



**Fresenius Medical Care**

# **Cheuvreux German Corporate Conference**

Frankfurt/Main, January 19, 2011



# Forward-looking Statements

**Safe Harbor Statement:** This presentation includes certain forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Act of 1934, as amended. Actual results could differ materially from those included in the forward-looking statements due to various risk factors and uncertainties, including changes in business, economic 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 discussed in detail in Fresenius Medical Care AG & Co. KGaA's (FMC AG & Co. KGaA) reports filed with the Securities and Exchange Commission (SEC) and the German Exchange Commission (Deutsche Börse).

# Agenda

**1. Business Update**

**2. Financials & Outlook**

**3. Growth Strategy & Summary**



## Excellent quarter and fully on track for full-year targets

	Q3 2009	Q3 2010	Growth
<b>Revenue</b>	\$ 2,889 m	\$ 3,058 m	6%
<b>Net income</b> <small>attributable to FMC AG &amp; Co. KGaA</small>	\$ 225 m	\$ 248 m	10%
<b>Earnings per share</b>	\$ 0.76	\$ 0.82	9%

- Strong revenue growth at 7% at constant currency and 6% organic
- Very good EBIT-margin development
- Resulting in net income growth of 10%

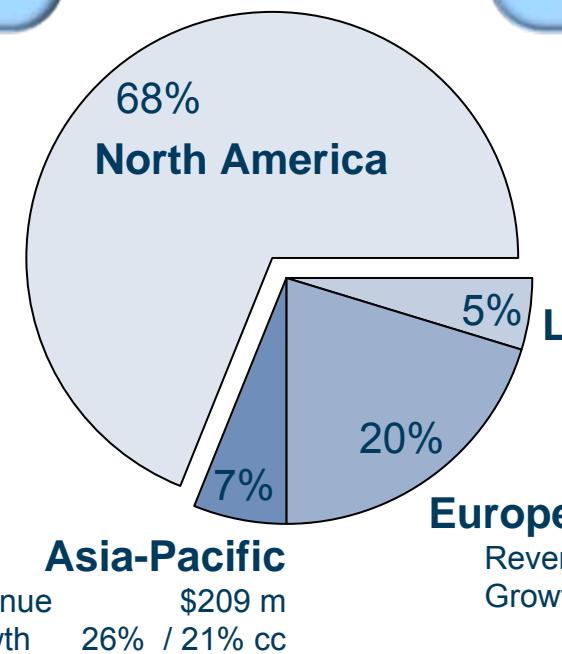
**Total revenue increased by 7%cc to \$3,058 m**

## North America

Revenue	\$2,071 m
Growth actual	6%
Growth organic	6%

## International

Revenue	\$987 m
Growth actual	9%cc
Growth organic	5%



cc = constant currency

## Continued excellent revenue growth of 9%cc

US\$ millions	Q3 2009	Q3 2010	Growth	cc
<b>North America</b>	1,741	<b>1,863</b>	7%	
<b>International</b>	406	<b>458</b>	13%	17%
<b>Total</b>	2,147	<b>2,321</b>	8%	9%

- Very good organic treatment growth of 4.7% globally
- Continued strong revenue per treatment development
- Treating 210,191 patients in 2,716 clinics

cc = constant currency



## Q3 Quality Outcomes

## Continued improvement of patient outcomes

% of patients	North America (US)		EMEA	
	Q3 2009	Q3 2010	Q3 2009	Q3 2010
Kt/V $\geq$ 1.2	96%	<b>96%</b>	95%	<b>95%</b>
Hemoglobin = 10-12 g/dl	64%	<b>69%</b>	53%	<b>54%</b>
Hemoglobin = 10-13 g/dl	87%	<b>88%</b>	76%	<b>76%</b>
Albumin $\geq$ 3.5 g/dl	82%	<b>82%</b>	87%	<b>86%</b>
Phosphate 3.5-5.5 mg/dl	54%	<b>57%</b>	60%	<b>61%</b>
Hospitalization days	10.0	<b>9.8</b>	8.7	<b>9.4</b>

\* The hospitalization rates for the US reflects adoption of CMS policy

## Further improved performance in all key metrics

Q3 2010

Organic revenue growth

**Total**

7%

**North America**

7%

6%

Same market treatment growth

4.7%

4.3%

5.6%

Revenue per treatment

\$351 \*

\$165 cc

September 30, 2010

Number of clinics

2,716

1,809

907

Growth

8%

3%

19%

De novos

72

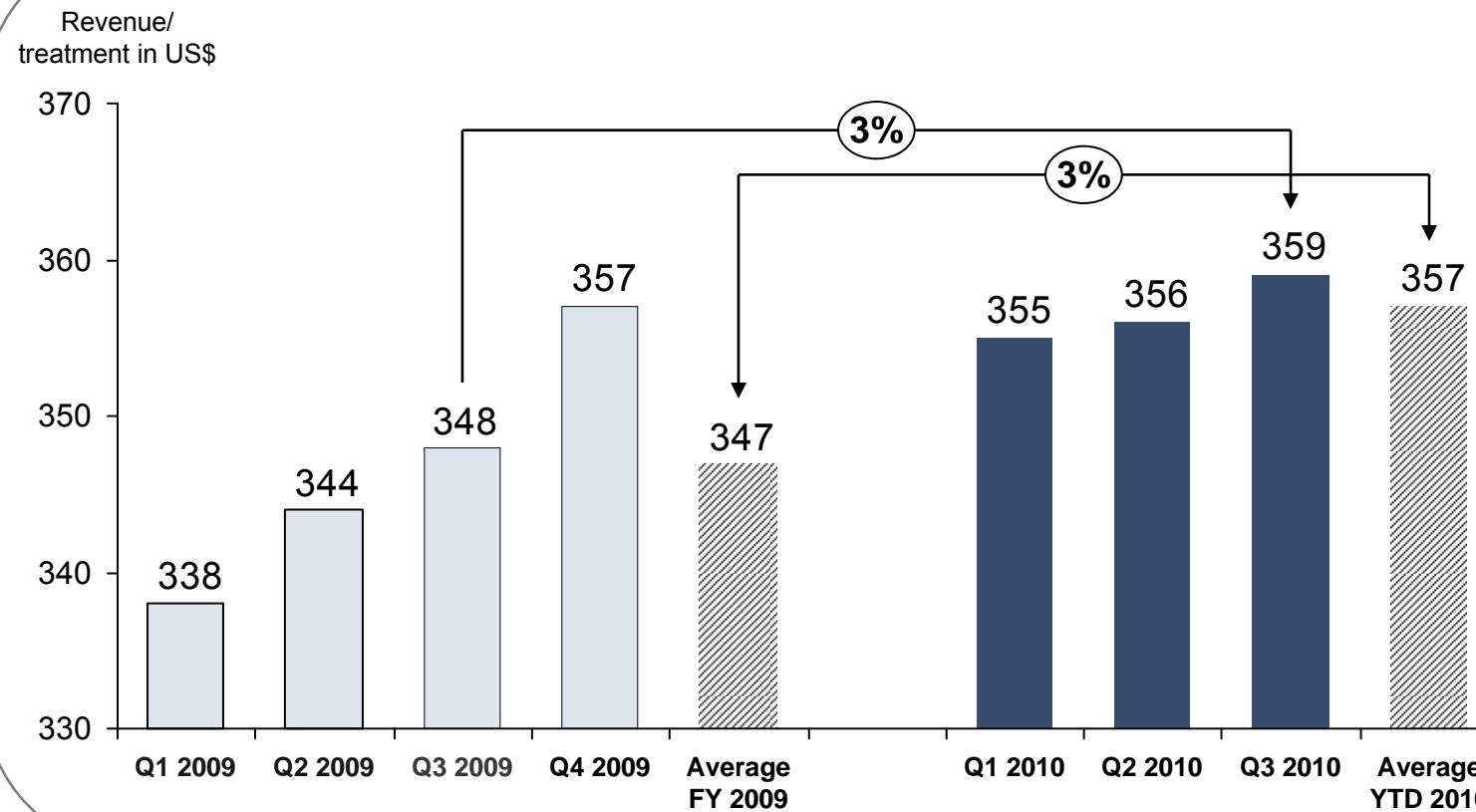
42

30

\* including Mexico

## Q3 Revenue per treatment US

### Stable reimbursement environment



## Product growth in North America impacted by mix shift

US\$ millions	Q3 2009	Q3 2010	Growth	cc
<b>Total revenue</b> (incl. internal revenue)	1,003	1,018	2%	4%
<b>External revenue</b>	742	737	-1%	3%
North America	209	208	0%	
International	533	529	-1%	4%

cc = constant currency

## Product Launches

Liberty Cycler



F250 - Optiflux



Delflex – neutral pH



2008 K-Sorb



2008 T



5008 S



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US\$ millions	9M 2009	9M 2010	Growth
Net revenue	8,212	<b>8,886</b>	8% *
Operating income (EBIT)	1,265	<b>1,385</b>	10%
EBIT margin in %	15.4	15.6	
Interest expense, net	225	206	
Income before income tax	1,040	<b>1,179</b>	13%
Income tax expense	345	<b>410</b>	
Tax rate	33%	35%	
Non-controlling interest	50	62	
<b>Net income</b> attributable to FMC AG & Co. KGaA	645	<b>707</b>	10%

\* 8% growth at constant currency, 6% organic growth

## Operating cash flow above \$ 1 billion and at 12% of revenue

US\$ millions	9M 2009	9M 2010	Growth
Operating cash flow <sup>1)</sup>	880	<b>1,027</b> 12% of revenue	17%
Capital expenditures, net <sup>1)</sup>	(388)	<b>(339)</b>	
Free cash flow	492	<b>688</b> 8% of revenue	40%
Acquisitions, net of divestitures <sup>1) 2)</sup>	(107)	<b>(239)</b>	
Free cash flow, after acquisitions <sup>1) 2)</sup>	385	<b>449</b>	

1) A reconciliation to the most directly comparable U.S. GAAP financial measure is provided in the attachment.

2) Does not include a \$131 m cash out for a short-term bank deposit in Q2 2010 and a cash repayment in form of an inter-company loan of \$ 50 m in Q2 2009



# 2010 Guidance – Outlook improved



## Fully on track for 2010 Targets

US\$ millions	Guidance
Net revenue	> \$12,000
Net income attributable to FMC AG & Co. KGaA	\$960 - 980 improved
Leverage ratio (Debt/EBITDA)	< 2.5
Capital expenditures	\$550 - 650
Acquisitions	up to \$500

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## North America

FME

137,623

DaVita

122,000

DCI

13,500

# of patients

## Latin America

FME

21,934

Baxter

9,250

Diaverum

3,300

# of patients

We Lead in Every  
Major Market,  
Treating More Than  
212,068 Patients  
Worldwide

## EMEA

FME

36,871

KfH

18,000

Diaverum

12,200

# of patients

## Asia Pacific

FME

19,630\*

Showai-Kai

7,000

# of patients

Based on company estimates

# Market Position by Major Product Groups

Dialyzers  
Dialysis machines  
Hemodialysis concentrates  
Bloodlines  
Peritoneal dialysis products

	<u>Rank 1</u>	<u>Rank 2</u>	<u>Rank 3</u>
Dialyzers	FME	Gambro	Nipro
Dialysis machines	FME	Gambro	Nikkiso
Hemodialysis concentrates	FME	Fuso	Gambro
Bloodlines	FME	Gambro	Kawasumi
Peritoneal dialysis products	Baxter	FME	Pisa

Dialyzers

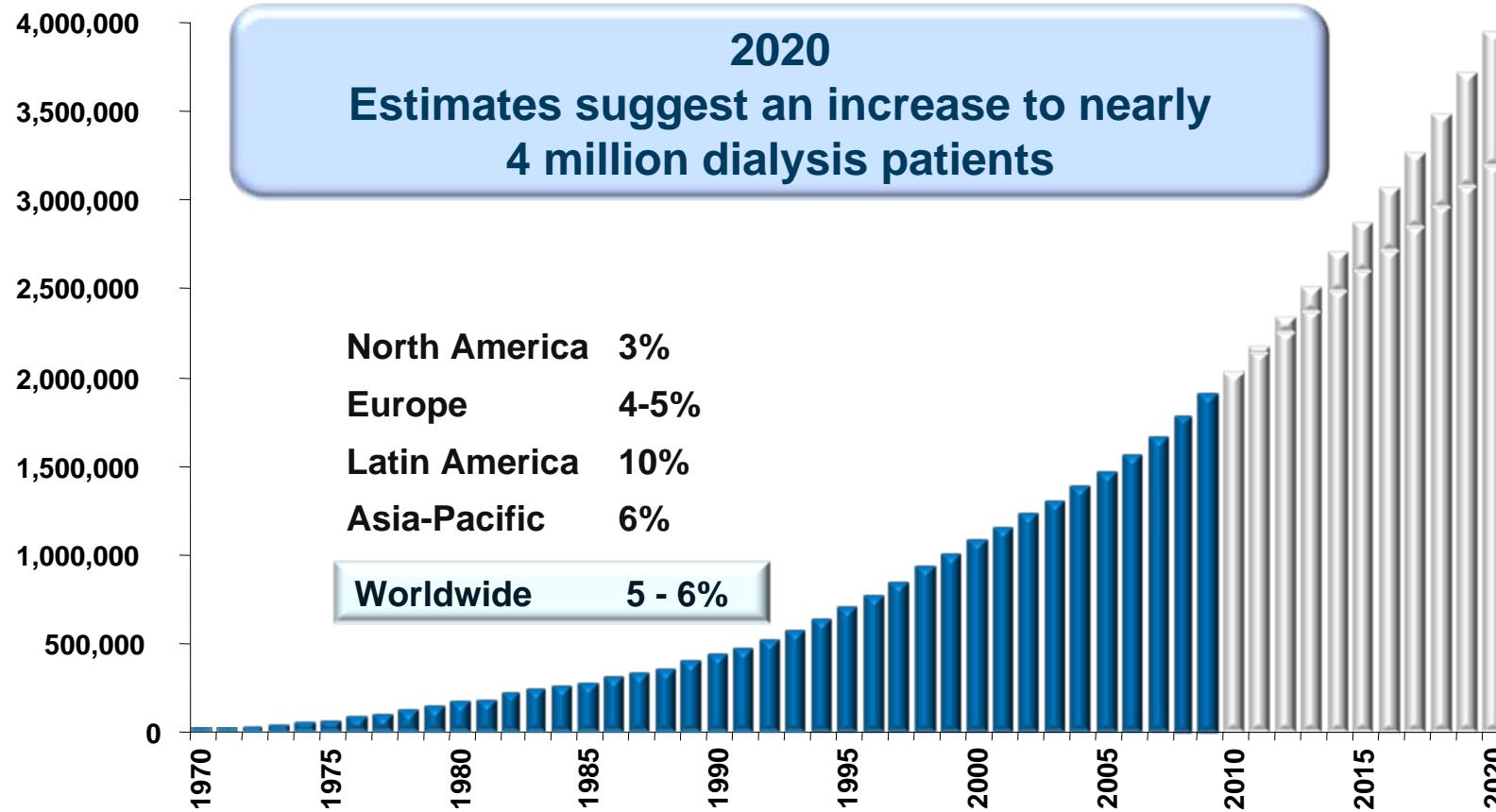


Dialysis machines



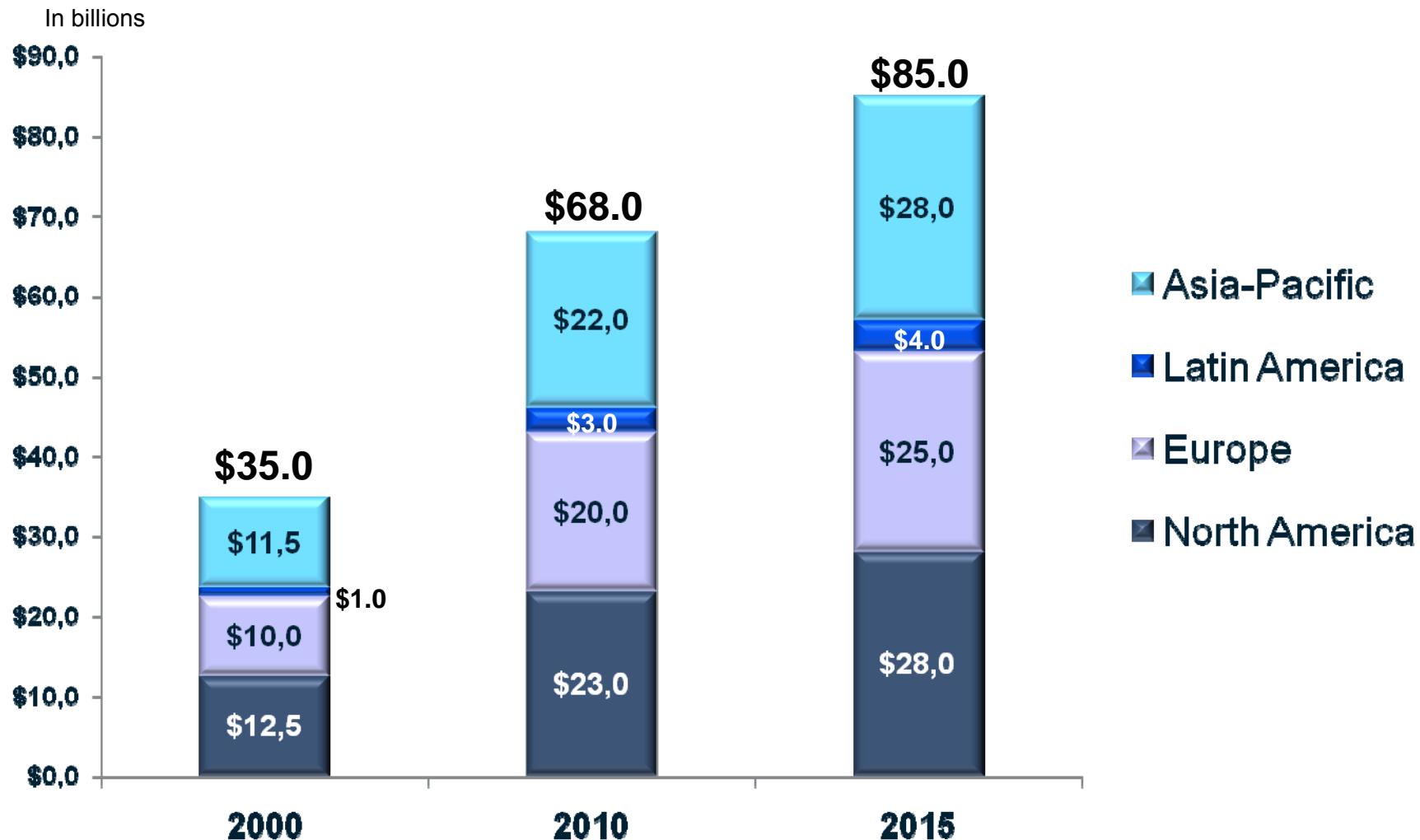
Produced more than ~85,000,000 Dialyzers in 2009

# Development of Dialysis Patient Population



- Renal failure persists worldwide
- Dialysis is the primary treatment modality on a global scale
- The number of global dialysis patients is expected to double by 2020

# Market Opportunity by Region





# FME's Products and Services by Region

## North America

Products  
10%

Services  
90%

## Europe

Products  
57%

Services  
43%

## Latin America

Products  
32%

Services  
68%

## Asia-Pacific

Products  
64%

Services  
36%

## Integrated Care

### Therapy

### Renal Drugs



2008K



**5008S**



### Patient Care

### Products

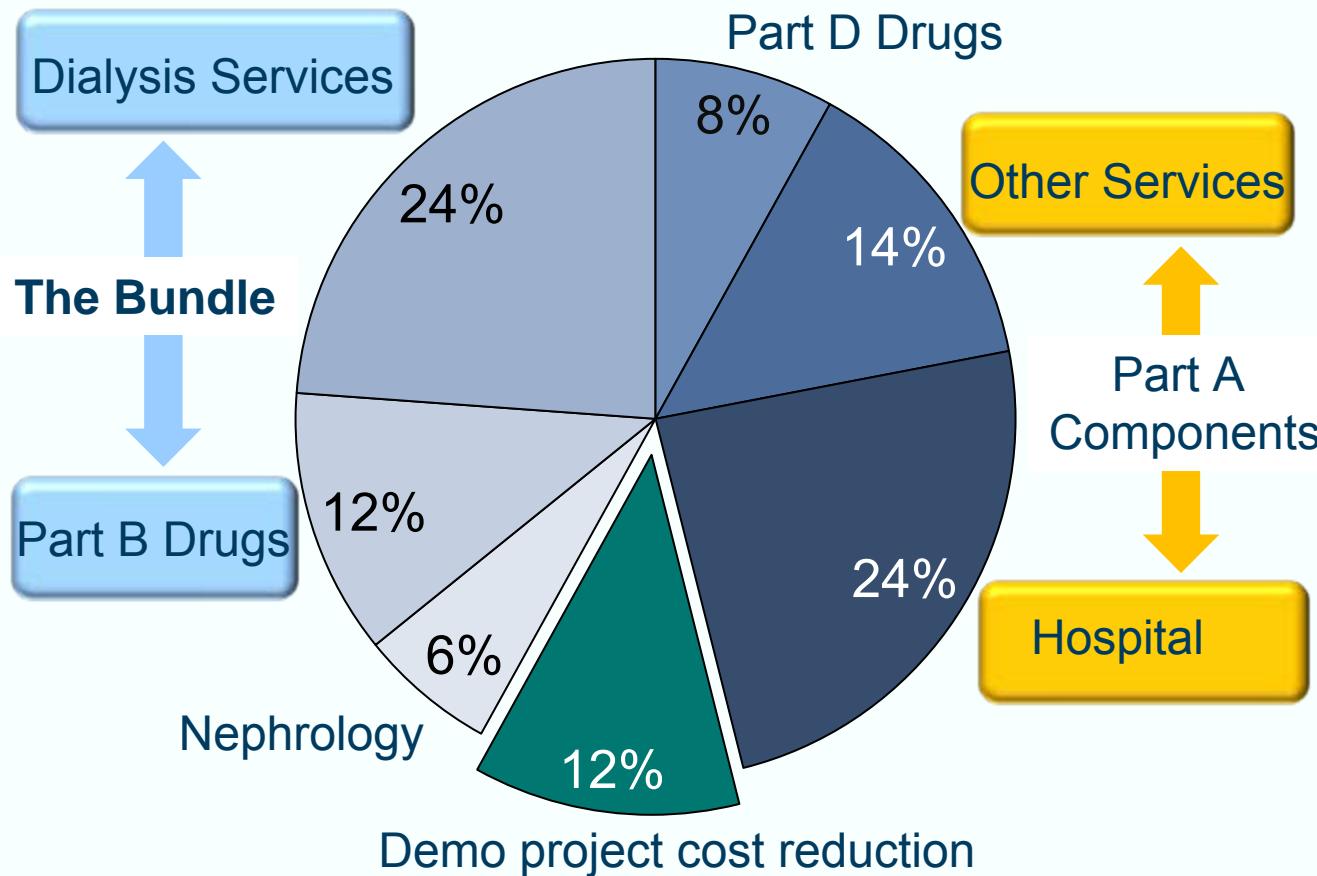


**SleepSafe**

**Liberty Cycler**



**CMS annual costs per ESRD patient – \$87,400**



## Leadership

- Maintain our global leadership position
- Continue to shape the future of the dialysis industry

## Quality

- Maintain superior quality in products and services

## Growth

- Benefit from product innovations
- Take opportunity of international growth potential
- Introduce new therapy offerings
- Continue horizontal expansion of service and product range

## Financial

- Control cost and spending
- Seek attractive investment opportunities
- Continue profitable growth momentum



**Fresenius Medical Care**

**Thank you for your interest in  
Fresenius Medical Care**

# Attachment I



Fresenius Medical Care

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

All figures are in \$ millions

<b>Debt</b>	Q3 2010	FY 2009	FY 2008	FY 2007
<b>Short-term borrowings (incl. A/R program)</b>	623	316	684	217
+ Short-term borrowings from related parties	10	10	1	2
+ Current portion of long-term debt and capital lease obligations	158	158	455	85
+ Current portion of trust preferred securities	634			670
+ Long-term debt and capital lease obligations, less current portion	4,311	4,428	3,957	4,004
+ Trust preferred securities	-	656	641	664
<b>= Total debt</b>	<b>5,736</b>	<b>5,568</b>	<b>5,738</b>	<b>5,642</b>

<b>EBITDA</b>	Q3 2010	FY 2009 <sup>1)</sup>	FY 2008	FY 2007
<b>Last twelve months operating income (EBIT)</b>	1,876	1,697	1,672	1,580
+ Last twelve months depreciation and amortization	492	443	416	363
+ Non-cash charges	48	48	44	41
<b>= EBITDA (annualized)</b>	<b>2,416</b>	<b>2,188</b>	<b>2,132</b>	<b>1,984</b>

<b>Capital expenditure (net)</b>	9M 2010	9M 2009	Q3 2010	Q3 2009
Purchase of property, plant and equipment	(350)	(398)	(123)	(145)
- Proceeds from sale of property, plant and equipment	11	10	2	6
<b>= Capital expenditure (net)</b>	<b>(339)</b>	<b>(388)</b>	<b>(121)</b>	<b>(139)</b>

1) Excluding restructuring costs and in-process R&D

# Attachment II



Fresenius Medical Care

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

All figures are in \$ millions

External Revenue	9M 2010	9M 2009	Growth	cc	Q3 2010	Q3 2009	Growth	cc
International product revenue	1,835	1,736	6	5	628	627	0	5
- Internal revenue	(282)	(253)	11		(99)	(94)	5	
= External revenue	1,553	1,483	5	4	529	533	(1)	4
North America product revenue	1,145	1,080	6		390	376	4	
- Internal revenue	(528)	(475)	11		(182)	(167)	9	
= External revenue	617	605	2		208	209	0	
 TOTAL product revenue	 2,980	 2,816	 6	 5	 1,018	 1,003	 2	 4
- Internal revenue	(810)	(728)	11		(272)	(246)	8	
= External revenue	2,170	2,088	4	3	737	742	(1)	3

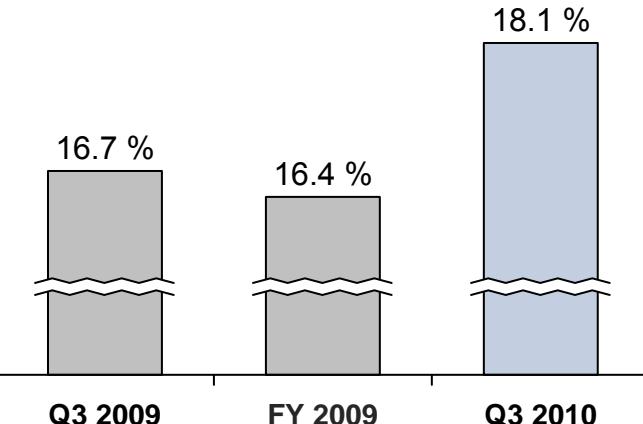
Acquisitions (net)	9M 2010	9M 2009	Q3 2010	Q3 2009
Acquisitions and investment and net purchases of intangible assets	(378)	(109)	(88)	(27)
Proceeds from divestitures	8	52	1	1
Acquisitions and investments, net of divestitures	(370)	(57)	(87)	(26)
Investment, net of repayments	131	(50)	-	-
Acquisitions, net of divestitures	(239)	(107)	(87)	(26)

cc = constant currency

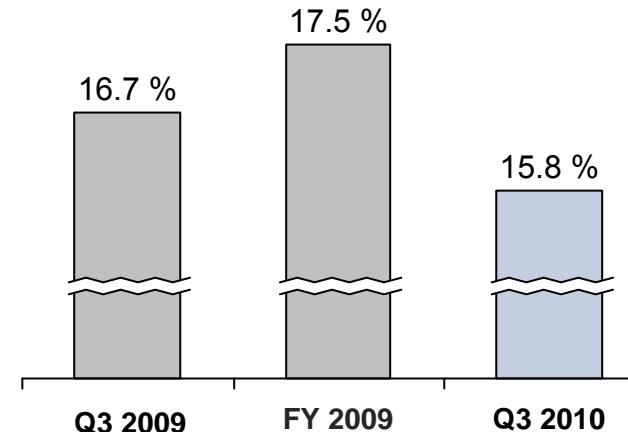
<b>Q3 2010</b>	<b>Clinics</b>	<b>Patients</b>	<b>Treatments</b> (in millions)
<b>Total</b>	<b>2,716</b>	<b>210,191</b>	<b>23.4</b>
Growth	+ 8%	+ 9%	+ 7%
<b>North America</b>	<b>1,809</b>	<b>135,746</b>	<b>15.5</b>
Growth	+ 3%	+ 4%	+ 5%
<b>International</b>	<b>907</b>	<b>74,445</b>	<b>7.9</b>
Growth	+ 19%	+ 20%	+ 11%
<b>Europe</b>	<b>482</b>	<b>36,871</b>	<b>4.0</b>
<b>Latin America</b>	<b>191</b>	<b>21,934</b>	<b>2.5</b>
<b>Asia-Pacific</b>	<b>234</b>	<b>15,640</b>	<b>1.4</b>

# Operating Margin Development

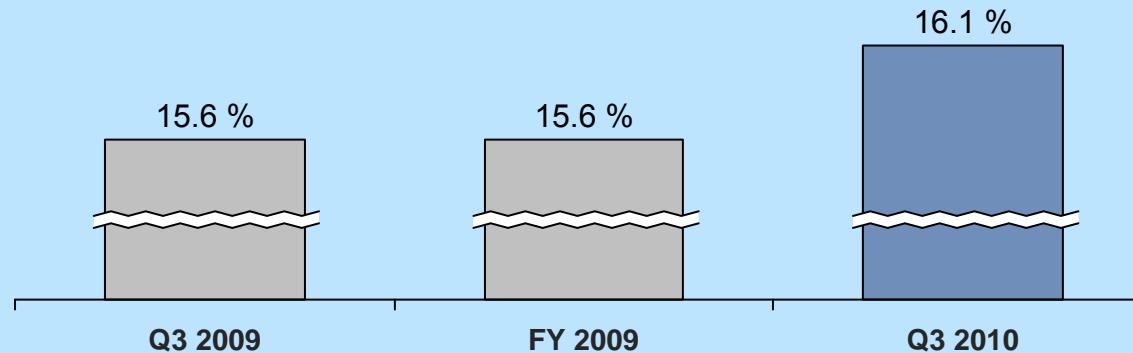
## North America



## International



## Total Company

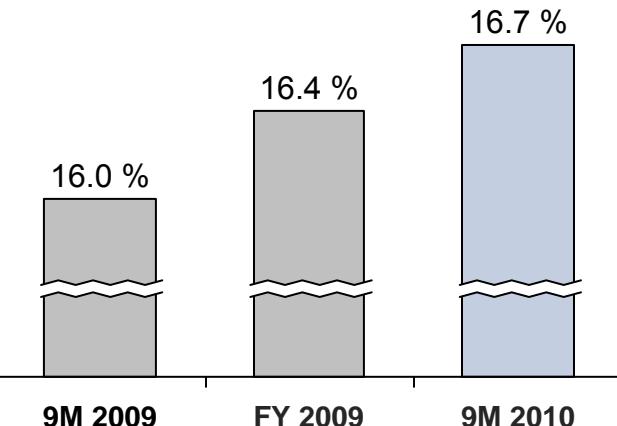


# 9M 2010 Operating Margin Development

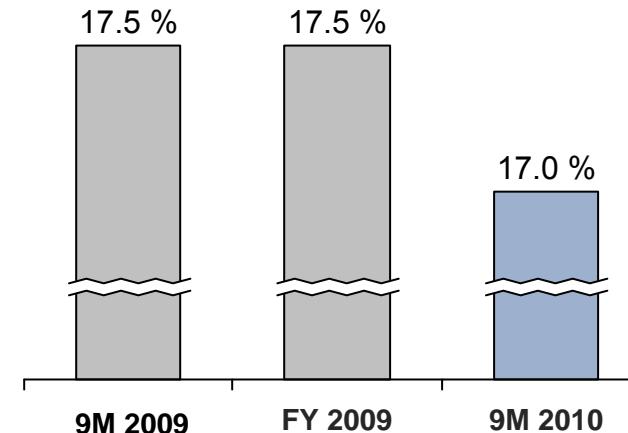


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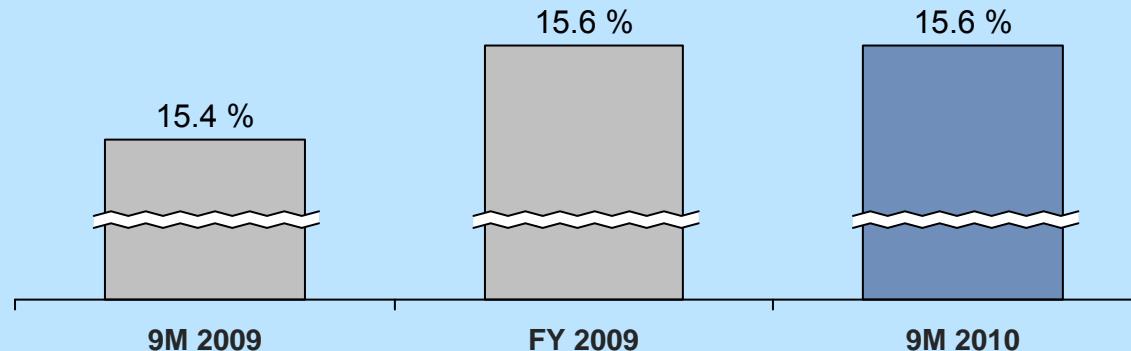
## North America



## International



## Total Company



	9M 2009	9M 2010	Growth
<b>Revenue</b>	\$ 8,212 m	\$ 8,886 m	8%
<b>Net income</b> attributable to FMC AG & Co. KGaA	\$ 645 m	\$ 707 m	10%
<b>Earnings per share</b>	\$ 2.16	\$ 2.35	9%

- Strong revenue growth at 8% at constant currency and 6% organic
- Continued excellent cash flow development

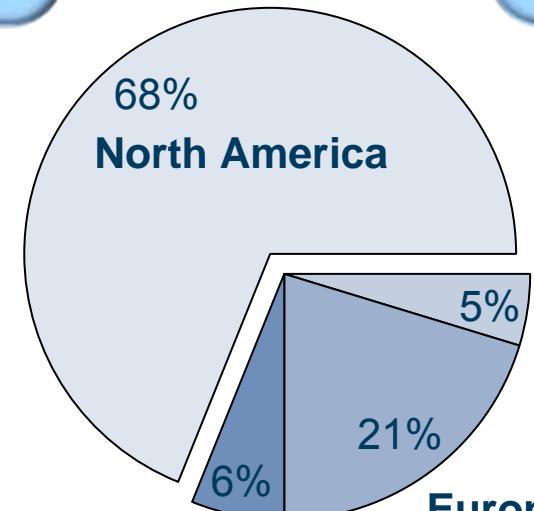
**Total revenue increased by 8%cc to \$8,886 m**

### North America

Revenue \$6,058 m  
Growth actual 8%  
Growth organic 7%

### International

Revenue 2,828 m  
Growth actual 7%cc  
Growth organic 5%



### Asia-Pacific

Revenue \$547 m  
Growth 20% / 12% cc

### Europe

Revenue \$1,853 m  
Growth 4% / 6% cc

### Latin America

Revenue \$428 m  
Growth 15% / 7% cc

cc = constant currency

## Excellent revenue growth globally

US\$ millions	9M 2009	9M 2010	Growth	cc
<b>North America</b>	4,995	<b>5,441</b>	9%	
<b>International</b>	1,129	<b>1,275</b>	13%	12%
<b>Total</b>	6,124	<b>6,716</b>	10%	9%

- Good organic treatment growth of 4.4% globally
- Continued strong revenue per treatment development

cc = constant currency

## Total revenue growth year to date on target

US\$ millions	9M 2009	9M 2010	Growth	cc
<b>Total revenue</b> (incl. internal revenue)	2,816	2,980	6%	5%
<b>External revenue</b>	2,088	2,170	4%	3%
North America	605	617	2%	
International	1,483	1,553	5%	4%

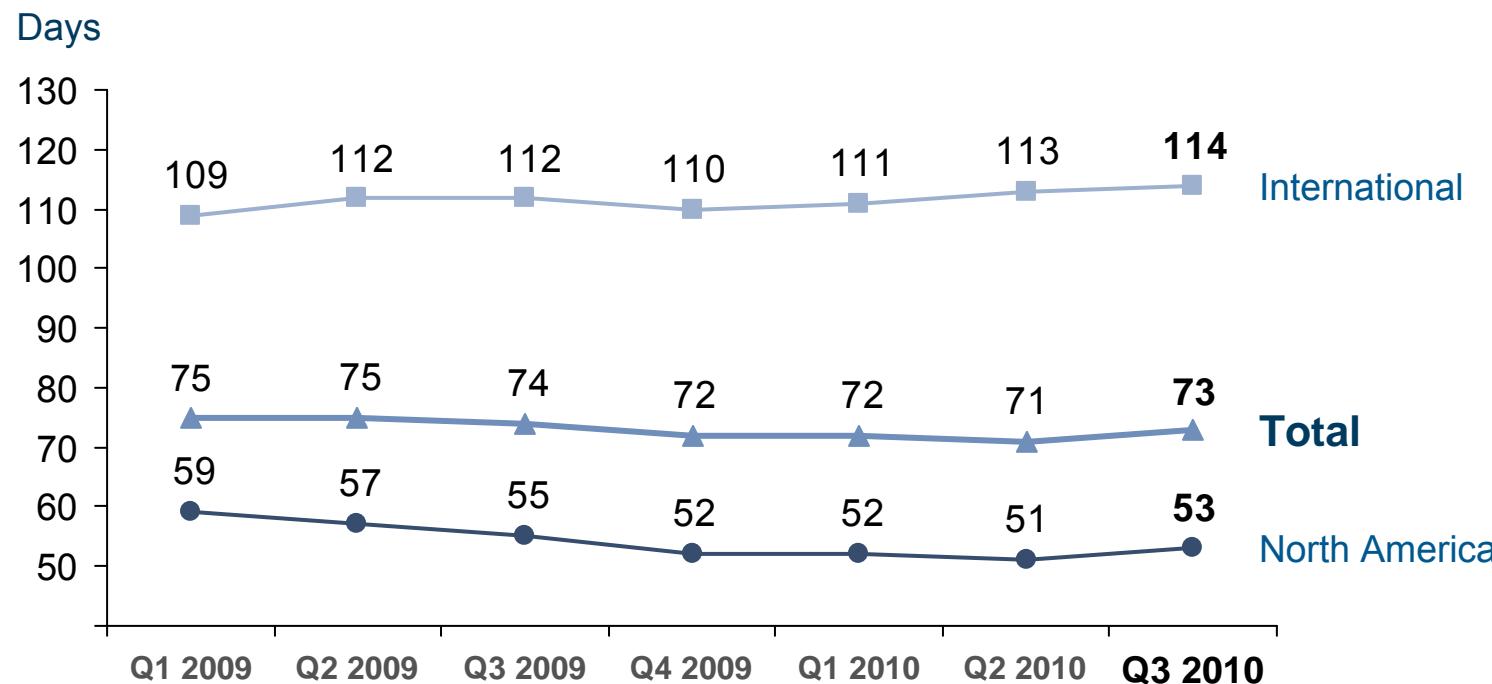
cc = constant currency

US\$ millions	Q3 2009	Q3 2010	Growth
Net revenue	2,889	<b>3,058</b>	6% *
Operating income (EBIT)	451	<b>493</b>	9%
EBIT margin in %	15.6	16.1	
Interest expense, net	75	70	
Income before income tax	376	<b>423</b>	12%
Income tax expense	131	<b>153</b>	
Tax rate	35%	36%	
Non-controlling interest	20	22	
<b>Net income</b> attributable to FMC AG & Co. KGaA	225	<b>248</b>	10%

\* 7% growth at constant currency, 6% organic growth

# Days Sales Outstanding (DSO)

Continued excellent cash collection



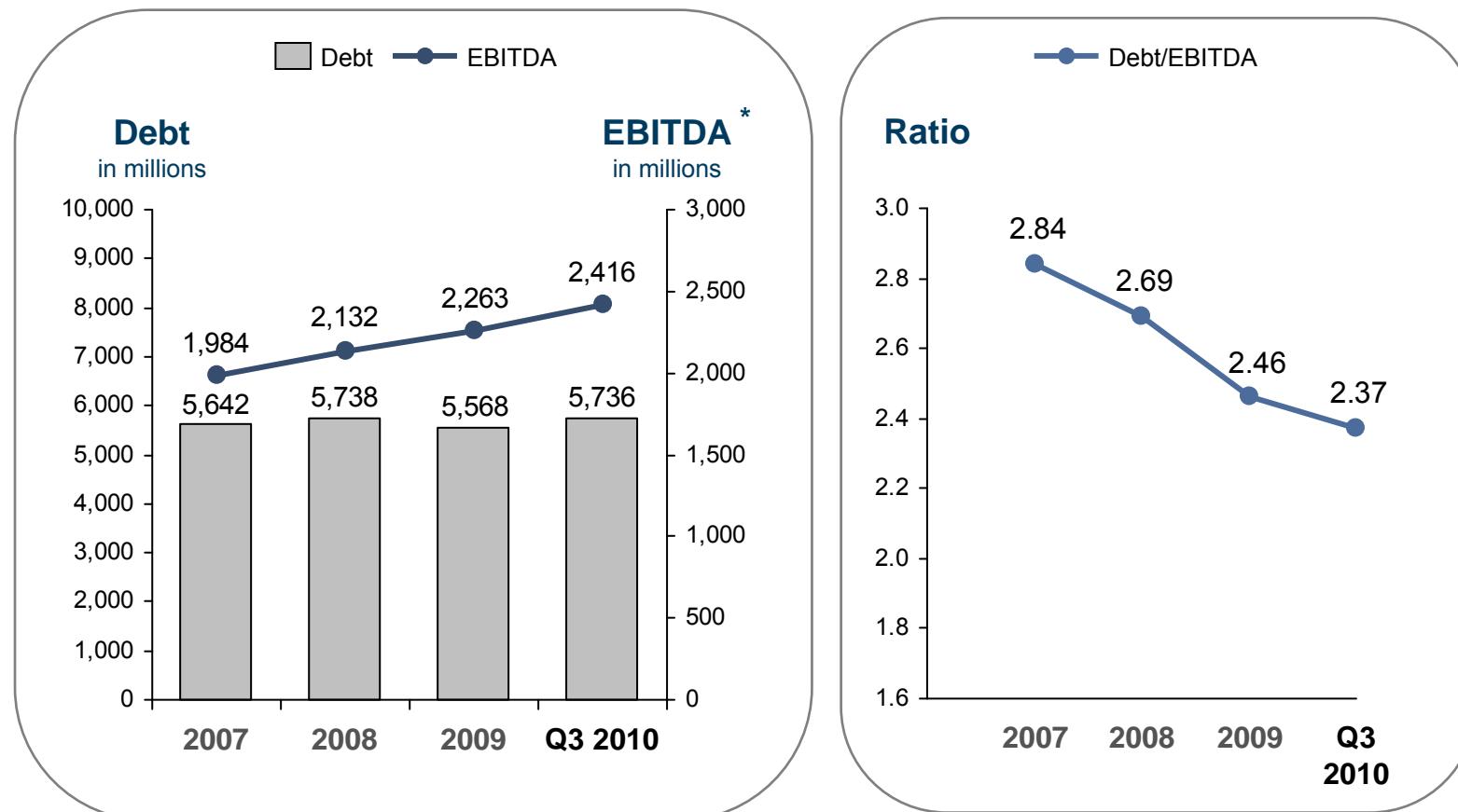
## Very Strong operating cash flow performance

US\$ millions	Q3 2009	Q3 2010	Growth
Operating cash flow <sup>1)</sup>	443	<b>384</b> 13% of revenue	-13%
Capital expenditures, net <sup>1)</sup>	(139)	<b>(121)</b>	
Free cash flow	304	<b>263</b> 9% of revenue	-14%
Acquisitions, net of divestitures <sup>1)</sup>	(26)	<b>(87)</b>	
Free cash flow, after acquisitions <sup>1)</sup>	278	<b>176</b>	

1) A reconciliation to the most directly comparable U.S. GAAP financial measure is provided in the attachment.

## Q3 Debt and EBITDA Development

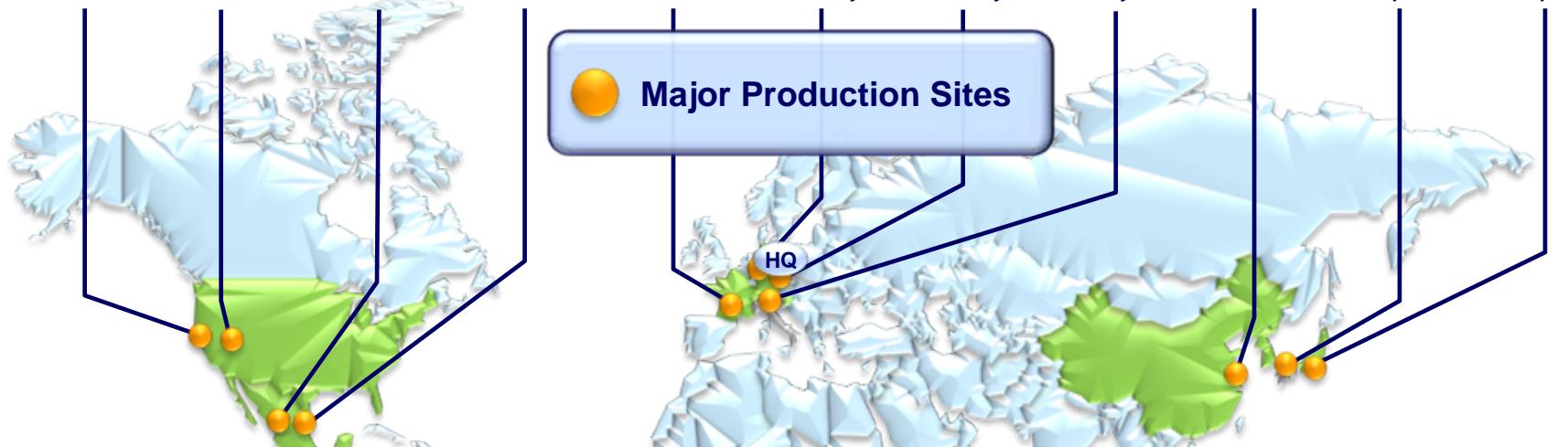
Debt/EBITDA ratio improved further



\* including non-cash charges and in 2007 excluding restructuring costs, in-process R&D and gain from the sale of dialysis clinics.  
A reconciliation to the most directly comparable U.S. GAAP financial measure is provided in the attachment.



Walnut Creek U.S.   Ogdens U.S.   Guadalajara Mexico   Reynosa Mexico   L' Arbresle France   St. Wendel Germany   Schweinfurt Germany   Cremona Italy   JiangSu China   Buzen Japan   Inukai Japan



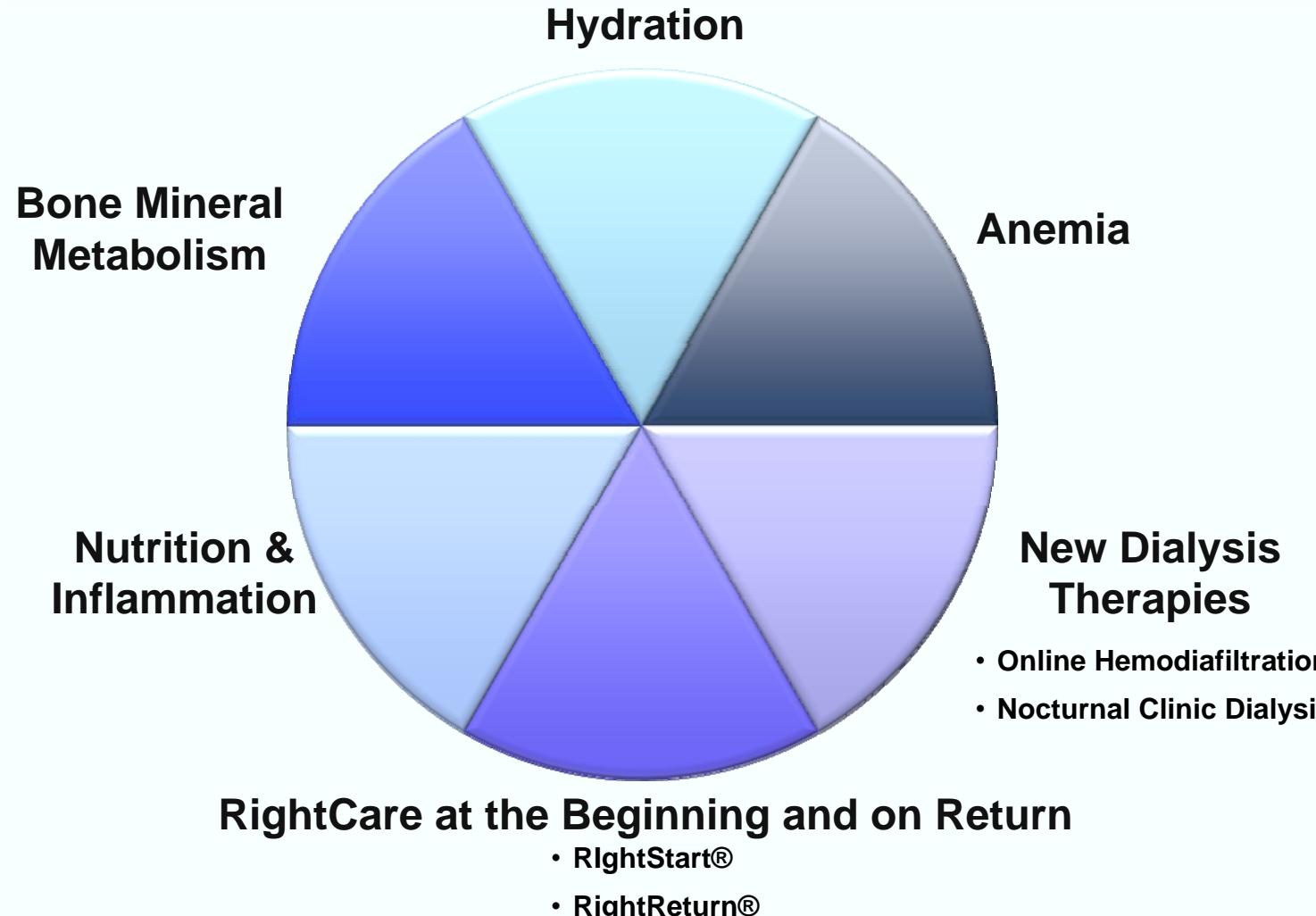
## Dialysis Clinics

**North America:**  
1,809 clinics

**Latin America:**  
191 clinics

**Europe:**  
482 clinics

**Asia-Pacific:**  
250 clinics





## Calendar & Contacts

### FY 2010 Results

– Analyst Meeting, February 23, 2011

### Q1 2011 Results

– Conference Call, May 4, 2011

### Q2 2011 Results

– Conference Call, August 3, 2011

### Q3 2011 Results

– Conference Call, November 2, 2011

## Fresenius Medical Care AG & Co. KGaA

(Frankfurt FME / NYSE FMS)

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