

Fresenius Medical Care

Goldman Sachs

8th Annual European Medtech &
Healthcare Services Conference,
London, September 8, 2011



**FRESENIUS
MEDICAL CARE**

AGENDA

- ▶ 1 BUSINESS UPDATE & FINANCIALS
- ▶ 2 GROWTH STRATEGY & OUTLOOK

1

BUSINESS UPDATE & FINANCIALS

Q2 | Overview

Strong operating performance

- ▶ Excellent International revenue growth of +15% cc
- ▶ Excellent Asia Pacific revenue growth of +27% cc
- ▶ North America operating margin increased +80 bps (year/year)

\$ in m	Q2 2010	Q2 2011	Growth in %
Net revenue	2,946	3,194	8
Net income attributable to FMC AG & Co. KGaA	248	261	5
Earnings per share	0.83	0.86	4

Q2 | Revenue split by region

Total revenue improved 8% to \$ 3,194 m*

► **North America**

Revenue \$ 2,027 m + 0%

► **International** ~ 36% of total revenue

Revenue \$ 1,163 m +15% cc

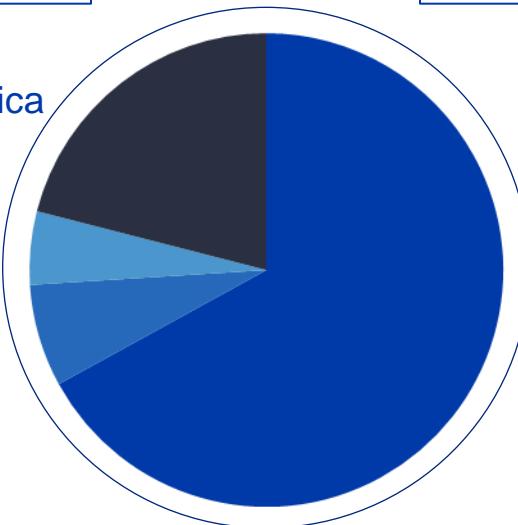
EMEA	\$ 745 m	+11% cc
Asia-Pacific	\$ 242 m	+27% cc
Latin America	\$ 176 m	+17% cc

► 23% Europe | Middle East | Africa (EMEA)

► 5% Latin America

► 8% Asia-Pacific

► 64% North America



* incl. Corporate of \$ 4 m

cc = constant currency

Q2 | Dialysis Services

Strong global revenue growth

- Excellent organic revenue growth in International + 8%
- Continued impressive same market treatment growth globally + 4%
- North America on target with the „bundle“ implementation in the clinics

\$ in m	Q2 2010	Q2 2011	Growth in %	Growth in % cc	Same market treatment growth in %
North America	1,817	1,828	1	1	3
International	407	534	31	20	5
► Total	2,224	2,362	6	4	4

cc = constant currency

Q2 | Dialysis Products

Global product growth of 7% cc (incl. internal)

- ▶ International external product growth of 11% cc
- ▶ Asia-Pacific external product growth of 16% cc
- ▶ North America external product growth of (5%) impacted by pharma pricing
 - ▶ External revenue growth in dialysis products of 3%
 - ▶ Peritoneal dialysis external revenue growth of 18% and internal revenue growth of 53%
 - ▶ We continue to maintain Venofer market share

\$ in m	Q2 2010	Q2 2011	Growth in %	Growth in % cc
Total product revenue (incl. internal)	983	1,127	15	7
External revenue	722	832	15	7
North America	210	199	(5)	(5)
International	512	629	23	11

cc = constant currency

U.S. Healthcare reform update

Fresenius Medical Care and the entire community appreciate the government's hard work and dedication in this effort

Prospective Payment System (PPS) Rule for Medicare patients

- ▶ The agency followed its Congressional mandate and included a 1.8% increase in dialysis reimbursement for 2012
- ▶ The agency has taken into account the actual number of dialysis facilities that participate in the new payment system and eliminated the 3.1% transition adjustment for 2012

Quality Incentive Program (QIP)

- ▶ We continue to support the Quality Incentive Program (QIP) and believe that, by and large, CMS is moving in the right direction

Acquisition of Liberty Dialysis Holdings, Inc.

Strategic rationale

- ▶ Transaction includes 100% of Liberty Dialysis (Liberty) and 51% of Renal Advantage (RAI) not owned by Fresenius Medical Care
- ▶ Liberty/RAI provide today dialysis to 19,000 patients in ~ 260 clinics
- ▶ Liberty/RAI with its involved group of healthcare professionals has excellent quality outcomes with an industry leading percentage of patients with no catheters
- ▶ Liberty is largely based on a fast-growing joint venture business model
- ▶ Liberty/RAI expand Fresenius Medical Care's presence in 50 Metropolitan Statistical Areas (MSA's) where we are not present today
- ▶ The merger allows Fresenius Medical Care to incorporate a geographically more complete network into any shared savings or capitated contracts with federal and state health programs

Acquisition of Liberty Dialysis Holdings, Inc. continued

Financial implications

- ▶ The incremental purchase price including assumed debt will be approx. \$1.7 bn excluding the previous investment of approx. \$300 m in Renal Advantage in Q1 2011
- ▶ The acquisition would add ~ \$1 bn of revenue
- ▶ Merging the operations will provide excellent growth opportunities, no material cost synergies
- ▶ The acquisition will be accretive in the first year and funded through cash flow from operations and debt
- ▶ On a pro forma basis for calendar year 2012 this transaction - combined with our updated 2011 acquisition guidance - will not cause us to exceed 3.0x Debt/EBITDA

Acquisition of American Access Holdings, LLC

Strategic rationale

- ▶ Fresenius Medical Care currently operates 13 ESRD access centers. The acquisition of 28 centers will give Fresenius Medical Care critical mass in North America to ensure that its well positioning for CMS's proposed new quality standards and future reimbursement changes
- ▶ Vascular access and its complications are a key challenge for ESRD patients
- ▶ Approximately 700,000 access procedures are performed each year for ESRD patients
- ▶ About 1/3 of vascular access procedures are performed in outpatient settings

Financial implications

- ▶ The purchase price for American Access Care will be \$385 m and add approx. \$175 m incremental annual revenue
- ▶ The acquisition is expected to be accretive in the first year

2011 | Sales and earning outlook confirmed

Another record year to be expected

- ▶ For 2011 strong revenue growth and further earnings momentum expected

	\$ in m	FY 2011
Net revenue		> 13,000
Net income attributable to FMC AG & Co. KGaA		1,070 – 1,090
Capital expenditure in % of revenue		~ 5%
Acquisitions		~ 1,900
Leverage ratio (Debt/EBITDA ratio)		< 3.0

NEW

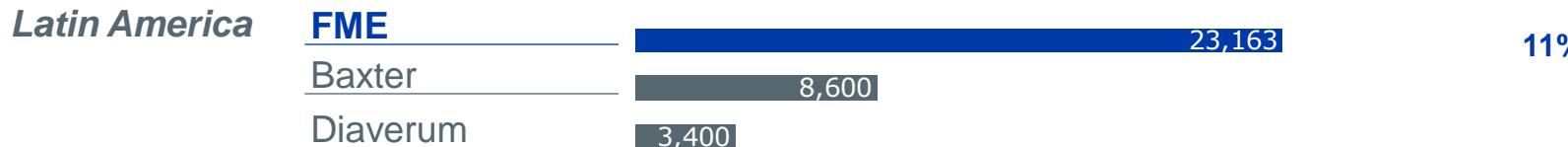
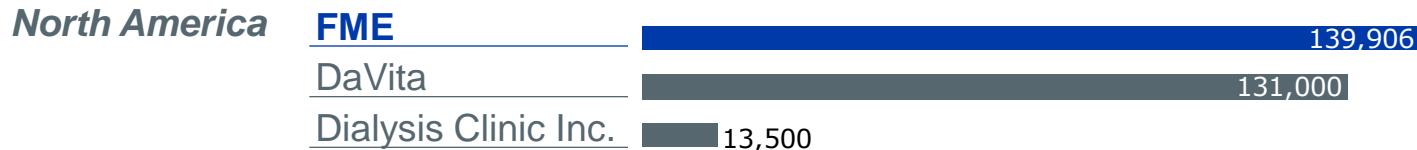
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GROWTH STRATEGY & OUTLOOK

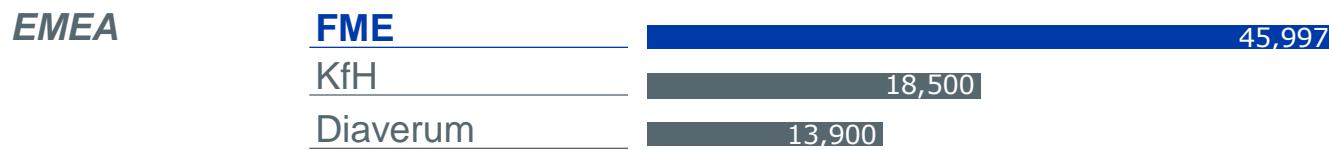
World Leader in Dialysis Services¹

We lead in every major market, treating more than 225,909 patients worldwide

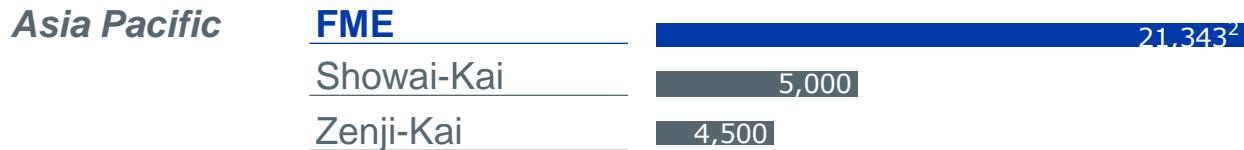
FME's
market
share
28%³



11%



8%



3%

¹ Based on company statements and estimates

² Patients including managed clinics (4,500 patients AP)

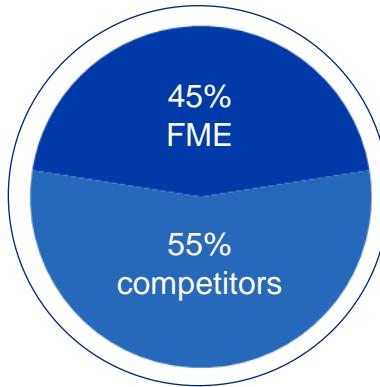
³ U.S. market share 34%

of patients

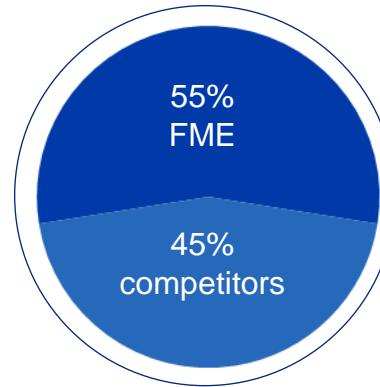
Market position by major product groups 2010

	Rank 1	Rank 2
Dialyzers	FME	Gambro
Dialysis machines	FME	Gambro
Hemodialysis concentrates	FME	Fuso
Bloodlines	FME	Gambro
Peritoneal dialysis products	Baxter	FME

Dialyzers

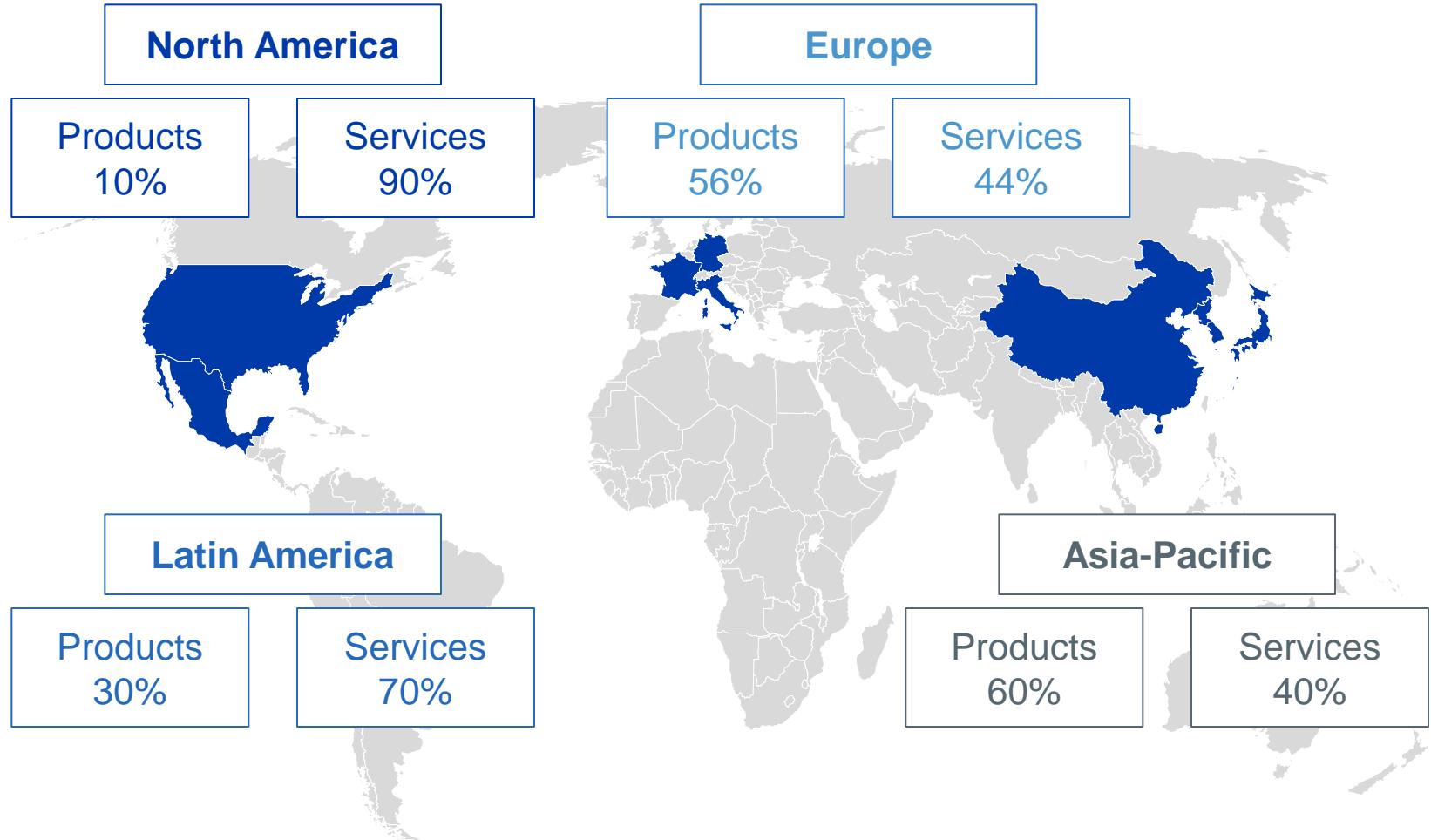


Dialysis machines



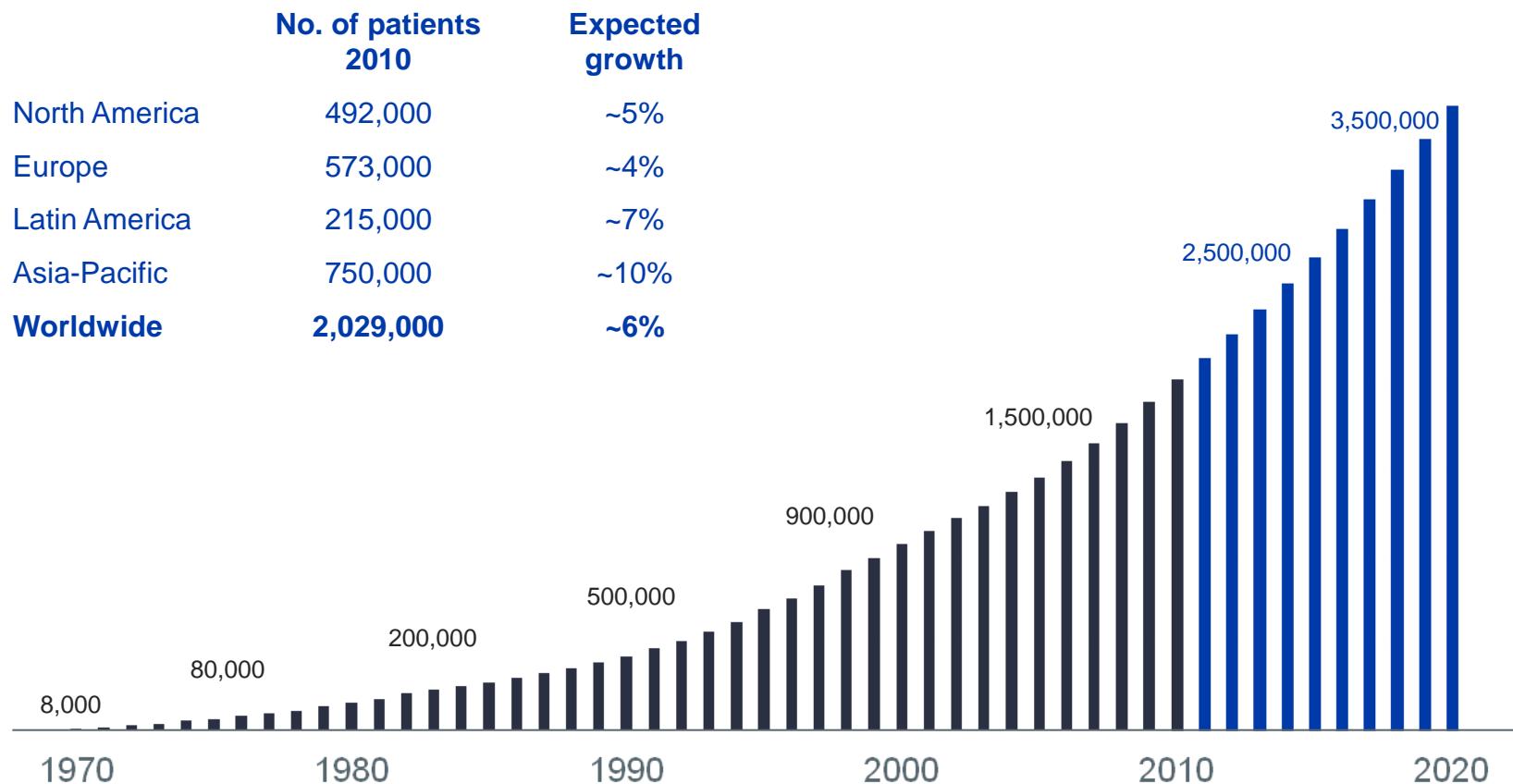
Produced more than 92,000,000 dialyzers in 2010

FME's Products & Services by Region



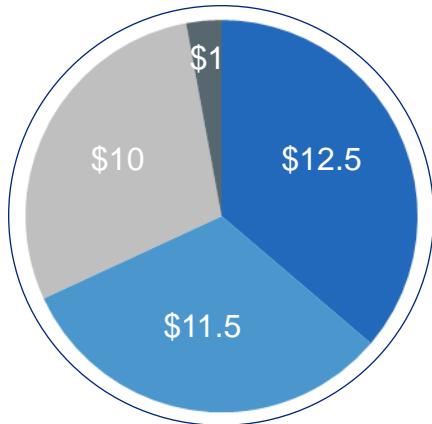
Development of Dialysis Patient Population Worldwide

2020: Estimates suggest an increase to nearly 4 million dialysis patients

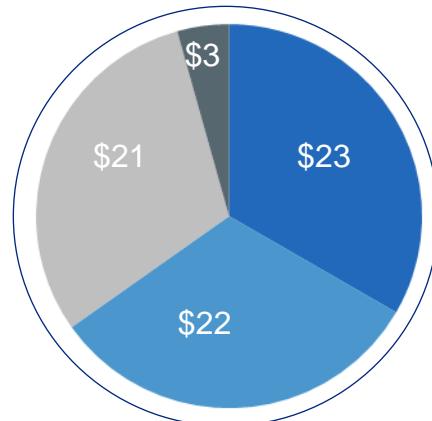


Market Opportunity by Region

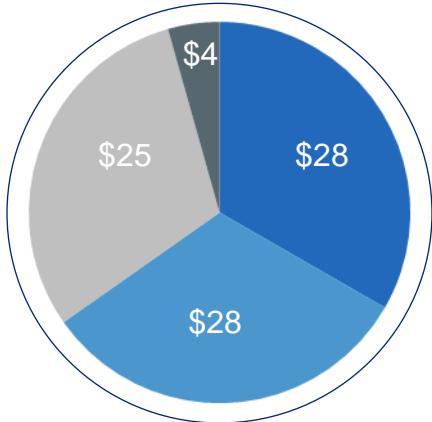
2000
\$ 35 BN Market



2010
\$ 69 BN Market



2015
\$ 85 BN Market

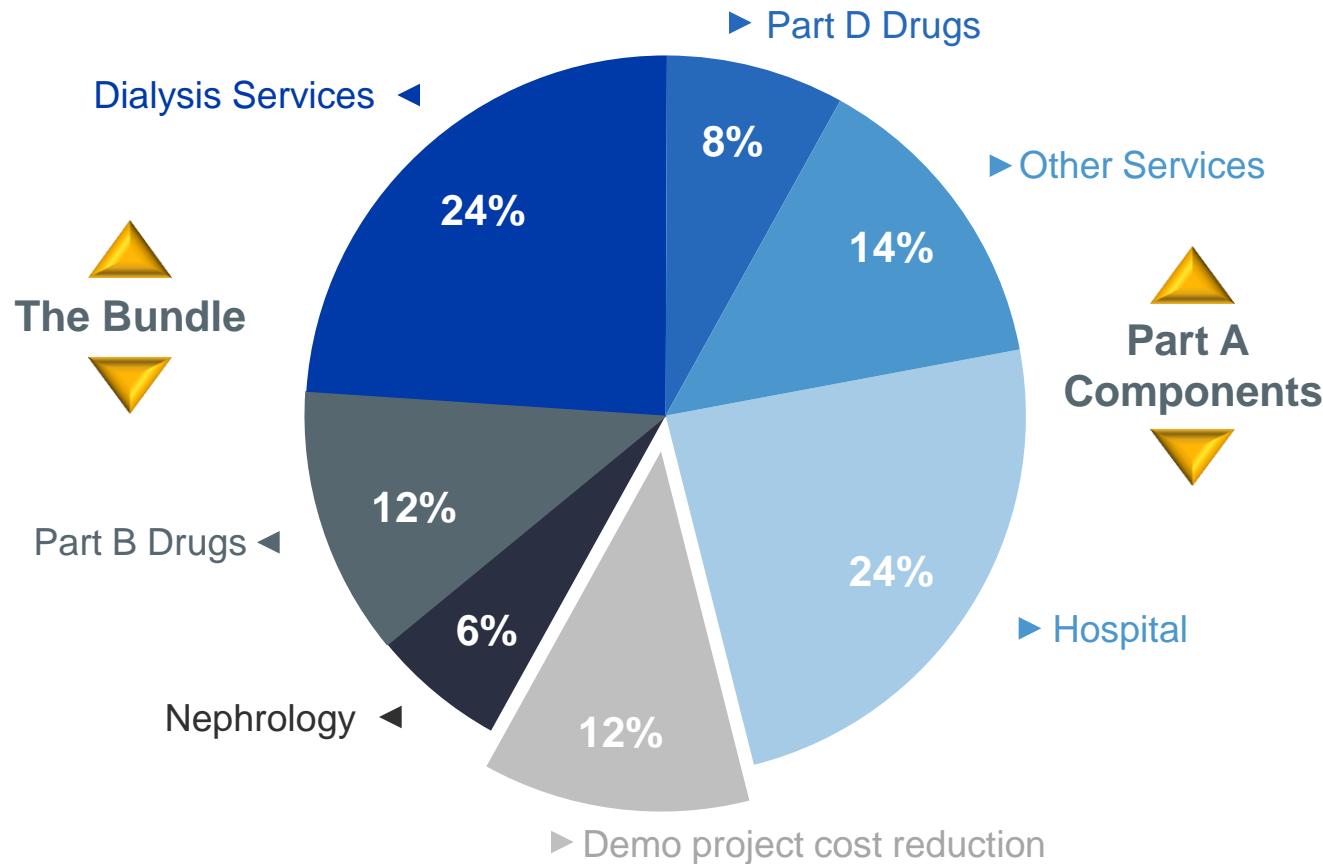


- North America
- Asia-Pacific
- Europe, Middle East and Africa
- Latin America

Data in \$ BN

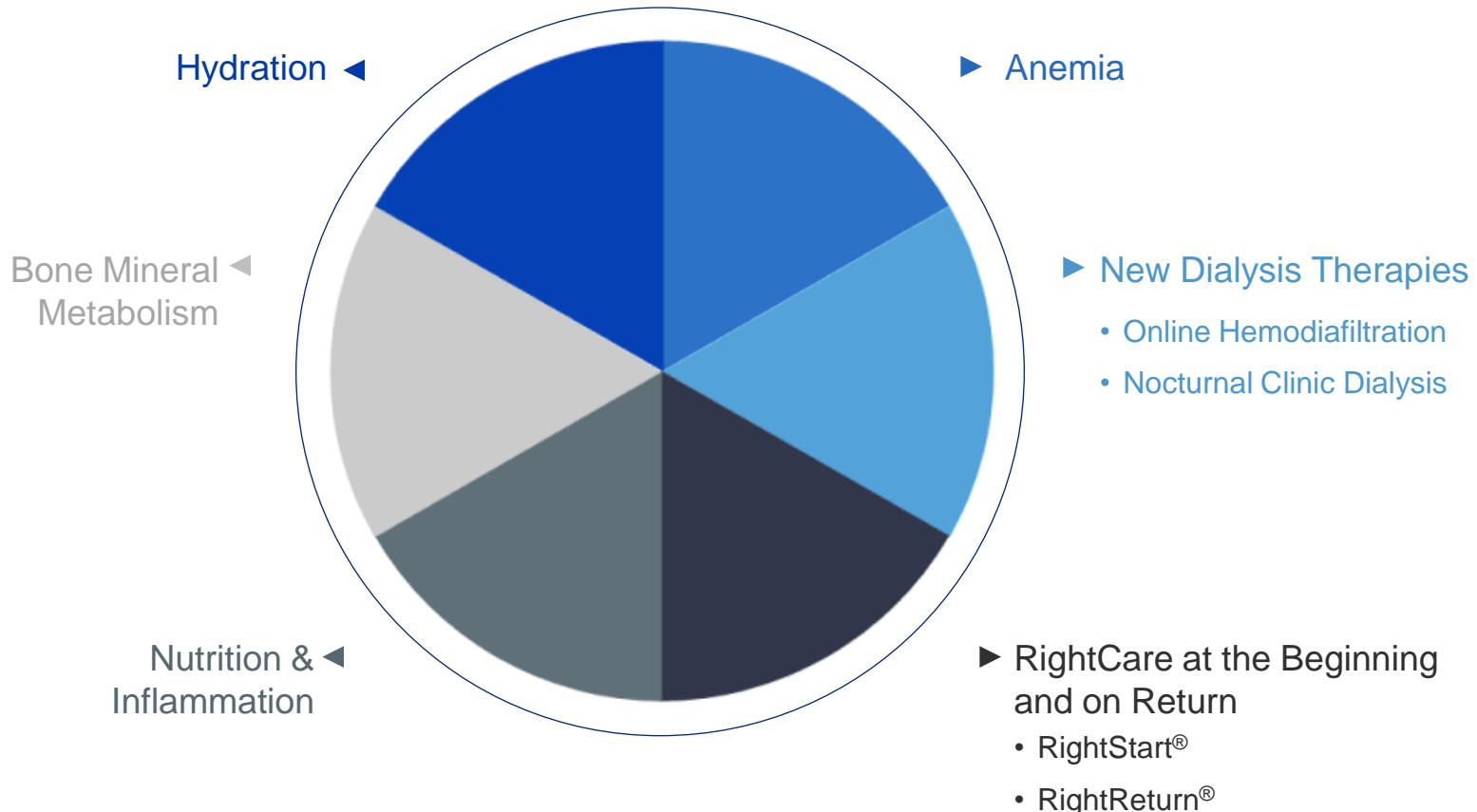
Global Strategy: Integrated Care Model

ESRD Demonstration Project / FME Cost Model

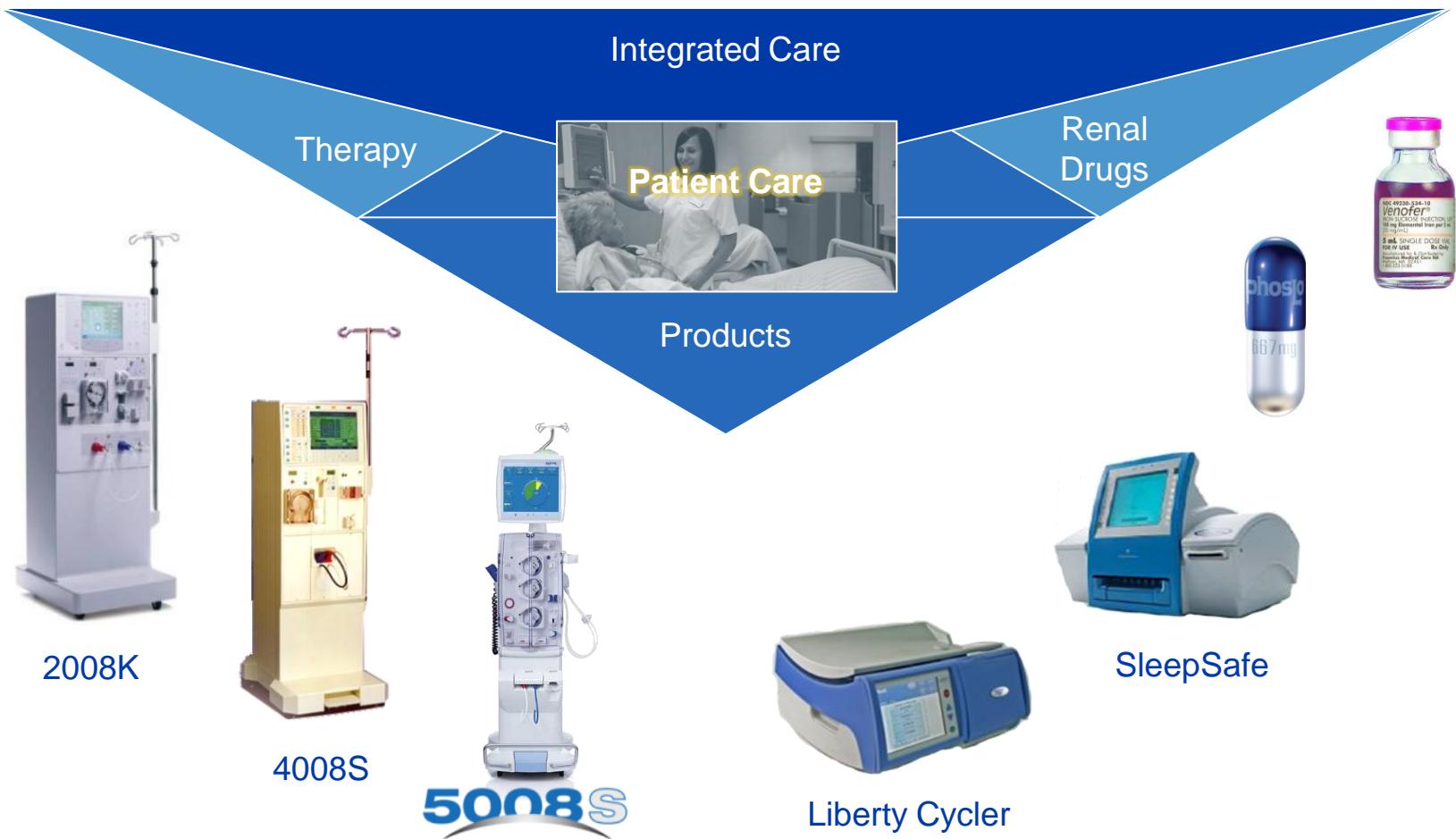


Global Strategy:

Services – Areas to improve dialysis outcomes



Continued Growth Opportunities



CREATING A FUTURE WORTH LIVING.
FOR PEOPLE. WORLDWIDE.
EVERY DAY.

Thank you very much for your attention!

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Financial Calendar*

Fresenius Medical Care

02.11.2011	Report on 1 st – 3 rd quarter 2011
21.02.2012	Report on Fiscal Year 2011
03.05.2012	Report on 1 st quarter 2012
10.05.2012	Annual General Meeting, Frankfurt/Main
01.08.2012	Report on 1 st half 2012
31.10.2012	Report on 1 st – 3 rd quarter 2012

* Please notice that these dates might be subject to change

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).

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