

Commerzbank

Sector Conference Week

Frankfurt/Main | August 28, 2012



**FRESENIUS
MEDICAL CARE**

AGENDA

- ▶ 1 BUSINESS UPDATE
- ▶ 2 FINANCIALS & OUTLOOK
- ▶ 3 GROWTH STRATEGY
- ▶ 4 QUESTIONS & ANSWERS

1

BUSINESS UPDATE

Q2 | Financial Results

- Excellent revenue growth of 13% in constant currency
(North America +14%; International +11%)

In US-\$ million	Q2 2011	Q2 2012	Growth in %
Net revenue	3,138	3,428	9
EBIT	510	589	16
Net income attributable to FMC AG & Co. KGaA	261	289	11
Earnings per ordinary share	0.86	0.95	10
Excluding investment gain:			
Net income attributable to FMC AG & Co. KGaA	261	276	6

Q2 | Revenue split by region

► North America

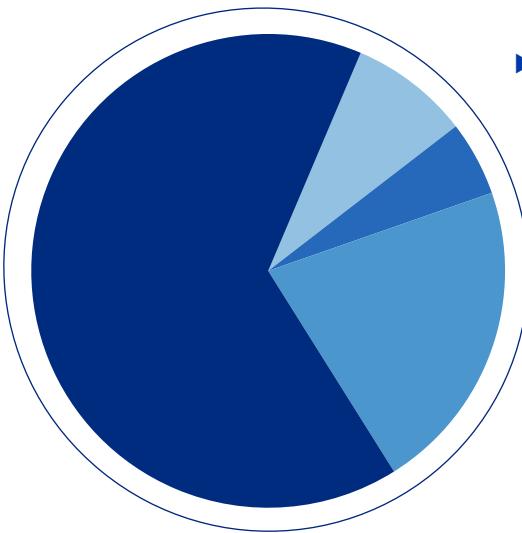
Revenue \$ 2,249 m + 14%
Organic growth + 2%

► International ~ 34% of total revenue

Revenue \$ 1,171 m + 11%cc
Organic growth + 6%

EMEA \$ 725 m + 9%cc
Asia-Pacific \$ 256 m + 8%cc
Latin America \$ 190 m + 20%cc

► 66% North America



cc = constant currency

► 7% Asia-Pacific

► 6% Latin America

► 21% Europe | Middle East | Africa

Q2 | Dialysis Services | Clinic network status

	Clinics as of June 30, 2012	De novo Additions Q2 2012	Acquired Q2 2012
► Total	3,123	21	15
Growth vs. June 30, 2011	+ 10%		
North America	2,046	16	4
Growth vs. June 30, 2011	+ 12%		
International	1,077	5	11
Europe	611	3	6
Latin America	224	2	4
Asia-Pacific	242		1
Growth vs. June 30, 2011	+ 6%		

Q2/H1 | Dialysis Services | Revenue growth

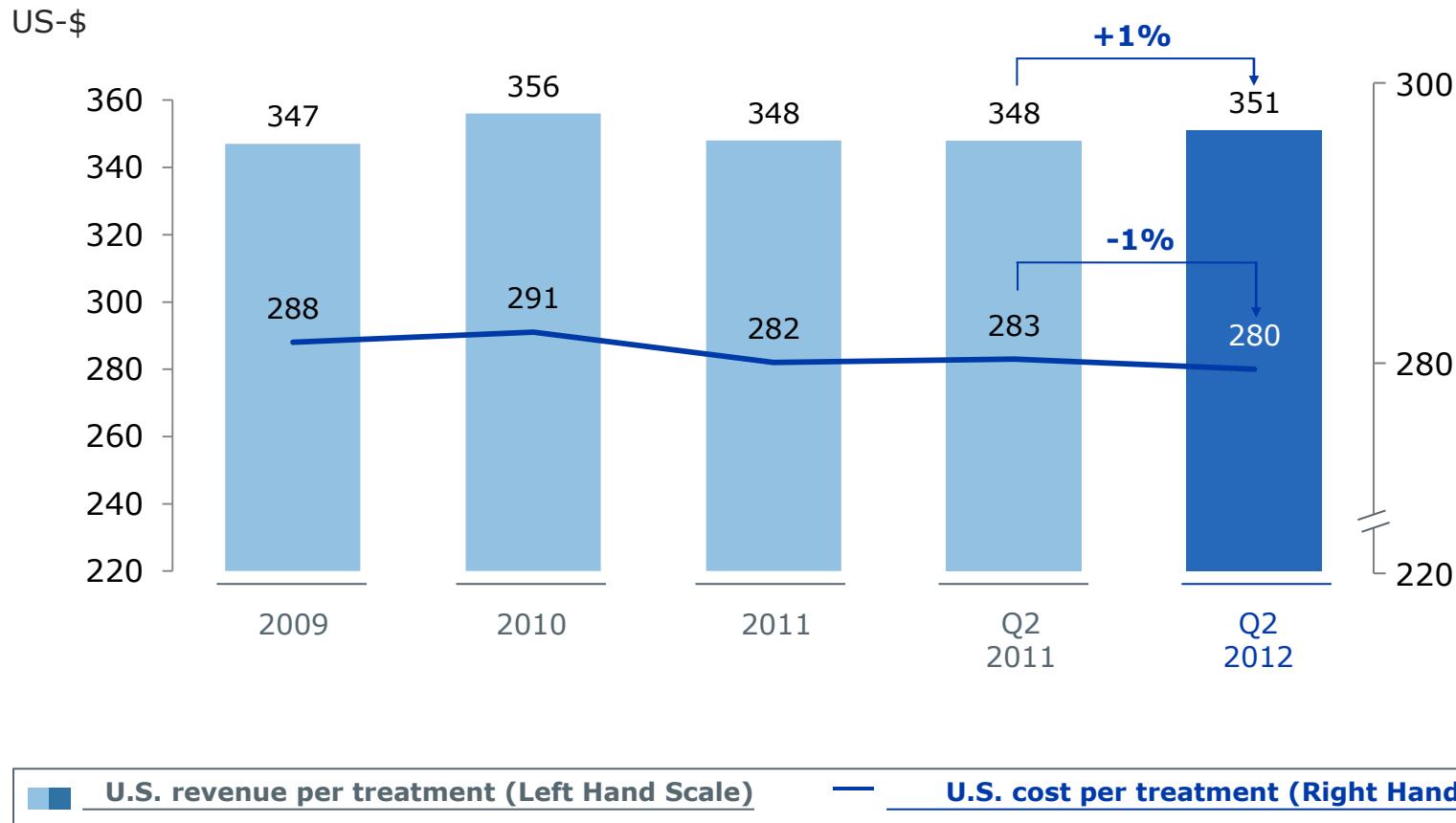
Strong growth of 16% in constant currency

In US-\$ million	Q2 2011	Q2 2012	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
North America	1,772	2,043	15	15	2	4
International	534	562	5	16	5	4
► Total	2,305	2,605	13	16	3	4

In US-\$ million	H1 2011	H1 2012	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
North America	3,501	3,960	13	13	2	4
International	1,037	1,122	8	16	5	4
► Total	4,538	5,082	12	14	3	4

cc = constant currency

Q2 | U.S. Dialysis Services



Q2/H1 | Dialysis Products | Revenue growth

Growth at or above estimated market growth

US-\$ in millions	Q2 2011	Q2 2012	Growth in %	Growth in %cc
► Total Product Revenue	1,127	1,120	(1)	6
North America	199	206	3	3
International	629	609	(3)	6
► Total External Revenue	832	823	(1)	6

US-\$ in millions	H1 2011	H1 2012	Growth in %	Growth in %cc
► Total Product Revenue	2,151	2,182	1	6
North America	395	393	(1)	(1)
International	1,180	1,185	0	7
► Total External Revenue	1,584	1,595	1	6

cc = constant currency

Q2 | Strong revenue growth in North America

Growth (Q2 2012 / Q2 2011)

- ▶ North America +14%
- ▶ Services +15%
- ▶ Products - External Revenue (North America)
 - Total Renal Products +3.1%
- ▶ Products - External Revenue (North America adj.*)
 - Total Renal Products +6.2%

*Adjusted to exclude Liberty/RAI from External Revenue

2012 | Expectations for North America | Update

- ▶ Closed Liberty/RAI in Q1 2012 and integrate through remainder of 2012 
- ▶ Expect strong revenue growth
 - » Q4 '11: 1.1%, Q1 '12: 9.3%, Q2 '12: 14.1% 
- ▶ Improve same store growth
 - » Q4 '11: 2.7%, Q1 '12: 3.4%, Q2 '12: 3.6% 
- ▶ Expect further improved patient care outcomes 
- ▶ Continued excellent operating performance 
- ▶ Continued dialogue with government on integrated care 

Q2 | U.S. Healthcare reform update

Prospective Payment System (PPS) Rule for Medicare patients

- ▶ For FY 2013, CMS projects that the market basket increase factor is 3.2%, based on the most recent cost of labor, goods and services incorporated in dialysis care
- ▶ Updating the base rate to \$240.88
- ▶ CMS also proposes a productivity adjustment for CY 2013 of 0.7 percent
- ▶ In keeping with the statute's requirement to subtract the productivity adjustment from the market basket update, the net increase is therefore 2.5 percent
- ▶ Retaining the zero percent transition adjustment
- ▶ Sequestration of -2% in 2013?
- ▶ Reimbursement leakage under case mix adjusters (\$1-2/tmt) continues

Quality Incentive Program (QIP)

- ▶ Two proposed measures for 2013 (each weighted 50%) – Hb > 12 g/dL and URR \geq 65%
- ▶ Eight proposed measures for 2014 (5 clinical; 3 reporting)

2

FINANCIALS & OUTLOOK

Q2 | Profit & Loss

US-\$ in millions	Q2 2011	Q2 2012	Growth in %
Net revenue	3,138	3,428	9 13% cc
Operating income (EBIT)	510	589	16
Operating margin in %	16.2	17.2	
Net interest expense	75	104	
Income before taxes	435	498	14 Excluding investment gain \$485 m +11%
Income tax expense	149	172	
Tax rate in %	34.2	34.6	Excluding investment gain 35.5%
Non-controlling interest	25	37	
Net income attributable to FMC AG & Co. KGaA	261	289	11 Excluding investment gain \$276m +6%

cc = constant currency

Q2 | Day Sales Outstanding (DSO)

Excellent development with decrease of 4 days sequentially

- ▶ International DSO decreased sequentially by 4 days and year over year by 1 day
- ▶ North America DSO down sequentially by 1 day and year over year by even 5 days



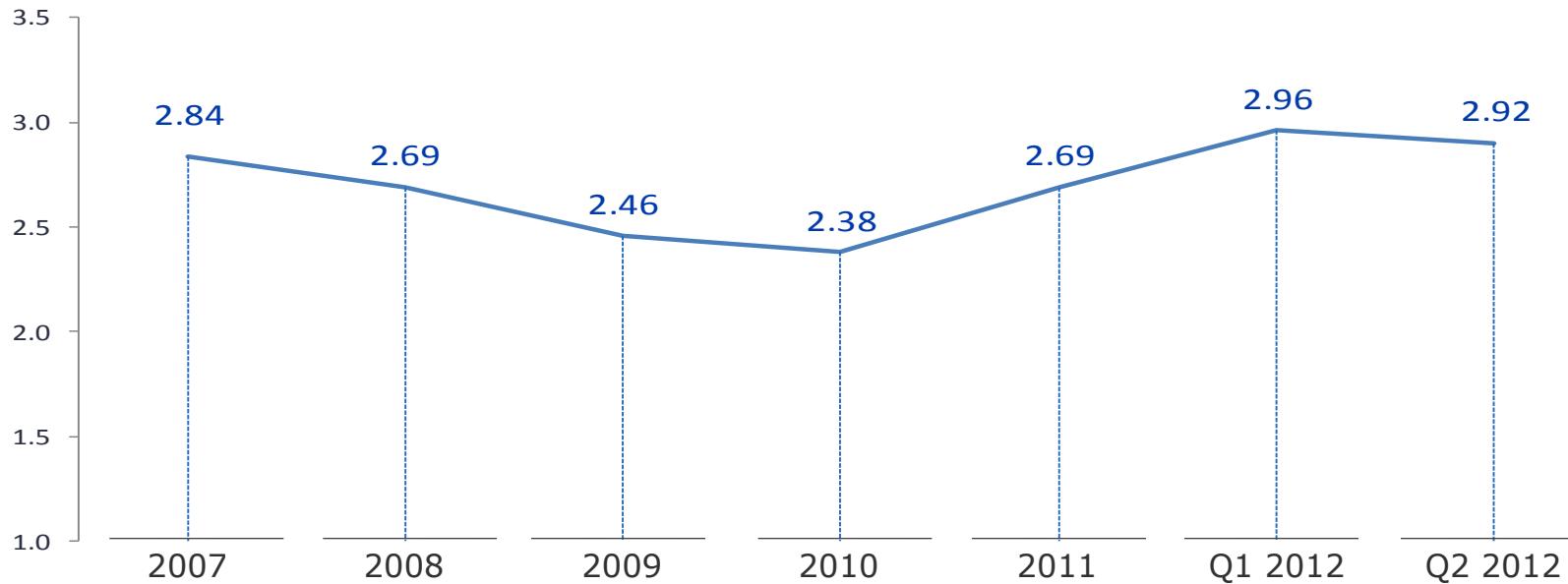
Q2 | Cash Flow

US-\$ in millions	Q2 2011	Q2 2012	Growth in %	
Operating cash flow	311	451	45	Favorable DSO development globally
% of revenue	10	13		
Capital expenditures, net*	(117)	(151)		
Free cash flow	194	300	54	
Acquisitions and investments, net of divestitures*	(784)	6		
Free cash flow after acquisitions and investments	(590)	306		

* A reconciliation to the most directly comparable U.S. GAAP financial measures is provided in the attachments

Q2 | Total Debt/EBITDA

- ▶ FY 2012 target of < 3.0
- ▶ Total debt of \$8,784 m and annualized EBITDA of \$3,005 m



A reconciliation to the most directly comparable U.S. GAAP financial measures is provided in the attachments

2012 | Outlook confirmed | excl. investment gain

Revenue growth in constant currency	13 -15%
Revenue	~ \$ 14.0 bn ¹⁾
Operating margin	~ 16.9%
Net income, attributable to shareholders of FMC AG & Co. KGaA	~ \$ 1.14 bn ¹⁾

Acquisitions	~ \$ 1.8 bn
Capex	~ \$ 0.7 bn
Total debt / EBITDA	< 3.0

1) US-GAAP revenue following first time adoption of Accounting Standards Codification 954-605 where patients service revenues is reduced for bad debt. The comparable revenue for the fiscal year 2011 is \$12,571 million. Additionally we are defining the ~ sign as a +/- 0-2% deviation from the respective numbers

Q2 | Summary

- ▶ Maintain and continue to provide the highest quality of patient care and products on a global basis
- ▶ Progressing well with the integration of the acquisitions
- ▶ Strong cash collection despite difficult global economic environment
- ▶ Remain highly focused on a global basis with payers to achieve their goal to provide cost effective patient care while making sure that we get paid for our services in a timely manner
- ▶ Continue to focus on R&D and also evaluate clinical approaches on anemia, phosphorus and hydration management which will be essential for potential hospitalization reductions - important to our patients & the cost for the payers
- ▶ Confirm our guidance for FY 2012

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GROWTH STRATEGY

Market position by major product groups 2011

Dialyzers
Dialysis machines
Hemodialysis concentrates
Bloodlines
Peritoneal dialysis products

Rank 1

FME

FME

FME

FME

Baxter

Rank 2

Gambro

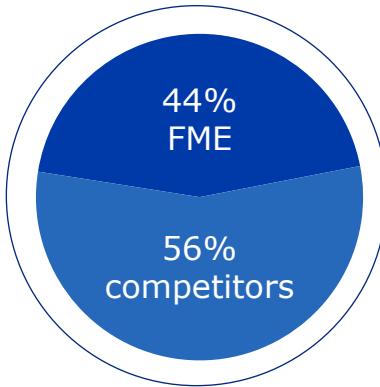
Nikkiso

Fuso

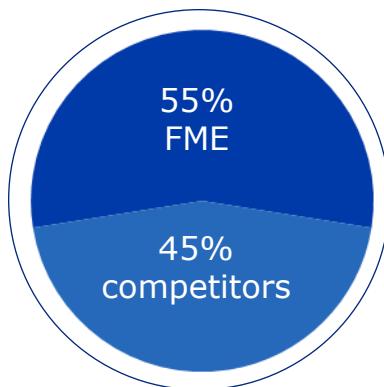
Gambro

FME

Dialyzers



Dialysis machines



Sold around 93,000,000 dialyzers in 2011

Major Production Sites

Dialysis clinics

- ▶ North America: 2,046 clinics
- ▶ Europe: 611 clinics
- ▶ Asia-Pacific: 242 clinics
- ▶ Latin America: 224 clinics

Major Production Sites



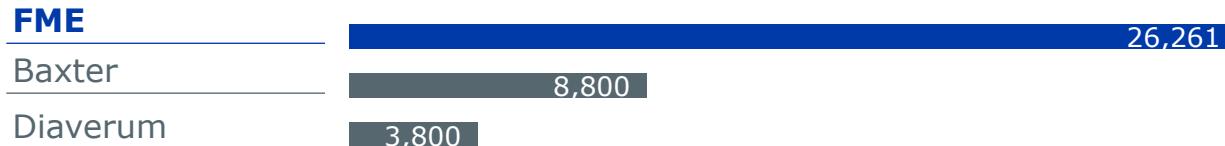
World Leader in Dialysis Services¹

We lead in every major market, treating more than 256,000 patients worldwide

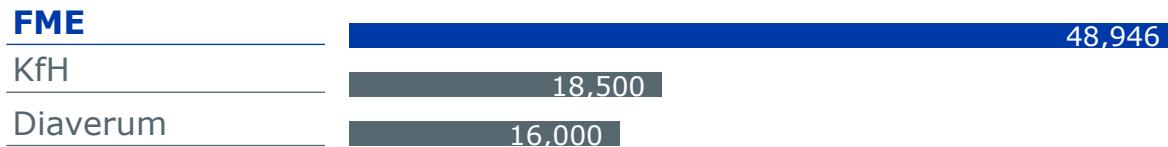
North America



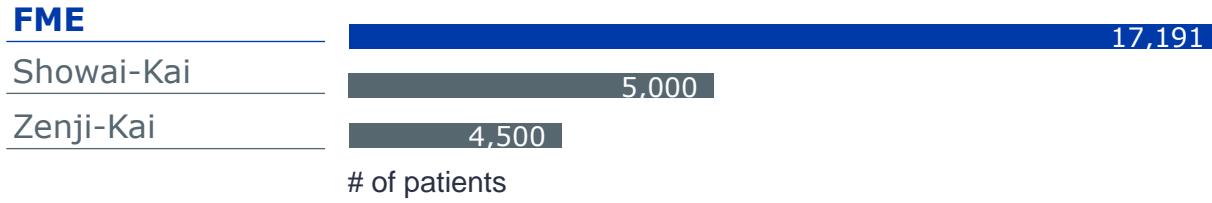
Latin America



EMEA

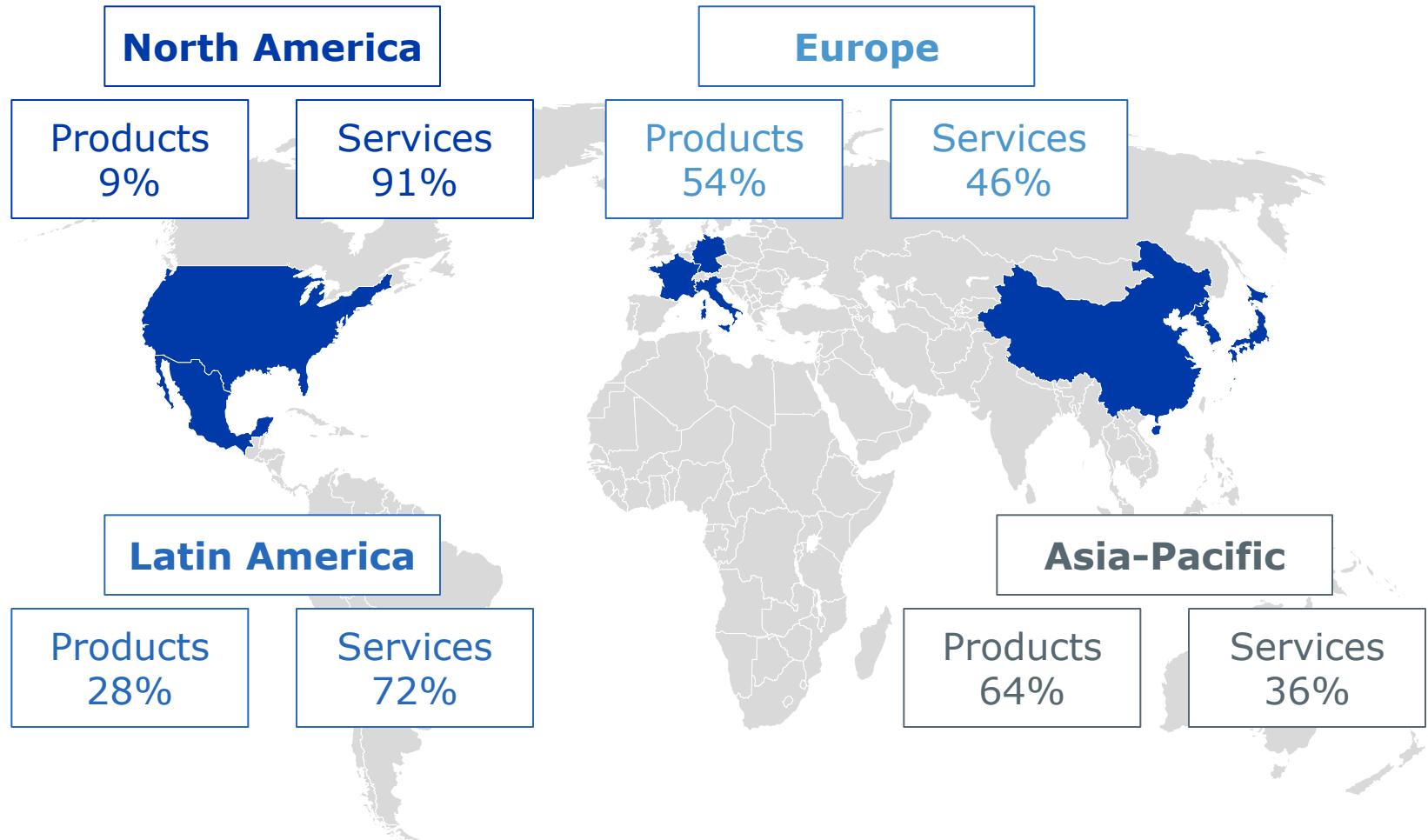


Asia Pacific



¹ Based on company statements and estimates

FME's Products & Services by Region



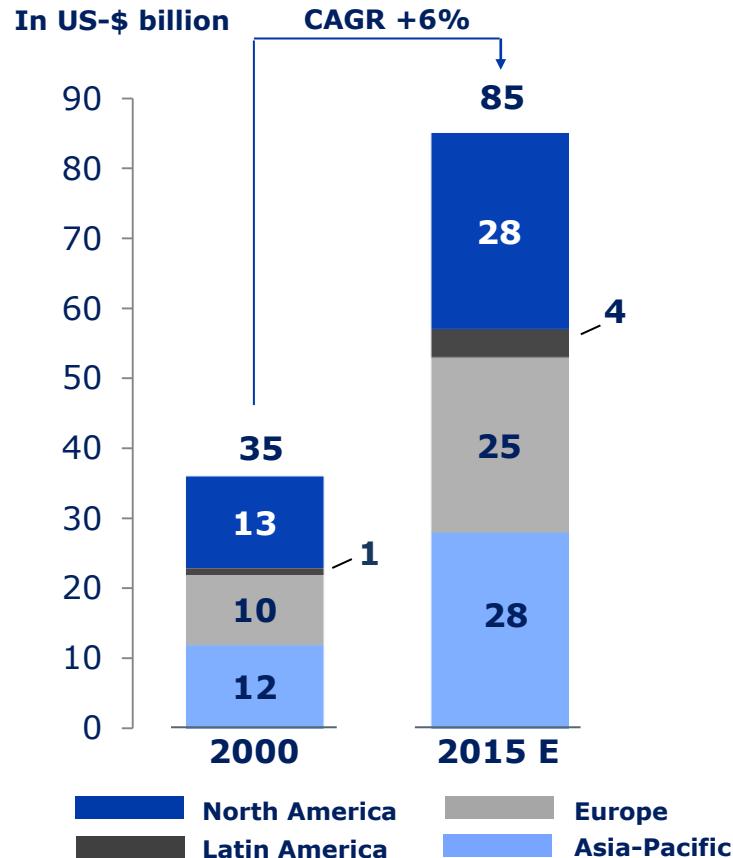
Development of Dialysis Patient Population Worldwide

2020: Estimates suggest an increase to 3.8 million dialysis patients

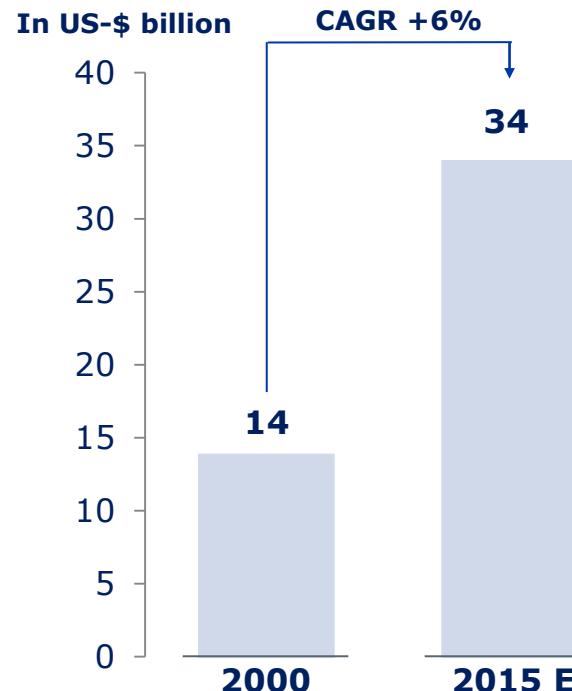


Global Market Opportunity

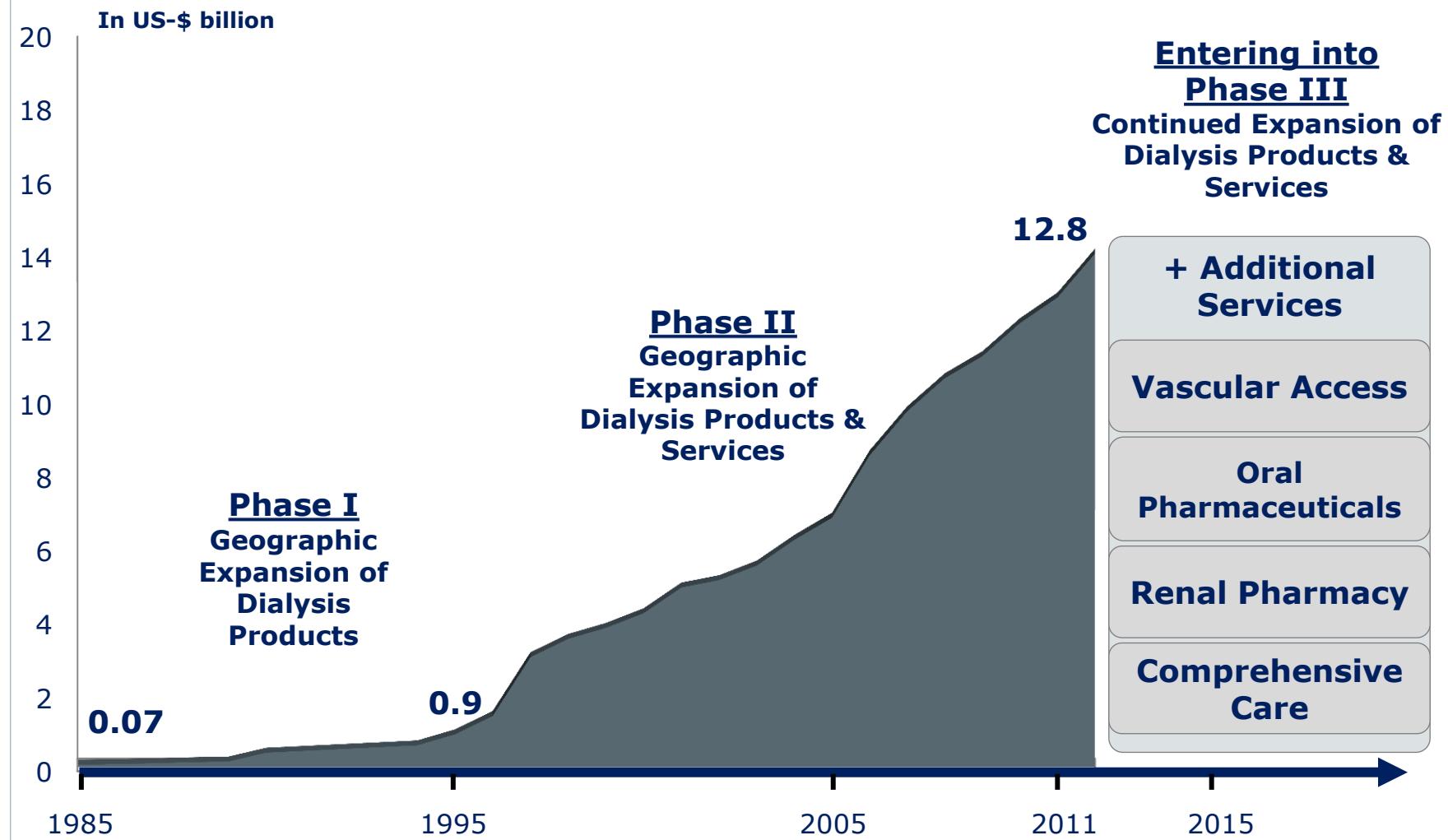
Dialysis Market by Region



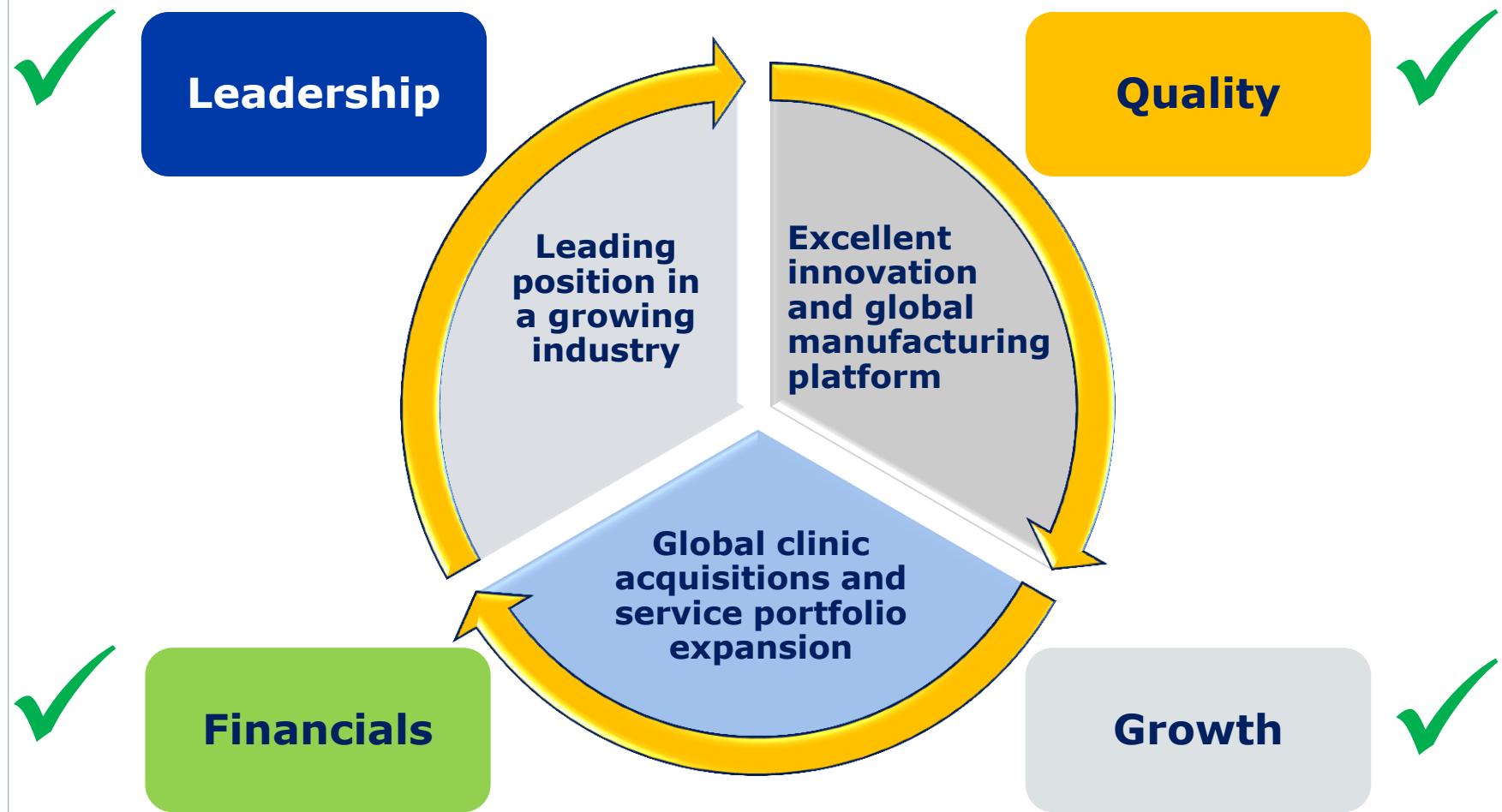
Global Reimbursement for Dialysis Services



Market Opportunities for Fresenius Medical Care



Summary – Well Positioned for the Future



4

QUESTIONS & ANSWERS

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

Thank you very much for your attention!

Attachment 1

Reconciliation of non-US-GAAP financial measures to most comparable US-GAAP measure

All numbers are in US\$ m

External revenue Q2 (excl. Corporate)	Q2 2011	Q2 2012	Growth in %	Growth in % cc
International product revenue	729	712	(2)	8
- Internal revenue	(100)	(103)		
= International external revenue	629	609	(3)	6
North America product revenue	394	400	1	1
- Internal revenue	(195)	(194)		
= North America external revenue	199	206	3	3
Total product revenue	1,127	1,120	(1)	6
- Internal revenue	(295)	(297)		
► Total external revenue	832	823	(1)	6

Capital expenditure, net	Q2 2011	Q2 2012
Purchase of property, plant and equipment	(121)	(153)
- Proceeds from sale of property, plant and equipment	4	2
= Capital expenditure, net	(117)	(151)

Attachment 2

Reconciliation of non-US-GAAP financial measures to most comparable US-GAAP measure

All numbers are in US\$ m

External revenue H1 (excl. Corporate)	H1 2011	H1 2012	Growth in %	Growth in % cc
International product revenue	1,371	1,394	2	9
- Internal revenue	(191)	(209)		
= International external revenue	1,180	1,185	0	7
North America product revenue	771	771	0	0
- Internal revenue	(376)	(378)		
= North America external revenue	395	393	(1)	(1)
Total product revenue	2,151	2,182	1	6
- Internal revenue	(567)	(587)		
► Total external revenue	1,584	1,595	1	6
Capital expenditure, net	H1 2012	H1 2012		
Purchase of property, plant and equipment	(238)	(277)		
- Proceeds from sale of property, plant and equipment	7	3		
= Capital expenditure, net	(231)	(274)		

Attachment 3

Reconciliation of non-US-GAAP financial measures to most comparable US-GAAP measure

All numbers are in US\$ m

Cash Flow	<u>H1 2011</u>	<u>H1 2012</u>	<u>Q2 2011</u>	<u>Q2 2012</u>
Acquisitions, investments and net purchases of intangible assets	(1,122)	(1,748)	(784)	(45)
+ Proceeds from divestitures	-	228	-	51
= Acquisitions and investments, net of divestitures	(1,122)	(1,520)	(784)	6

Patients, treatments, clinics – Q2 2012	<u>Clinics</u>	<u>Patients</u>	<u>Treatments in million</u>
North America	2,046	164,058	11.89
Growth in %	12	17	12
International	1,077	92,398	7.0
Growth in %	6	7	18
Europe	611	48,946	3.71
Latin America	224	26,261	2.01
Asia-Pacific	242	17,191	1.28
► TOTAL	3,123	256,456	18.89
Growth in %	10	14	14

Attachment 4

Reconciliation of non-US-GAAP financial measures to most comparable US-GAAP measure

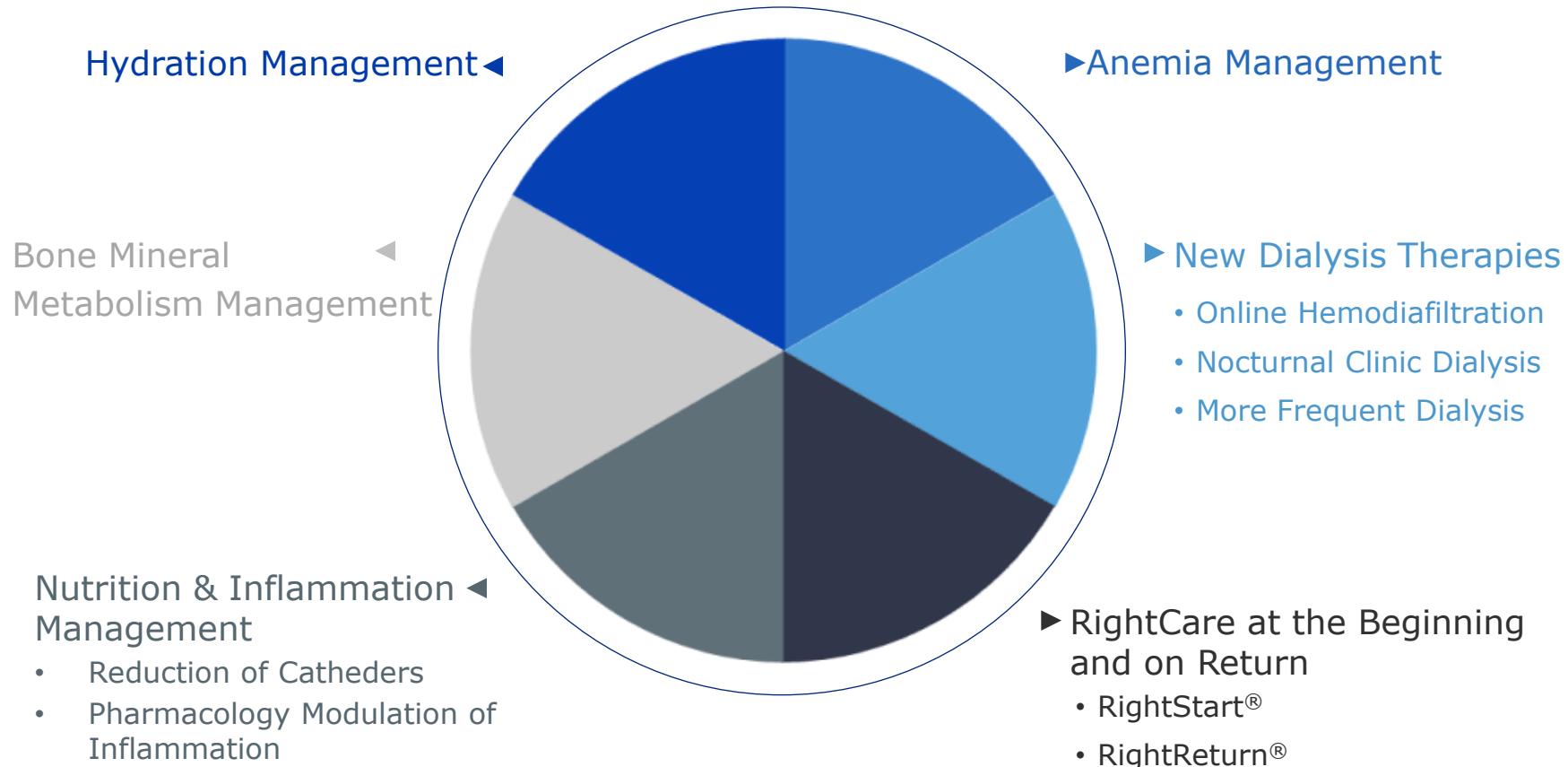
All numbers are in US\$ m

Debt	Q2 2012	FY2011	FY 2010	FY 2009	FY 2008	FY 2007
Short term borrowings (incl. A/R program ¹)	103	99	671	316	684	217
+ Short term borrowing from related parties	52	28	10	10	1	2
+ Current portion of long-term debt and capital lease obligations	3,086	1,589	264	158	455	85
+ Current portion of trust preferred securities	-	-	625	-	-	670
+ Long-term debt and capital lease obligations less current portion	5,543	5,495	4,310	4,428	3,957	4,004
+ Trust preferred securities less current portion	-	-	-	656	641	664
► TOTAL debt	8,784	7,211	5,880	5,568	5,738	5,642
EBITDA	Q2 2012	FY2011	FY 2010	FY 2009	FY 2008	FY 2007
Last twelve months operating income (EBIT)	2,349	2,075	1,924	1,756	1,672	1,580
+ Last twelve months depreciation and amortization	603	557	503	457	416	363
+ Non-cash charges	53	54	45	50	44	41
► EBITDA (annualized)	3,005	2,686	2,472	2,263	2,132	1,984
► Total Debt / EBITDA	2.92	2.69	2.38	2.46	2.69	2.84

¹ 2006 - 2010

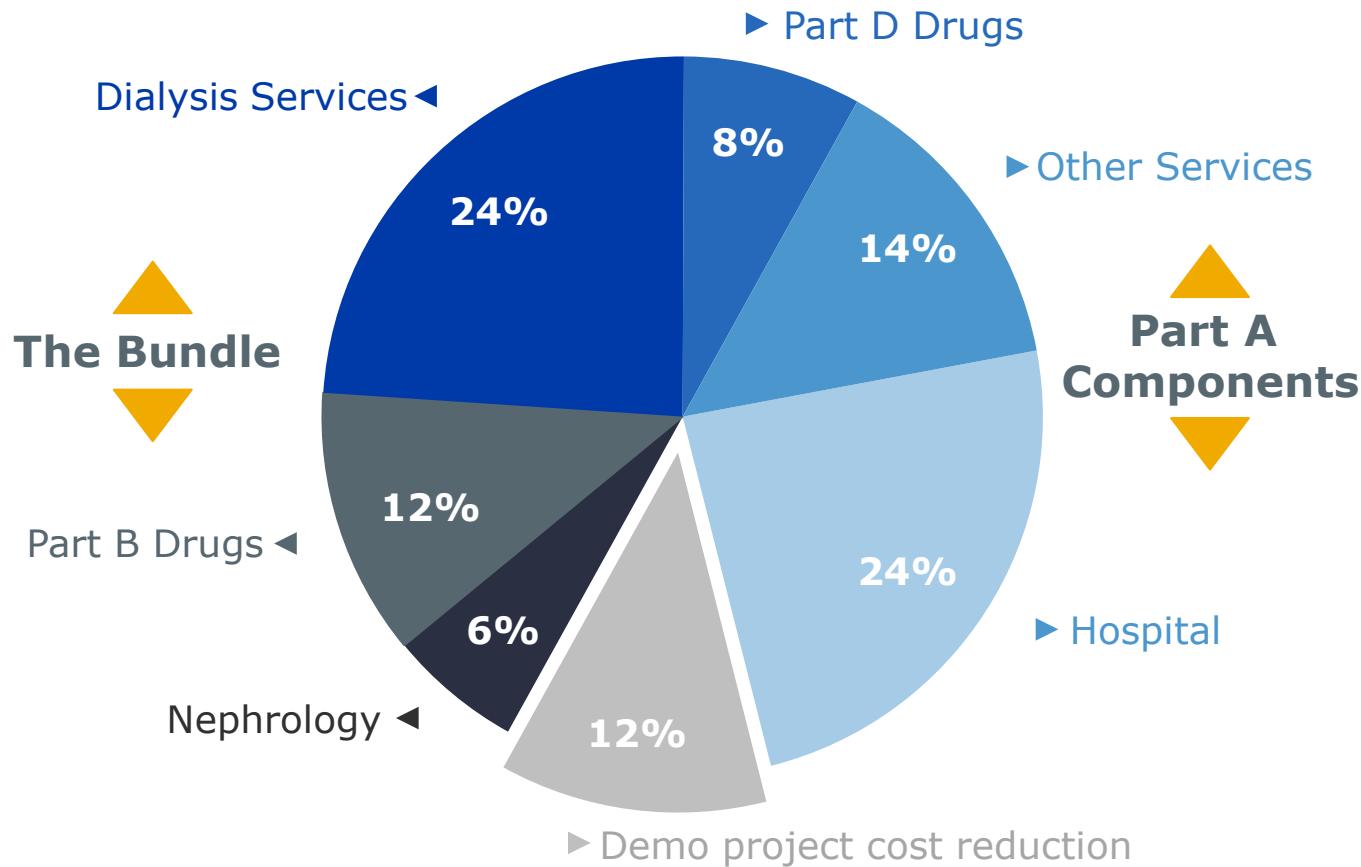
Global Strategy

Services – Areas to improve dialysis outcomes



Global Strategy - Integrated Care Model

ESRD Demonstration Project / FME Cost Model



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Financial Calendar*

Oct 31, 2012	Report on 1 st – 3 rd quarter 2012
Feb 26, 2013	Report on Fiscal Year 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. The Company has based these forward-looking statements on its views with respect to future events and financial performance. 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. Given these uncertainties, readers should not put undue reliance on any forward-looking statements. 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).

Forward-looking statements represent estimates and assumptions only as of the date that they were made. The information contained in this presentation is subject to change without notice and the company does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable law and regulations.

Constant Currency: Changes in revenue include the impact of changes in foreign currency exchange rates. We use the non-GAAP financial measure “at constant exchange rates” in our filings to show changes in our revenue without giving effect to period-to-period currency fluctuations. Under U.S. GAAP, revenues received in local (non-U.S. dollar) currency are translated into U.S. dollars at the average exchange rate for the period presented. When we use the term “constant currency,” it means that we have translated local currency revenues for the current reporting period into U.S. dollars using the same average foreign currency exchange rates for the conversion of revenues into U.S. dollars that we used to translate local currency revenues for the comparable reporting period of the prior year. We then calculate the change, as a percentage, of the current period revenues using the prior period exchange rates versus the prior period revenues. This resulting percentage is a non-GAAP measure referring to a change as a percentage “at constant exchange rates.”

We believe that revenue growth is a key indication of how a company is progressing from period to period and that the non-GAAP financial measure constant currency is useful to investors, lenders, and other creditors because such information enables them to gauge the impact of currency fluctuations on its revenue from period to period. However, we also believe that data on constant currency period-over-period changes have limitations, particularly as the currency effects that are eliminated could constitute a significant element of our revenue and could significantly impact our performance. We therefore limit our use of constant currency period-over-period changes to a measure for the impact of currency fluctuations on the translation of local currency revenue into U.S. dollars. We do not evaluate our results and performance without considering both constant currency period-over-period changes in non-U.S. GAAP revenue on the one hand and changes in revenue prepared in accordance with U.S. GAAP on the other. We caution the readers of this report to follow a similar approach by considering data on constant currency period-over-period changes only in addition to, and not as a substitute for or superior to, changes in revenue prepared in accordance with U.S. GAAP. We present the fluctuation derived from U.S. GAAP revenue next to the fluctuation derived from non-GAAP revenue. Because the reconciliation is inherent in the disclosure, we believe that a separate reconciliation would not provide any additional benefit.

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Sector Conference Week

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MEDICAL CARE**