items, was \$122 million. Operating income for **Asia-Pacific** for the third quarter of 2015 was \$68 million, a decrease of 25% as compared to the third quarter of 2014. Operating income for **Latin America** for the third quarter of 2015 was (\$8 million). Operating income, excluding one-time items, was \$18 million.

**Net interest expense** for the third quarter of 2015 was with \$100 million at the same level as compared to the third quarter of 2014.

**Income tax expense** was \$168 million for the third quarter of 2015, which translates into an effective tax rate of 32.8%. This compares to income tax expense of \$162 million and a tax rate of 32.9% for the third quarter of 2014.

**Net income** attributable to shareholders of Fresenius Medical Care AG & Co. KGaA for the third quarter of 2015 was \$262 million, a decrease of 3% compared to \$271 million for the third quarter of 2014. Net income attributable to noncontrolling interest increased to \$84 million (\$58 million in the third quarter of 2014) due to the strong earnings development in North America. Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA for the third quarter of 2015, excluding one-time items, increased by 2% to \$284 million.

**Basic earnings per share (EPS)** for the third quarter of 2015 was \$0.86, a decrease of 4% compared to the corresponding number for the third quarter of 2014. The weighted average number of shares outstanding for the third quarter of 2015 was approximately 304.7 million shares, compared to approximately 302.7 million shares for the third quarter of 2014. The increase in shares outstanding resulted from stock option exercises during the last twelve months.

## ***Cash flow***

In the third quarter of 2015, the company generated \$579 million, representing roughly 14% of revenue, in **net cash provided by operating activities**, compared to the corresponding figure of last year of \$712 million.

A total of \$224 million was spent for **capital expenditures**, net of disposals. **Free cash flow** was \$355 million compared to \$488 million in the third quarter of 2014.

A total of \$57 million in cash was spent for **acquisitions and investments, net of divestitures**. **Free cash flow after investing activities** was \$298 million as compared to (\$125) million in the third quarter of 2014.

## **First nine months 2015**

### ***Revenue and earnings***

**Net revenue** for the first nine months of 2015 increased by 8% to \$12,390 million (+13% at constant currency) as compared to the first nine months of 2014. Organic revenue growth worldwide was 7%.

**Operating income (EBIT)** for the first nine months of 2015 was \$1,665 million as compared to \$1,591 million in the first nine months of 2014. This represents an increase of 5%. Operating income, excluding one-time items, increased by 5% to \$1,683 million.

**Net interest expense** for the first nine months of 2015 was \$304 million as compared to \$294 million in the first nine months of 2014.

**Income tax expense** for the first nine months of 2015 was \$441 million, which translates into an effective tax rate of 32.4%. This compares to income tax expense of \$440 million and a tax rate of 33.9% for the first nine months of 2014. 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 nine months of 2015, **net income** attributable to shareholders of Fresenius Medical Care AG & Co. KGaA was stable at \$713 million (\$710 million in the same period

in the previous year). Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA excluding one-time items for the first nine months of 2015 increased by 3% to \$735 million.

In the first nine months of 2015, **basic earnings per share (EPS)** remained stable with \$2.34 as compared to the corresponding number for the first nine months of 2014 (\$2.35). The weighted average number of shares outstanding during the first nine months of 2015 was approximately 304.2 million shares.

### ***Cash flow***

In the first nine months of 2015, the company generated \$1,412 million in **net cash provided by operating activities**, representing 11.4% of revenue, as compared to \$1,274 million for the same period in 2014.

A total of \$636 million was spent for **capital expenditures**, net of disposals. **Free cash flow** for the first nine months of 2015 was \$776 million as compared to \$635 million in the first nine months of 2014.

A total of \$124 million in cash was spent for **acquisitions and investments, net of divestitures**. **Free cash flow after investing activities** was \$652 million as compared to (\$410) million in the first nine months of 2014.

### ***Employees***

As of September 30, 2015, Fresenius Medical Care had 102,591 **employees** (full-time equivalents) worldwide, compared to 97,327 employees at the end of September 2014. This increase was mainly attributable to acquisitions as well as to our continued organic growth.

### ***Balance sheet structure***

The company's total assets were stable at \$25,414 million (Dec. 31, 2014: \$25,447 million). Current assets were comparable at \$6,760 million (Dec. 31, 2014: \$6,725 million). Non-current assets were slightly down at \$18,654 million (Dec. 31, 2014:

\$18,722 million). Total equity increased by 2% to \$10,243 million (Dec. 31, 2014: \$10,028 million). The equity ratio was 40% as compared to 39% at the end of 2014. Total debt was \$9,093 million (Dec. 31, 2014: \$9,532 million). As of September 30, 2015, the debt/EBITDA ratio was 2.9 (Dec. 31, 2014: 3.1).

Please refer to the attachments for a complete overview of the results for the third quarter and first nine months of 2015.

### ***Outlook<sup>1</sup> 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.

The company expects to spend around \$1.0 billion on **capital expenditures** and around \$300 million on acquisitions in 2015. The **debt/EBITDA ratio** is expected to be around 3.0 by the end of 2015.

In addition we confirm our 2016 projections. We expect revenue to increase around 7-10% (at constant currency) and net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA to grow by 15-20%.

We expect the progress in our business to be consistent with our long-term targets.

### ***Conference call***

Fresenius Medical Care will hold a conference call to discuss the results of the third quarter 2015 on Thursday, October 29, 2015 at 3.30 p.m. CET/ 10.30 a.m. EDT. The company invites investors to follow the live webcast of the call at the company's website [www.freseniusmedicalcare.com](http://www.freseniusmedicalcare.com) in the "Investors/Events & Presentations" section. A replay will be available shortly after the call.

---

<sup>1</sup> 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.

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 3,402 dialysis clinics, Fresenius Medical Care provides dialysis treatments for 290,250 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](http://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

|   | Nine months ended September 30, |                    | Change       |
|---|---------------------------------|--------------------|--------------|
|   | 2015                            | 2014               |              |
| <b>Revenue</b>  |                                 |                    |              |
| Net Health Care revenue   | 9,929                           | 8,928              | 11.2%        |
| Dialysis products revenue   | 2,461                           | 2,583              | -4.8%        |
| <b>Total net revenue</b>  | <b>12,390</b>                   | <b>11,511</b>      | <b>7.6%</b>  |
| Costs of revenue  | 8,527                           | 7,929              | 7.5%         |
| Gross profit  | 3,863                           | 3,582              | 7.9%         |
| Selling, general and administrative                                     | 2,120                           | 1,922              | 10.3%        |
| Research and development  | 100                             | 91                 | 10.3%        |
| Income from equity method investees                                     | (22)                            | (22)               | 0.4%         |
| <b>Operating income (EBIT)</b>  | <b>1,665</b>                    | <b>1,591</b>       | <b>4.6%</b>  |
| Interest expense, net   | 304                             | 294                | 3.3%         |
| <b>Income before taxes</b>  | <b>1,361</b>                    | <b>1,297</b>       | <b>4.9%</b>  |
| Income tax expense  | 441                             | 440                | 0.3%         |
| <b>Net income</b>   | <b>920</b>                      | <b>857</b>         | <b>7.3%</b>  |
| Less: Net income attributable to noncontrolling interests               | 207                             | 147                | 40.8%        |
| <b>Net income attributable to shareholders of FMC AG &amp; Co. KGaA</b> | <b>713</b>                      | <b>710</b>         | <b>0.4%</b>  |
| <b>Operating income (EBIT)</b>  | <b>1,665</b>                    | <b>1,591</b>       | <b>4.6%</b>  |
| Depreciation and amortization   | 537                             | 514                | 4.5%         |
| <b>EBITDA</b>   | <b>2,202</b>                    | <b>2,105</b>       | <b>4.6%</b>  |
| EBITDA margin   | 17.8%                           | 18.3%              |              |
| <b>Weighted average number of shares</b>                                | <b>304,201,787</b>              | <b>301,999,288</b> |              |
| <b>Basic earnings per share</b>   | <b>\$2.34</b>                   | <b>\$2.35</b>      | <b>-0.3%</b> |
| <b>Basic earnings per ADS</b>   | <b>\$1.17</b>                   | <b>\$1.18</b>      | <b>-0.3%</b> |
| <b>In percent of revenue</b>  |                                 |                    |              |
| Costs of revenue  | 68.8%                           | 68.9%              |              |
| Gross profit  | 31.2%                           | 31.1%              |              |
| <b>Operating income (EBIT)</b>  | <b>13.4%</b>                    | <b>13.8%</b>       |              |
| <b>Net income attributable to shareholders of FMC AG &amp; Co. KGaA</b> | <b>5.8%</b>                     | <b>6.2%</b>        |              |

## Fresenius Medical Care - Statement of earnings

in US\$ million, except share data, unaudited

|   | Three months ended September 30, |                    | Change       |
|---|----------------------------------|--------------------|--------------|
|   | 2015                             | 2014               |              |
| <b>Revenue</b>  |                                  |                    |              |
| Net Health Care revenue   | 3,402                            | 3,197              | 6.4%         |
| Dialysis products revenue   | 829                              | 916                | -9.5%        |
| <b>Total net revenue</b>  | <b>4,231</b>                     | <b>4,113</b>       | <b>2.9%</b>  |
| Costs of revenue  | 2,849                            | 2,825              | 0.9%         |
| Gross profit  | 1,382                            | 1,288              | 7.3%         |
| Selling, general and administrative                                     | 742                              | 671                | 10.6%        |
| Research and development  | 35                               | 30                 | 15.6%        |
| Income from equity method investees                                     | (9)                              | (3)                | 161.9%       |
| <b>Operating income (EBIT)</b>  | <b>614</b>                       | <b>590</b>         | <b>4.0%</b>  |
| Interest expense, net   | 100                              | 99                 | 0.3%         |
| <b>Income before taxes</b>  | <b>514</b>                       | <b>491</b>         | <b>4.7%</b>  |
| Income tax expense  | 168                              | 162                | 4.2%         |
| <b>Net income</b>   | <b>346</b>                       | <b>329</b>         | <b>5.0%</b>  |
| Less: Net income attributable to noncontrolling interests               | 84                               | 58                 | 43.0%        |
| <b>Net income attributable to shareholders of FMC AG &amp; Co. KGaA</b> | <b>262</b>                       | <b>271</b>         | <b>-3.1%</b> |
| <b>Operating income (EBIT)</b>  | <b>614</b>                       | <b>590</b>         | <b>4.0%</b>  |
| Depreciation and amortization   | 179                              | 177                | 1.4%         |
| <b>EBITDA</b>   | <b>793</b>                       | <b>767</b>         | <b>3.4%</b>  |
| EBITDA margin   | 18.7%                            | 18.7%              |              |
| <b>Weighted average number of shares</b>                                | <b>304,738,291</b>               | <b>302,711,512</b> |              |
| <b>Basic earnings per share</b>   | <b>\$0.86</b>                    | <b>\$0.89</b>      | <b>-3.8%</b> |
| <b>Basic earnings per ADS</b>   | <b>\$0.43</b>                    | <b>\$0.45</b>      | <b>-3.8%</b> |
| <b>In percent of revenue</b>  |                                  |                    |              |
| Costs of revenue  | 67.3%                            | 68.7%              |              |
| Gross profit  | 32.7%                            | 31.3%              |              |
| Operating income (EBIT)   | 14.5%                            | 14.3%              |              |
| <b>Net income attributable to shareholders of FMC AG &amp; Co. KGaA</b> | <b>6.2%</b>                      | <b>6.6%</b>        |              |