



# Fresenius Medical Care

The World's Leading Renal Therapy Company

**Credit Suisse Global Healthcare 1o1-Conference**

London, March 2 - 4, 2010



Fresenius Medical Care



**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 and Outlook**

**3. Growth Strategy**





## Record results

US-\$ in millions	Improved guidance as of Q3 2009	Reported
Net revenues	~ \$ 11,200	\$ 11,247
Net income <small>attributable to FMC AG &amp; Co. KGaA</small>	\$ 865 - 890	\$ 891
Leverage ratio (Debt/EBITDA)	< 2.7	2.5
Capital expenditures	~ \$ 550 - 650	\$ 562
Acquisitions	~ \$ 200 - 300	\$ 188



# 4<sup>th</sup> Quarter 2009 – Overview

**Strong momentum in the 4<sup>th</sup> quarter**  
 1<sup>st</sup> time above US\$ 3 billion in revenues for a quarter

	Q4 2008	Q4 2009	Growth
<b>Revenue</b>	\$ 2,722 m	\$ 3,035 m	+ 12%
<b>Net income</b> <small>attributable to FMC AG &amp; Co. KGaA</small>	\$ 214 m	\$ 247 m	+15%
<b>Earnings per share</b>	\$ 0.72	\$ 0.82	+15%

- Strong revenue growth of +8% at constant currency
- EBIT-margin improvement of 30 basis points year-over-year in the fourth quarter
- Accelerated net income growth



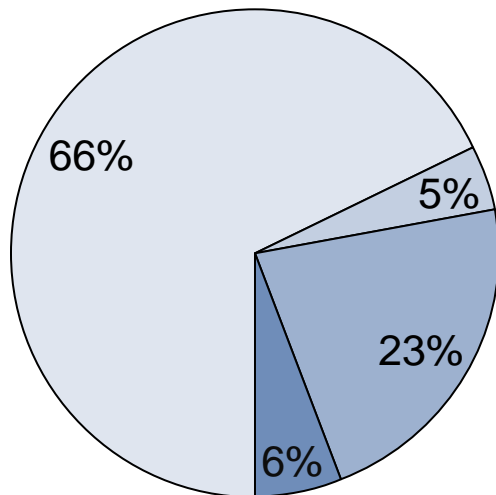
# 4<sup>th</sup> Quarter 2009 – Revenue

**Total revenue increased 12% to \$3,035 m**  
International Segment 1<sup>st</sup> time above US\$ 1 billion in revenues for a quarter

**International \$1,023 m**  
▪ 34% of total revenue  
▪ 7% organic growth

## North America

Revenue \$2,012 m  
Growth 9%



## Latin America

Revenue \$145 m  
Growth 25% / 11%cc

## Europe

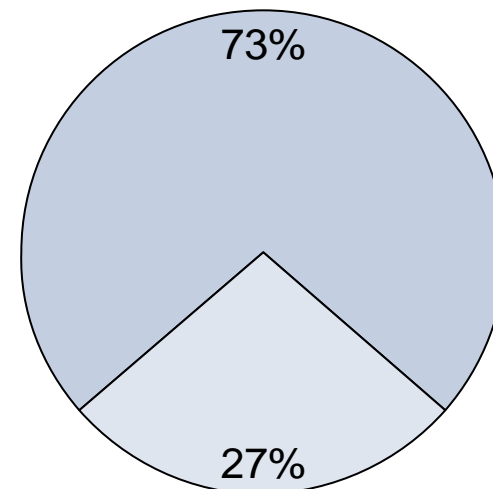
Revenue \$696 m  
Growth 17% / 8%cc

## Asia-Pacific

Revenue \$182 m  
Growth 18% / 8%cc

## Dialysis Services

Revenue \$2,226 m  
Growth 12% / 11%cc



## Dialysis Products

Revenue \$809 m  
Growth 10% / 3%cc

cc = constant currency

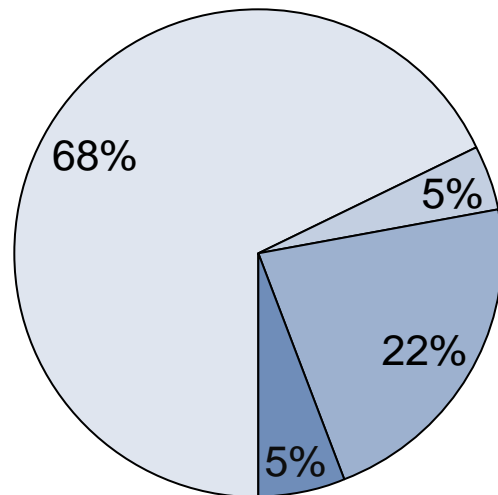


# Fiscal Year 2009 – Revenue

**Total revenue increased 6% to \$11,247 m**

## North America

Revenue \$7,612 m  
Growth 9%



## Asia-Pacific

Revenue \$639 m  
Growth 6% / 8%cc

## International \$3,635 m

- 32% of total revenue
- 8% organic growth

## Latin America

Revenue \$517 m  
Growth 5% / 16%cc

## Europe

Revenue \$2,479 m  
Growth -1% / 8%cc

## Growth Drivers 2009/2010

### International:

- Expansion of Service-Network
- Organic growth in major countries
- Acute Dialysis
- PD in our centers

### North America:

- Expansion of Renal Pharma
- In center growth
- Clinic Nocturnal
- Opportunistic acquisitions

cc = constant currency



**Very strong revenue growth globally**

US-\$ in millions	Q4 2008	<b>Q4 2009</b>	Growth	cc
<b>North America</b>	1,632	<b>1,799</b>	10%	
<b>International</b>	352	<b>427</b>	22%	12%
<b>Total</b>	1,984	<b>2,226</b>	12%	11%

- Good organic treatment growth
- Strong revenue per treatment growth

cc = constant currency



# Fiscal Year 2009 - Dialysis Services Global

**Very strong revenue growth globally**

US-\$ in millions	FY 2008	<b>FY 2009</b>	Growth	cc
<b>North America</b>	6,247	<b>6,794</b>	9%	
<b>International</b>	1,490	<b>1,556</b>	4%	14%
<b>Total</b>	7,737	<b>8,350</b>	8%	10%

**Treating more than 195,650 patients in ~ 2,550 clinics**

cc = constant currency



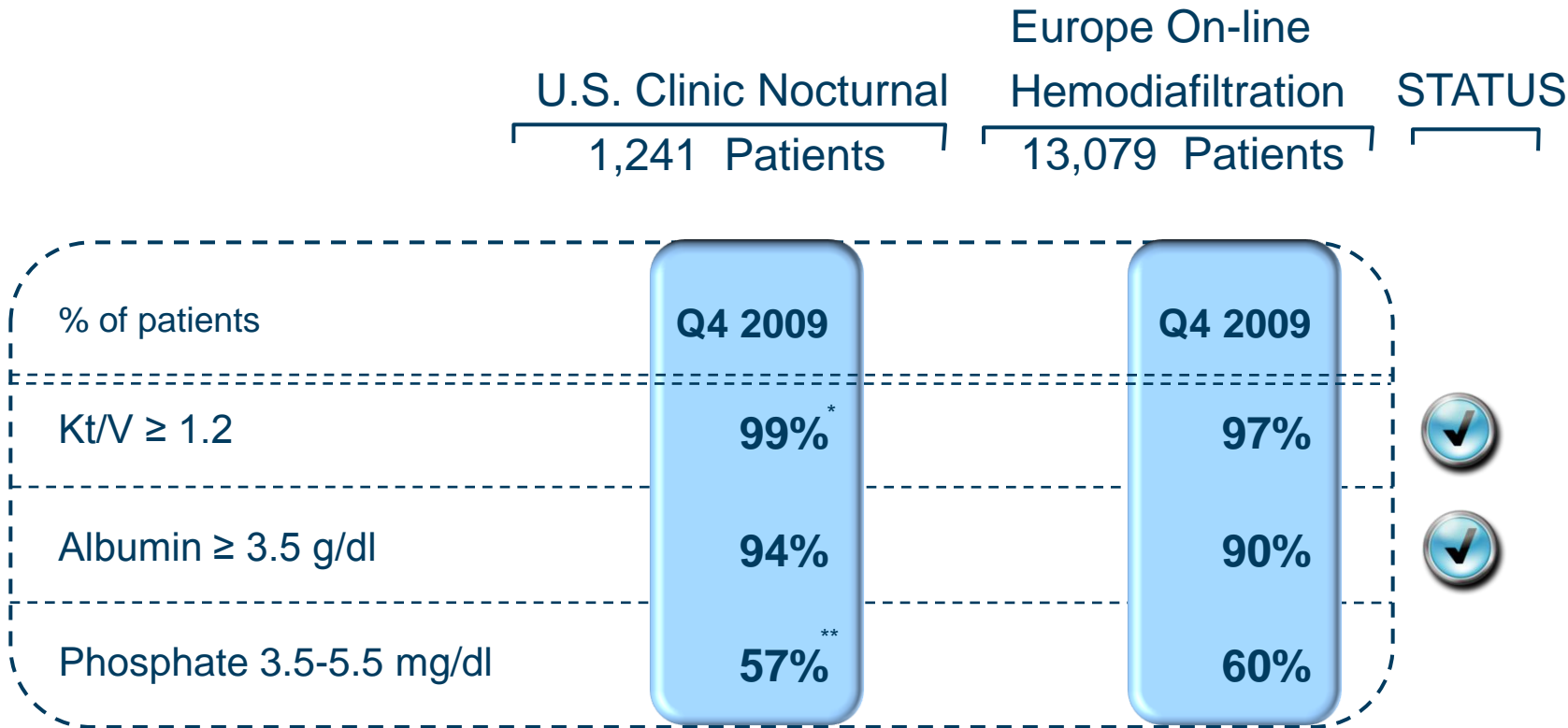
## Overall strong quality performance

	North America (US)		EMEA		STATUS
% of patients	Q4 2008	Q4 2009	Q4 2008	Q4 2009	
Kt/V ≥ 1.2	95%	<b>96%</b>	94%	<b>95%</b>	
Hemoglobin = 10-12 g/dl	61%	<b>64%</b>	50%	<b>52%</b>	
Albumin ≥ 3.5 g/dl	80%	<b>83%</b>	85%	<b>88%</b>	Improve
Phosphate 3.5-5.5 mg/dl	53%	<b>53%</b>	61%	<b>61%</b>	Improve
Hospitalization days	10.5	<b>10.0</b> *	8.1	<b>8.6</b>	

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

# 4<sup>th</sup> Quarter 2009 – New Therapies

## Improving Outcomes



\* Note that average U.S. nocturnal patient weight was 24% greater than average 3xWeek in-center HD patient weight.  
 \*\* Dietary phosphorus intake for US nocturnal patients was 22% greater than for average US 3xWeek in-center HD patients.



## Excellent performance in all key metrics

Q4 2009	Total	North America	International
Organic revenue growth	+ 10%	+ 10%	+ 9%
Same market treatment growth	+ 3.6%	+ 3.6%	+ 3.7%
Revenue per treatment		\$ 350 <sup>1)</sup>	\$ 173
Growth		+ 6%	+ 4% <sup>cc</sup>
FY 2009			
Number of clinics	2,553	1,784	769
Growth	+ 7%	+ 6%	+ 10%
De novos (including managed clinics)	120	89	31

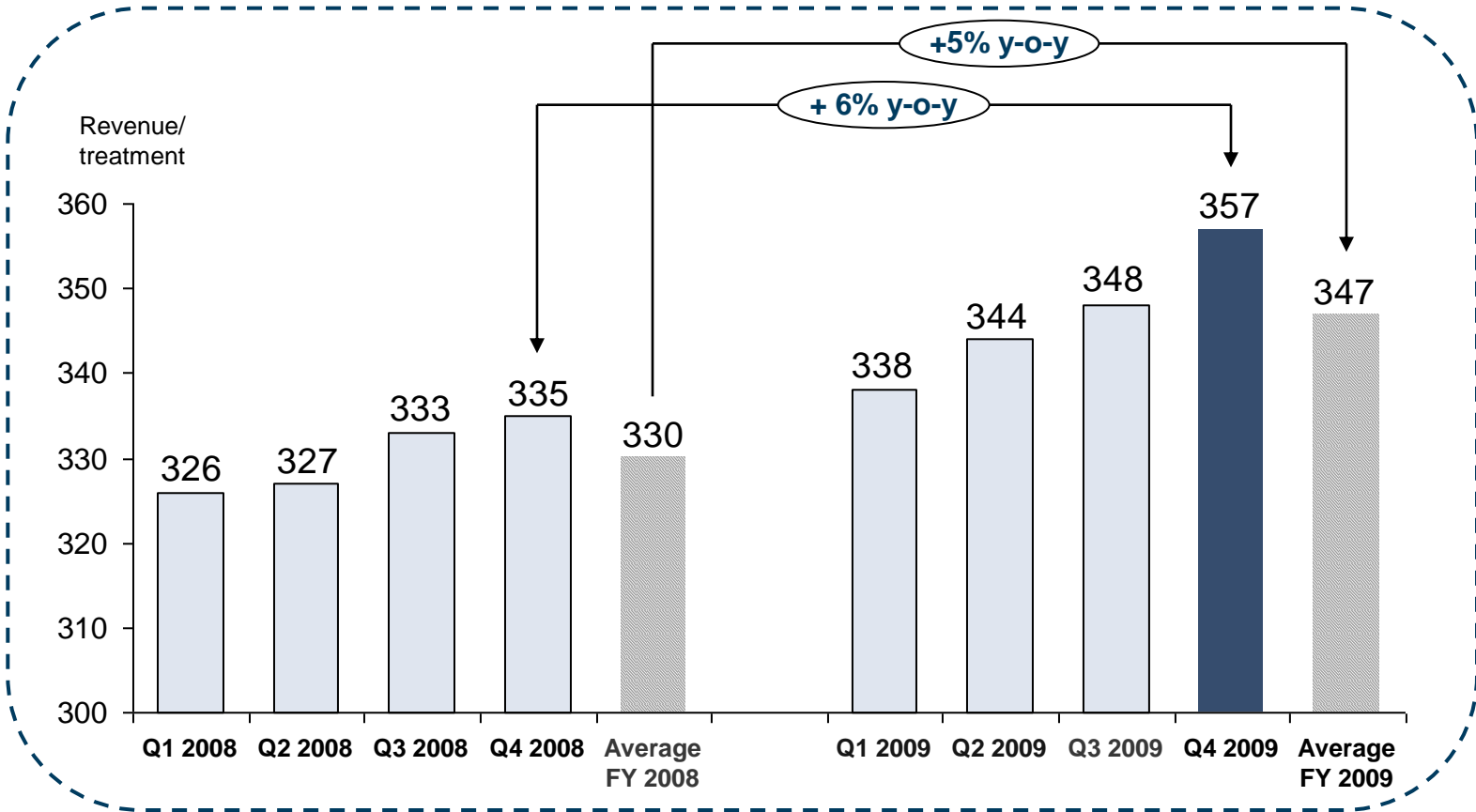
1) including Mexico

cc = constant currency

# 4<sup>th</sup> Quarter 2009 – Revenue per treatment US



**Favorable reimbursement environment**





**Product growth influenced by lower machine sales**

US-\$ in millions	Q4 2008	Q4 2009	Growth	cc
<b>Total revenue</b> <small>(incl. Internal Revenue)</small>	964	<b>1,060</b>	10%	4%
<b>External revenue</b>	738	<b>809</b>	10%	3%
North America	220	<b>213</b>	-3%	
International	518	<b>596</b>	15%	5%

cc = constant currency

# Fiscal Year 2009 - Dialysis Products

**Good external product growth of 6%cc**

US-\$ in millions	FY 2008	FY 2009	Growth	cc
<b>Total revenue</b> <small>(incl. Internal revenue)</small>	3,728	<b>3,836</b>	3%	8%
<b>External revenue</b>	2,875	<b>2,897</b>	1%	6%
North America	758	<b>818</b>	8%	
International	2,117	<b>2,079</b>	-2%	6%

cc = constant currency

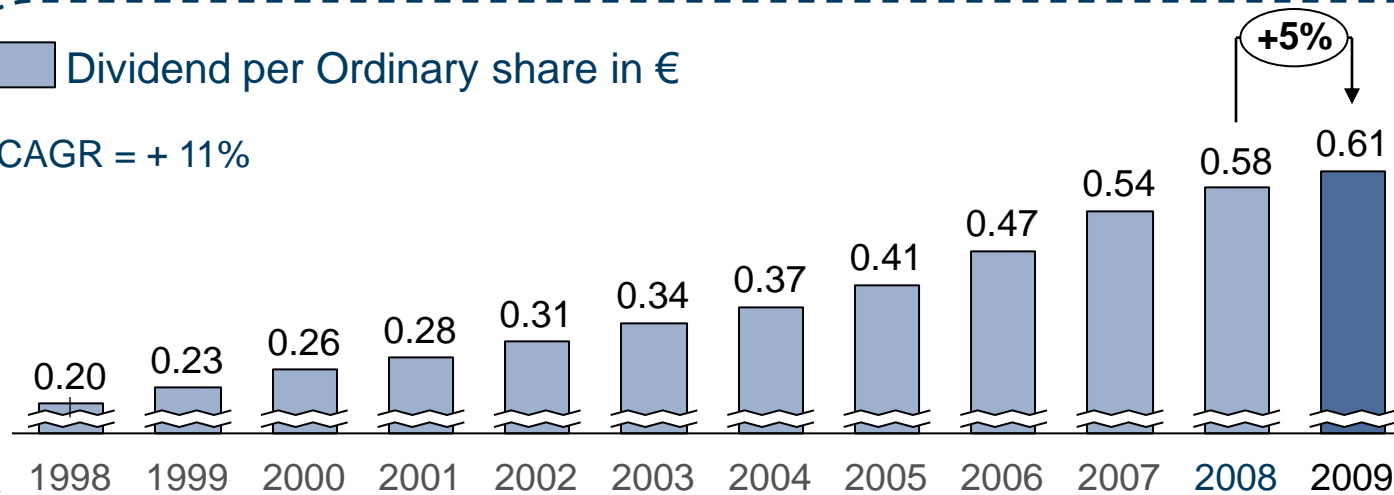


13<sup>th</sup>

## Consecutive Dividend Increase Proposed

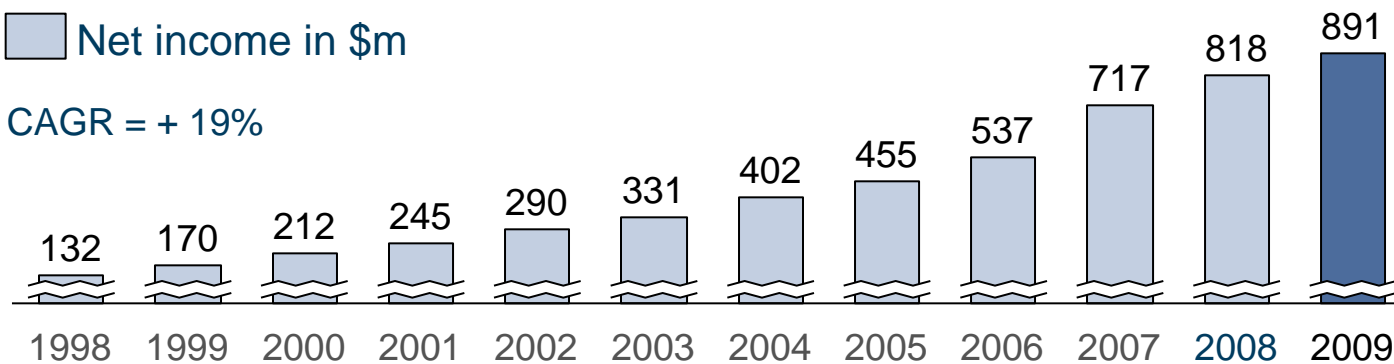
■ Dividend per Ordinary share in €

CAGR = + 11%



■ Net income in \$m

CAGR = + 19%







## Drivers for sustained revenue and earnings growth

### Dialysis Market Drivers:

- Continued patient growth of ~ 6% per year
- Stable to positive dialysis reimbursement based on quality patient outcomes

### Expansion & New Product Launches:

- Renal Pharma
- Selective Clinic acquisitions
- Integrated Care Model – Also a challenge
- New Renal Product Launches worldwide in HD and PD
  - Liberty Cyclor continues
  - 2008T Machine, 4008S classic Machine
  - New Phoslyra
  - Acetate free concentrates
  - BCM for Peritonealdialysis

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# 4<sup>th</sup> Quarter 2009 - Profit & Loss



\$ in millions	Q4 2008	Q4 2009	Growth
Net revenue	2,722	<b>3,035</b>	12%*
Operating income (EBIT)	433	<b>491</b>	13%
EBIT margin in %	15.9	16.2	
Interest expense, net	85	75	
Income before income tax	348	<b>416</b>	19%
Income tax expense	120	<b>145</b>	
Tax rate	34%	35%	
Non controlling interest	14	24	
<b>Net income</b> attributable to FMC AG & Co. KGaA	214	<b>247</b>	15%

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



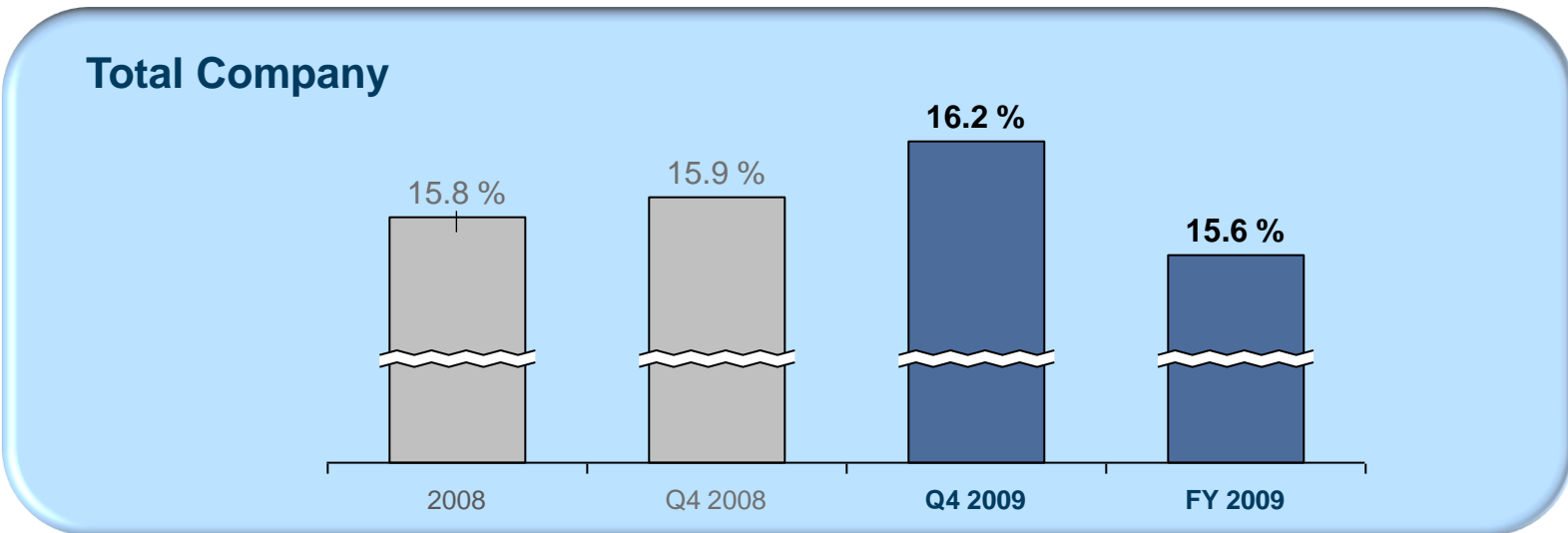
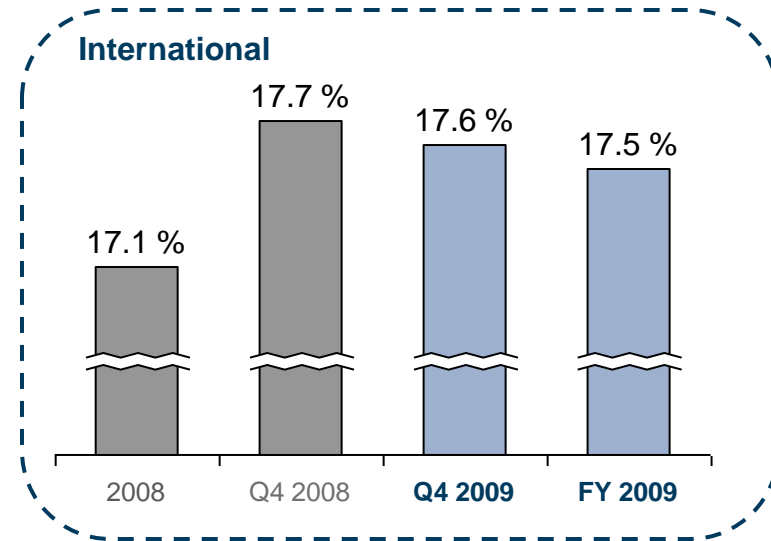
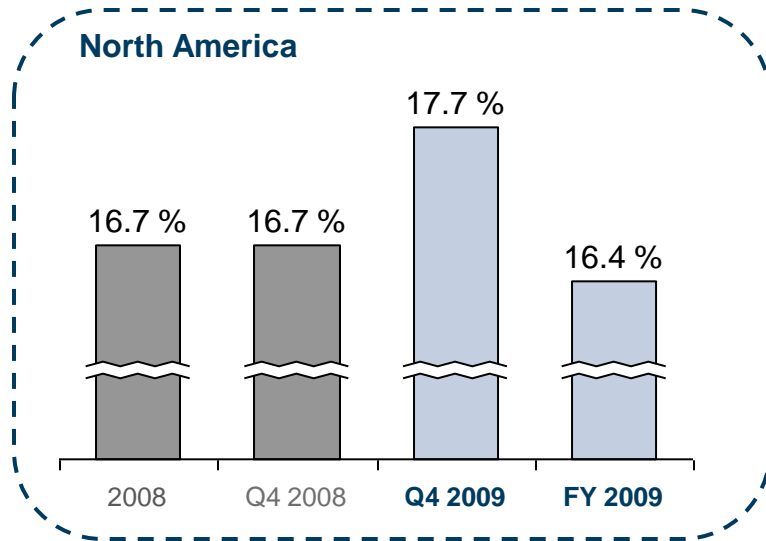
# Fiscal Year 2009 - Profit & Loss

\$ in millions	FY 2008	<b>FY 2009</b>	Growth
Net revenue	10,612	<b>11,247</b>	6% *
Operating income (EBIT)	1,672	<b>1,756</b>	5%
EBIT margin in %	15.8	15.6	
Interest expense, net	336	300	
Income before income tax	1,336	<b>1,456</b>	9%
Income tax expense	476	<b>491</b>	
Tax rate	36%	34%	
Non controlling interest	42	74	
<b>Net income</b> attributable to FMC AG & Co. KGaA	818	<b>891</b>	9%

\* 9% growth at constant currency, 8% organic growth

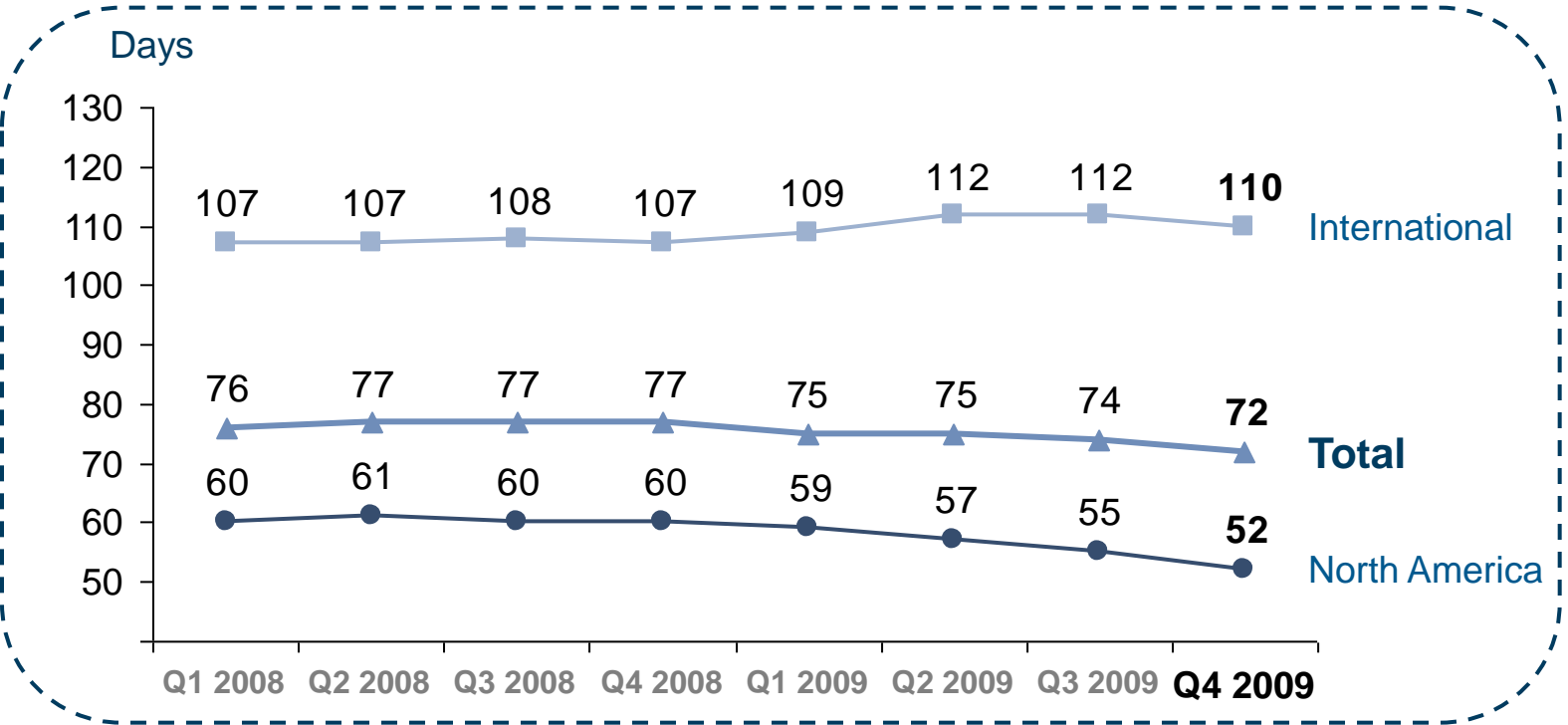


# Operating Margin Development



# Days Sales Outstanding (DSO)

**Excellent cash collection**





## Operating cash flow at 15% of revenue

\$ in millions	Q4 2008	Q4 2009	Growth
Operating cash flow <sup>1)</sup>	301	<b>458</b> 15% of revenue	52%
Capital expenditures, net <sup>1)</sup>	(181)	<b>(173)</b>	
Free cash flow	120	<b>285</b> 9% of revenue	138%
Acquisitions, net of divestitures <sup>1)</sup>	(88)	<b>(79)</b>	
Free cash flow, after acquisitions <sup>1)</sup>	32	<b>206</b> 7% of revenue	

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

# Fiscal Year 2009 – Cash Flow

**Operating cash flow at 12% of revenue**

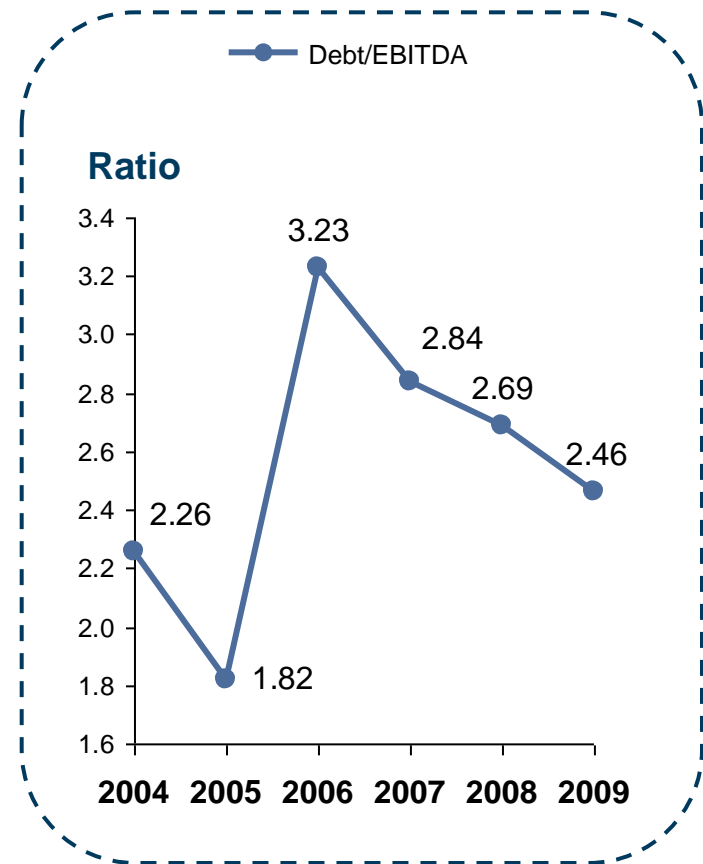
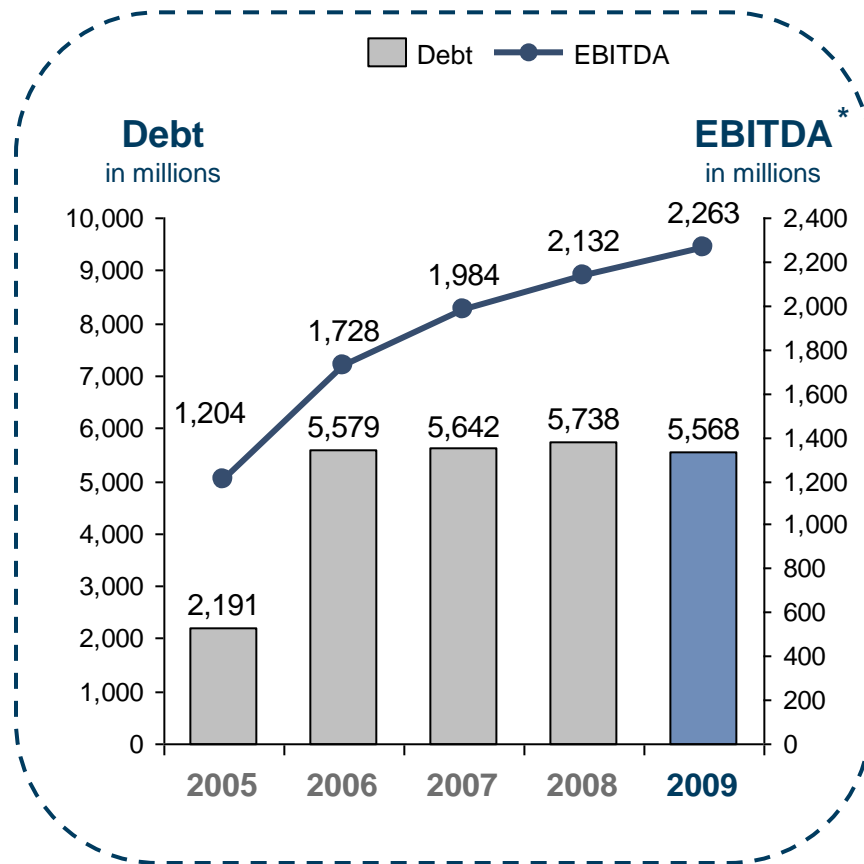
\$ in millions	FY 2008	<b>FY 2009</b>	Growth
Operating cash flow <sup>1)</sup>	1,016	<b>1,339</b> 12% of revenue	32%
Capital expenditures, net <sup>1)</sup>	(673)	<b>(562)</b>	
Free cash flow	343	<b>777</b> 7% of revenue	127%
Acquisitions, net of divestitures <sup>1)</sup>	(218)	<b>(136)</b>	
Free cash flow, after acquisitions <sup>1)</sup>	125	<b>641</b> 6% of revenue	

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





## Debt/EBITDA ratio ahead of target



\* including non-cash charges and in 2006/2007 excluding restructuring costs, in-process R&D and gain from the sale of dialysis clinics. A reconciliation to the most directly comparable US-GAAP financial measure is provided in the attachment.



# Major Debt Portfolio and Maturities





## Strong growth expected for 2010

US-\$ in millions

Net revenue

Net income

attributable to FMC AG & Co. KGaA

Leverage ratio

(Debt/EBITDA)

Capital expenditures

Acquisitions

### GUIDANCE

> \$ 12,000

\$ 950 - 980

< 2.5

~ \$ 550 - 650

up to \$ 400

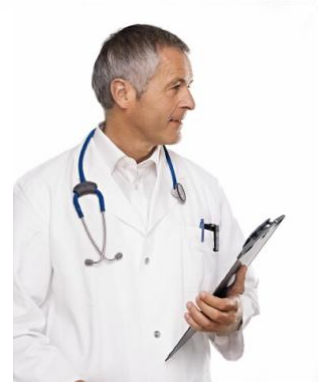


# Agenda

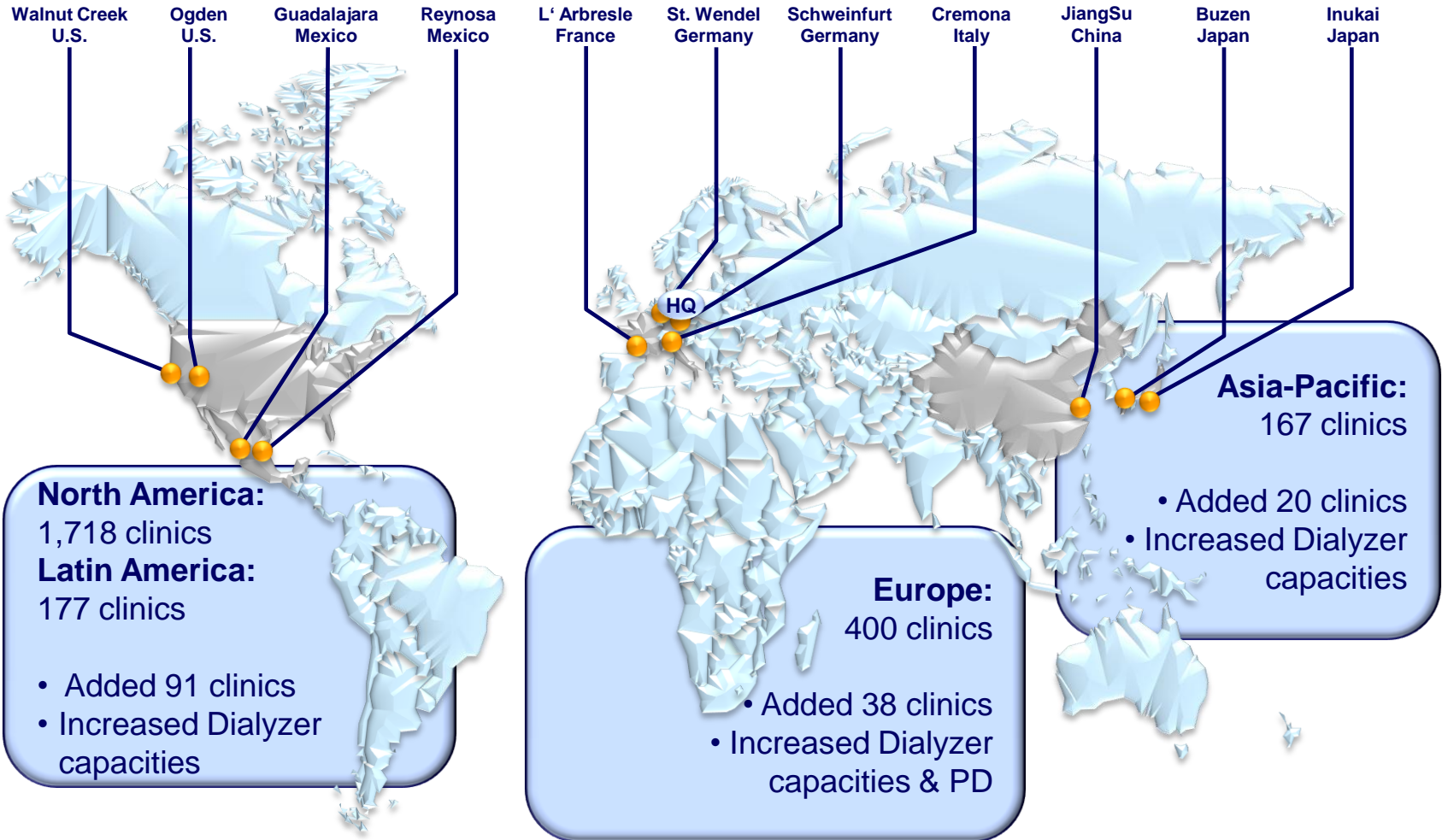
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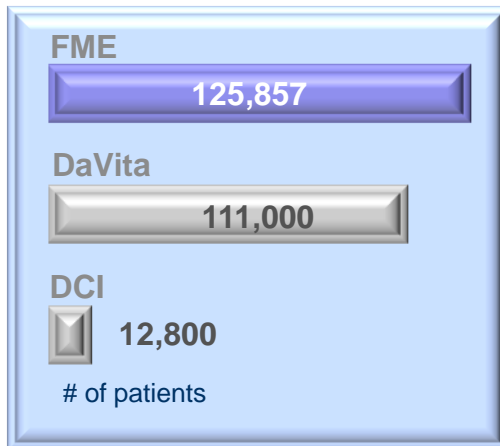
# Expanded Leading Global Presence



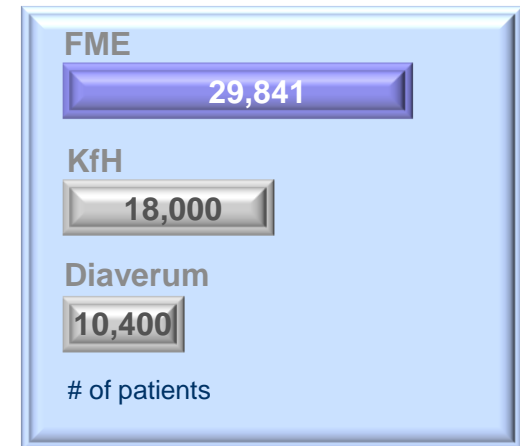


# Dialysis Services Worldwide - Patients

## North America



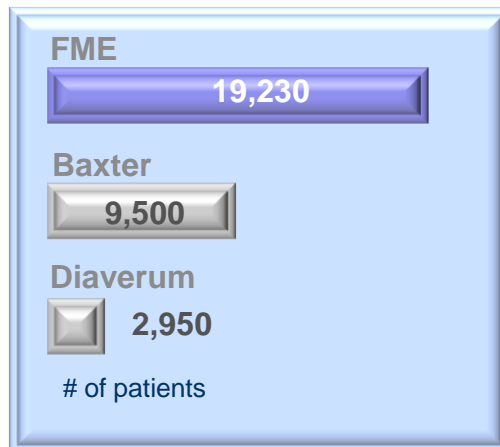
## EMEA



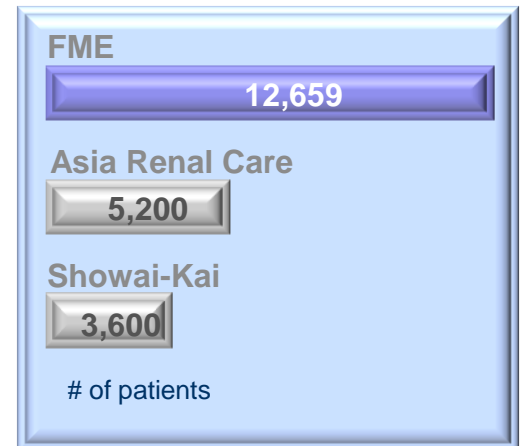
**\$55 Billion Market**

**We Lead in Every Major Market, Treating more than 184,000 Patients Worldwide**

## Latin America



## Asia Pacific

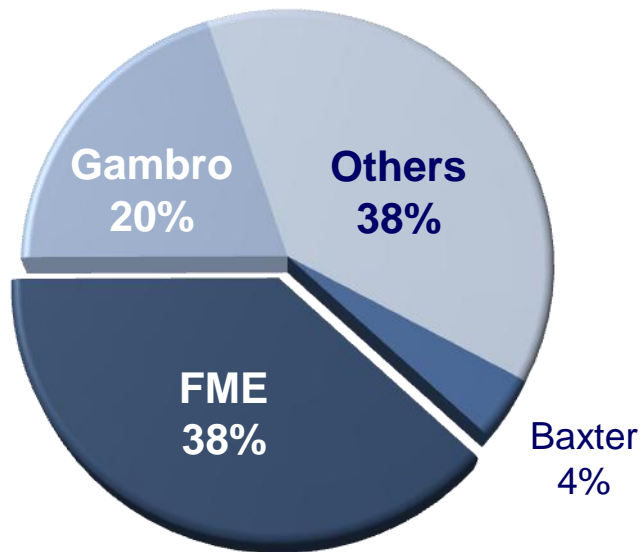


Source: Company data as of December 2008



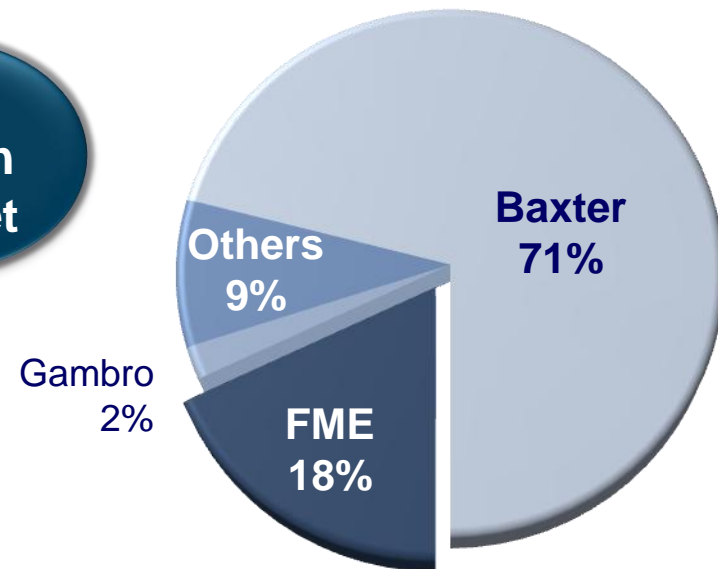
# Dialysis Products Worldwide

**Hemodialysis (HD)**  
= 90% of all treatments



**\$10.5 Billion Market**

**Peritoneal Dialysis (PD)**  
= 10% of all the treatments



**Produced more than 80.000.000 Dialyzers in 2008**

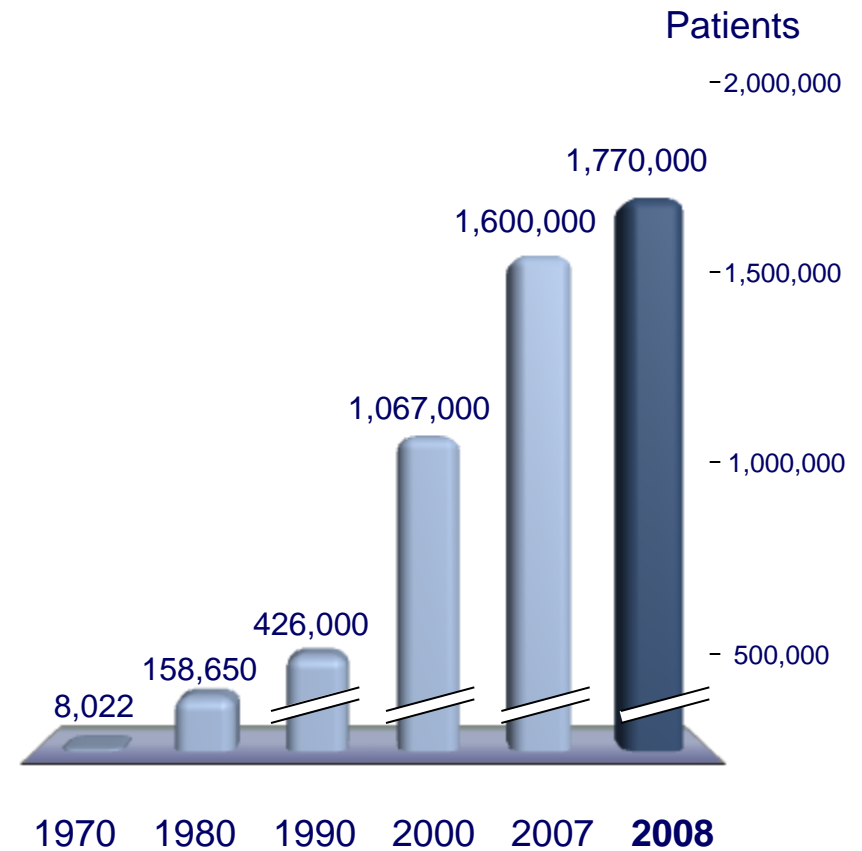
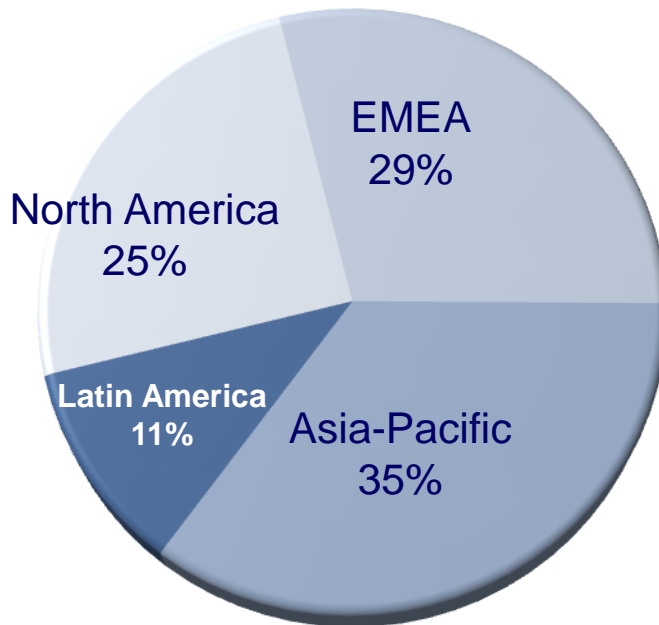
Source: Company data as of December 2008



# Global Patients by Region

**2008: 1.77 million dialysis patients worldwide**

**2025: ~ 4 million dialysis patients**



**Sustainable Patient Growth of 5 - 6% p.a.**

Source: Company data as of December 2008





**Thank You  
for your interest in  
Fresenius Medical Care !**





# Fresenius Medical Care

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Fresenius Medical Care



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

All numbers are in \$ millions

<b>Debt</b>	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
<b>Short term borrowings (incl. A/R program)</b>	316	684	217	331	151
+ Short term borrowings from related parties	10	1	2	5	19
+ Current portion of long-term debt and capital lease obligations	158	455	85	160	126
+ Current portion of Trust Preferred Securities			670		
+ Long-term debt and capital lease obligations, less current portion	4,428	3,957	4,004	3,829	707
+ Trust Preferred Securities less current portion	656	641	664	1,254	1,188
<b>= Total debt</b>	<b>5,568</b>	<b>5,738</b>	<b>5,642</b>	<b>5,579</b>	<b>2,191</b>

<b>EBITDA</b>	FY 2009	FY 2008	FY 2007 <sup>1)</sup>	FY 2006 (pro forma)	FY 2005
<b>Last twelve months operating income (EBIT)</b>	1,756	1,672	1,580	1,367	939
+ Last twelve months depreciation and amortization	457	416	363	326	251
+ Non-cash charges	50	44	41	35	14
<b>= EBITDA (annualized)</b>	<b>2,263</b>	<b>2,132</b>	<b>1,984</b>	<b>1,728</b>	<b>1,204</b>

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



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

All numbers are in \$ millions

<b>External Revenue</b>	FY 2009	FY 2008	growth	cc	Q4 2009	Q4 2008	growth	cc
<b>International</b> product revenue	2,374	2,419	- 2%	+ 6%	678	592	14%	+ 5%
- Internal revenue	(295)	(302)			(82)	(74)		
<b>= External revenue</b>	2,079	2,117	- 2%	+ 6%	596	518	15%	+ 5%
<b>North America</b> product revenue	1,463	1,309	+ 12%		383	371	+ 3%	
- Internal revenue	(645)	(551)			(170)	(151)		
<b>= External revenue</b>	818	758	+ 8%		213	220	- 3%	
<b>TOTAL</b> product revenue	3,837	3,728	+ 3%	+ 8%	1,061	964	+ 10%	+ 4%
- Internal revenue	(940)	(853)			(252)	(226)		
<b>= External revenue</b>	2,897	2,875	+ 1%	+ 6%	809	738	+ 10%	+ 3%

<b>Capital expenditure (net)</b>	FY 2009	FY 2008	Q4 2009	Q4 2008
Purchase of property, plant and equipment	(574)	(687)	(175)	(185)
- Proceeds from sale of property, plant and equipment	12	14	2	4
<b>= Capital expenditure (net)</b>	(562)	(673)	(173)	(181)

<b>Cash Flow</b>	FY 2009	FY 2008	Q4 2009	Q4 2008
Acquisitions and Investment and net purchases of intangible assets	(188)	(277)	(79)	(101)
Proceeds from divestitures	52	59	-	13
<b>Acquisitions, net of divestitures</b>	(136)	(218)	(79)	(88)

cc = constant currency

# Dialysis Services - Global

<b>FY 2009</b>	<b>Clinics</b>	<b>Patients</b>	<b>Treatments</b> (in million)
Total	2,553	195,651	29.4
Growth	+ 7%	+ 6%	+ 6%
North America	1,784	132,262	19.9
Growth	+ 6%	+ 5%	+ 4%
International	769	63,389	9.5
Growth	+ 10%	+ 9%	+ 10%
Europe	435	32,409	4.8
Latin America	191	20,973	3.2
Asia-Pacific	143	10,007	1.5



**Fresenius Medical Care AG & Co. KGaA**  
**Investor Relations**  
**Else Kröner Str. 1**  
**61352 Bad Homburg v.d.H.**

**Ordinary shares**

WKN 578 580  
ISIN DE0005785802  
SEDOL1 5129074 DE

**Oliver Maier**  
**Head of Investor Relations & Corporate Communications**

Tel.: +49-(0)6172-609-2601  
Fax.: +49-(0)6172-609-2301  
Email: [oliver.maier@fmc-ag.com](mailto:oliver.maier@fmc-ag.com)

**Gerrit Jost**  
Tel.: +49-(0)6172-609-5216  
Fax.: +49-(0)6172-609-2301  
Email: [gerrit.jost@fmc-ag.com](mailto:gerrit.jost@fmc-ag.com)

**Terry L. Morris**  
Tel.: +1-800-948-2538  
Fax.: +1-615-345-5605  
Email: [terry.morris@fmc-na.com](mailto:terry.morris@fmc-na.com)



- Q1 2010 Results** – **Conference Call, May 4, 2010**
- Annual General Meeting** – **May 11, 2010, Frankfurt /Main**
- Q2 2010 Results** – **Conference Call, August 3, 2010**
- Q3 2010 Results** – **Conference Call, November 2, 2010**

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