



# Fresenius Medical Care

The World's Leading Renal Therapy Company

**Morgan Stanley  
European MedTech & Services Conference**

London, May 26-27, 2010



Fresenius Medical Care



## Accomplishments and Business Update

## Global Leadership Position

## Growth Strategy and Summary





## We achieved record results and delivered our target

**Record revenue and earnings**



**Strong organic growth in all segments**



**Very strong cash flow development**



**Expanded our global market share**



**Focused on research, innovation and quality in dialysis**

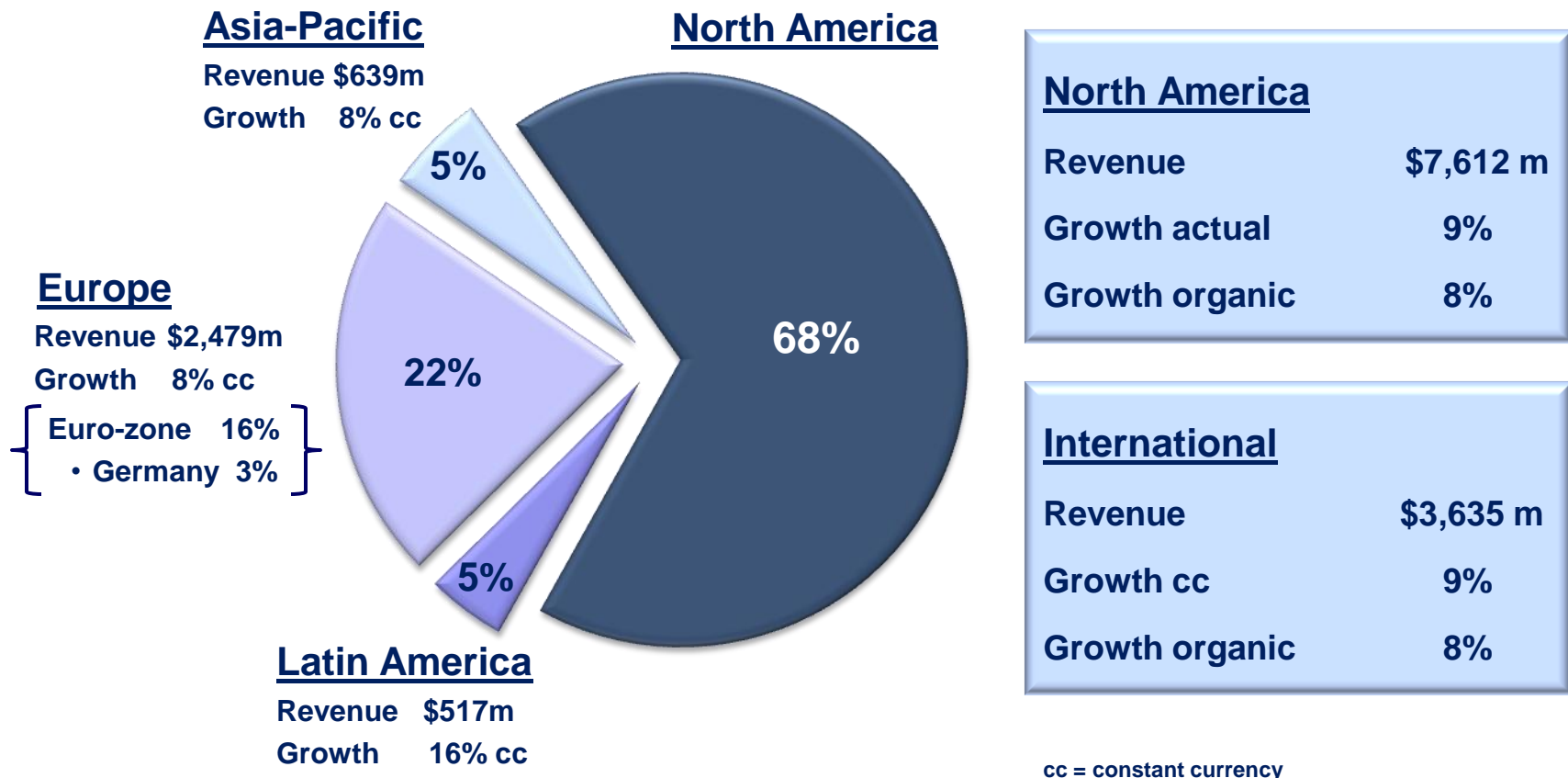


# 2009 Strong Revenue Growth in all Regions



Fresenius Medical Care

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



<u>North America</u>	
Revenue	\$7,612 m
Growth actual	9%
Growth organic	8%

<u>International</u>	
Revenue	\$3,635 m
Growth cc	9%
Growth organic	8%

cc = constant currency

# Impressive Growth Continued

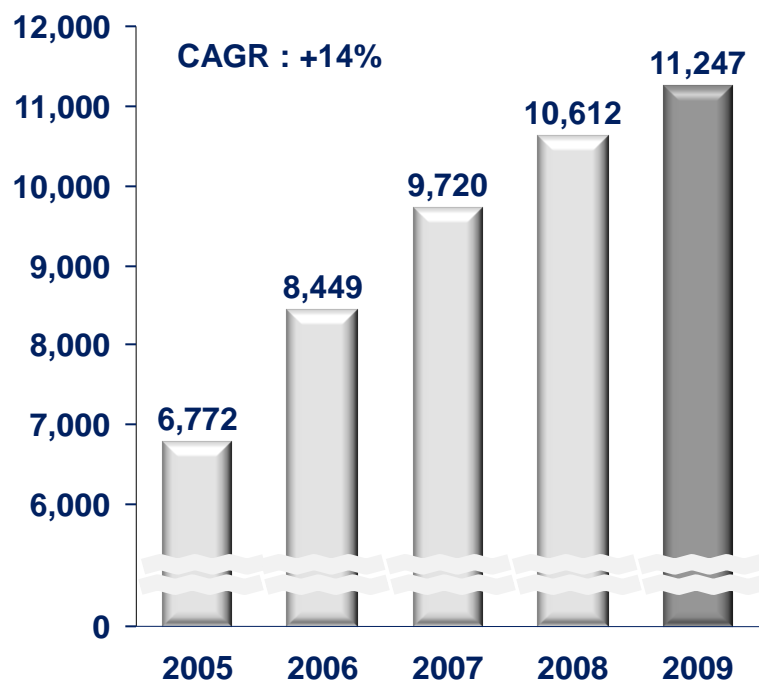


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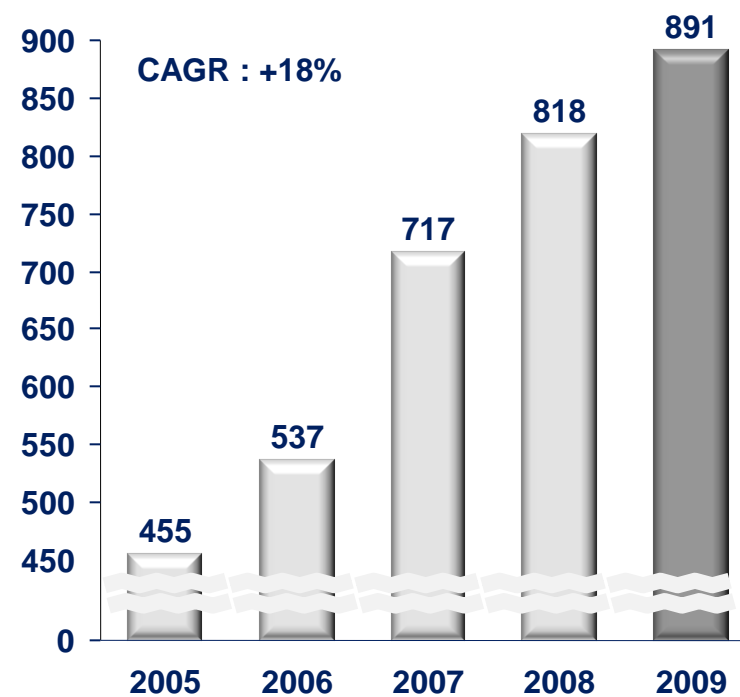
## Revenue

## Net Income

(in \$ million)



(in \$ million)





## Good start into the year and on track for full-year targets

Very strong underlying performance

	Q1 2009	Q1 2010	Growth
<b>Revenue</b>	\$ 2,560 m	\$ 2,882 m	+13%
<b>Net income</b> <small>attributable to FMC AG &amp; Co. KGaA</small>	\$ 198 m	\$ 211 m	+7%
<b>Earnings per share</b>	\$ 0.67	\$ 0.70	+6%

- Superior quality performance in dialysis products as well as services
- Strong underlying operational performance
- Strong revenue growth at 10% at constant currency and 8% organic
- Excellent cash flow development



## Very strong revenue growth globally

US\$ millions	Q1 2009	Q1 2010	Growth	cc
<b>North America</b>	1,577	<b>1,760</b>	12%	
<b>International</b>	346	<b>411</b>	19%	9%
<b>Total</b>	1,923	<b>2,171</b>	13%	11%

- Good organic treatment growth
- Continued strong revenue-per-treatment development
- Treating 198,774 patients in ~ 2,580 clinics

cc = constant currency



## Overall strong quality performance

	North America (USA)		EMEA		
% of patients	Q1 2009	Q1 2010	Q1 2009	Q1 2010	
Kt/V ≥ 1.2	96%	<b>96%</b>	94%	<b>95%</b>	
Hemoglobin = 10-12 g/dl	62%	<b>65%</b>	51%	<b>52%</b>	
Albumin ≥ 3.5 g/dl	80%	<b>83%</b>	84%	<b>85%</b>	Improve
Phosphate 3.5-5.5 mg/dl	53%	<b>55%</b>	61%	<b>61%</b>	Improve
Hospitalization days	10.4	<b>9.9</b>	8.2	<b>8.9</b>	

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



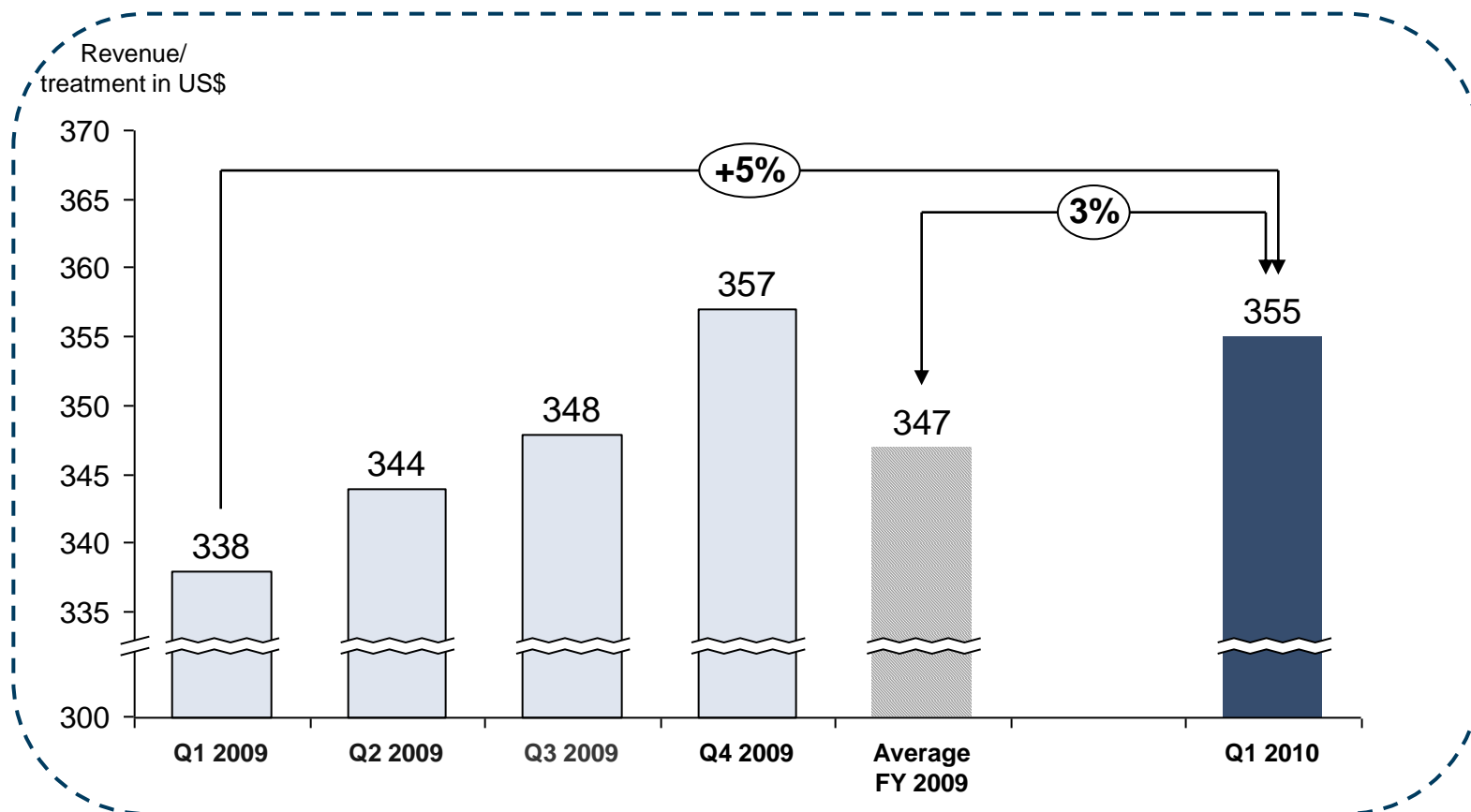


## Focus on quality & innovation for our patients

<b>% of patients Q1 2010</b>	<b>USA</b>	<b>Clinic Nocturnal</b>	<b>EMEA</b>	<b>Online HDF</b>
<b>Kt/V <math>\geq</math> 1.2</b>	<b>96%</b>	<b>99%</b>	<b>95%</b>	<b>97%</b>
<b>Albumin <math>\geq</math> 3.5 g/dl</b>	<b>83%</b>	<b>93%</b>	<b>85%</b>	<b>87%</b>
<b>Phosphate 3.5-5.5 g/dl</b>	<b>55%</b>	<b>56%</b>	<b>61%</b>	<b>61%</b>

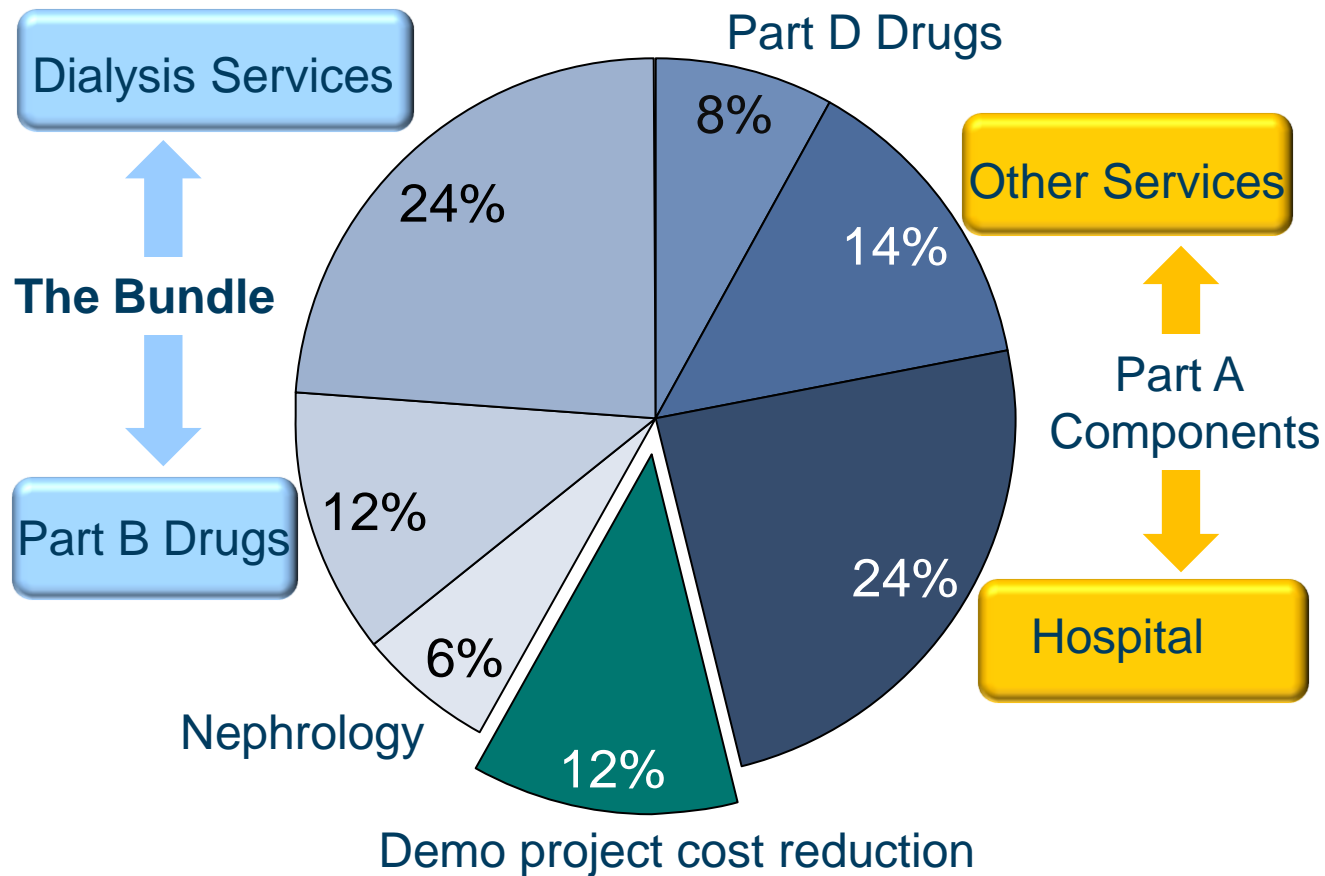


## Favorable reimbursement environment



# Rationale for ESRD Integrated Care Model

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





## Product growth with sequential improvement

US\$ millions	Q1 2009	Q1 2010	Growth	cc
<b>Total revenue</b> (incl. internal revenue)	858	<b>969</b>	13%	7%
<b>External revenue</b>	637	<b>711</b>	12%	5%
North America	197	<b>200</b>	1%	
International	440	<b>511</b>	16%	7%

cc = constant currency



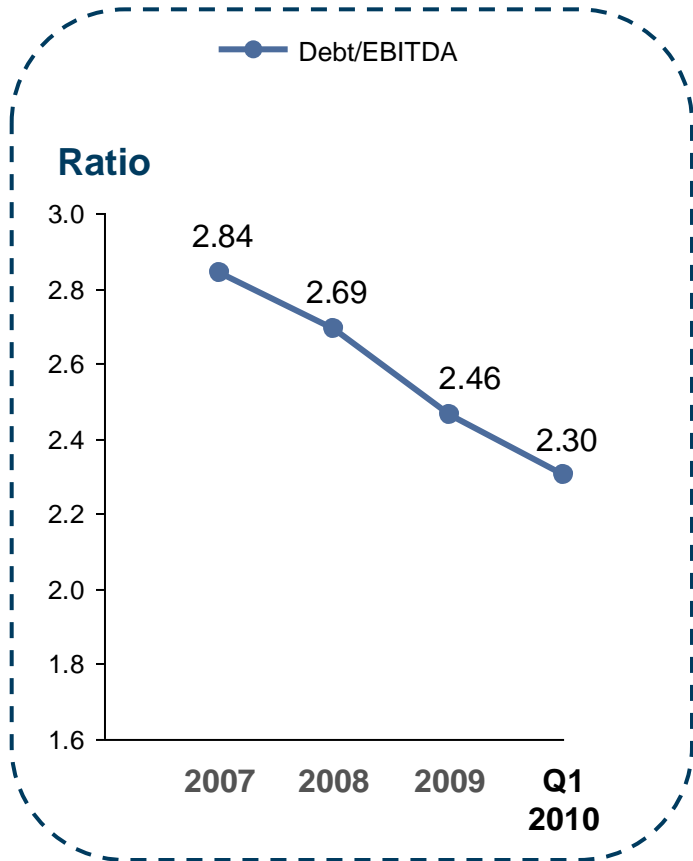
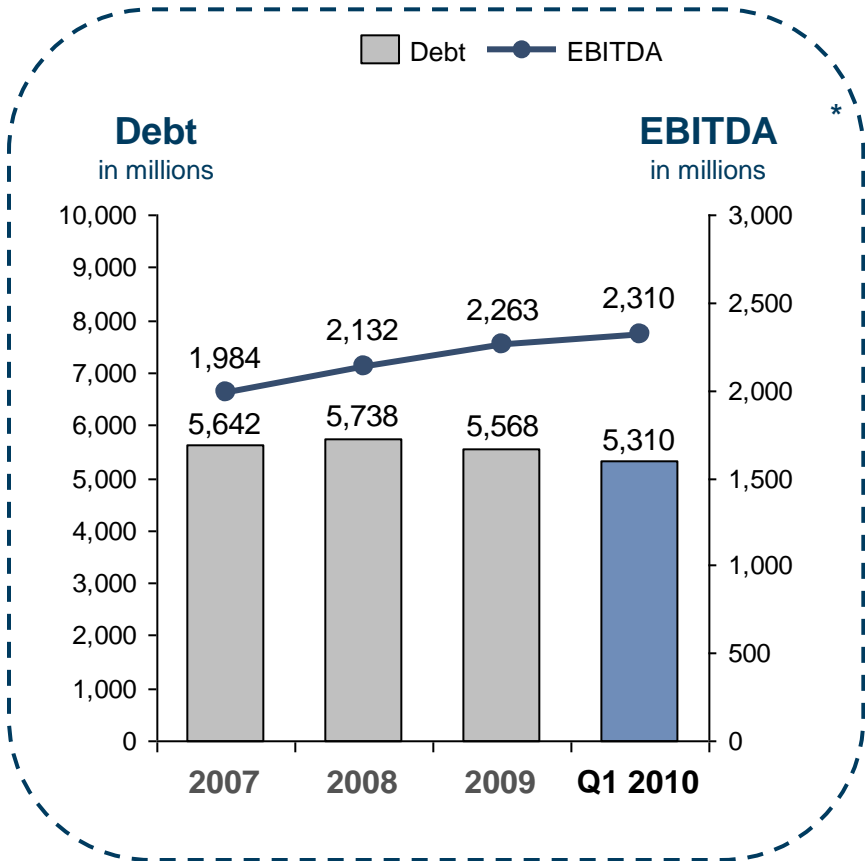
## Excellent cash flow performance

US\$ millions	Q1 2009	Q1 2010	Growth
Operating cash flow <sup>1)</sup>	156	<b>349</b> 12% of revenue	124%
Capital expenditures, net <sup>1)</sup>	(111)	<b>(99)</b>	
Free cash flow	45	<b>250</b> 9% of revenue	457%
Acquisitions, net of divestitures <sup>1)</sup>	(36)	<b>(82)</b>	
Free cash flow, after acquisitions <sup>1)</sup>	9	<b>168</b> 6% of revenue	

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



## Debt/EBITDA ratio ahead of target



\* 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.



**Superior quality performance in both products and services**

**Continued expansion of new products and therapies worldwide**

**Strong underlying operational performance**

**Excellent cash flow development**

**Continued focus on R&D**

**Reiterated full-year guidance 2010**



**\$ in millions**

<b>Revenue</b>	<b>&gt; 12,000</b>
<b>Net income</b>	<b>\$950 - 980</b>
<b>Capital expenditures</b>	<b>\$550 - 680</b>
<b>Acquisitions</b>	<b>&lt;= \$400</b>
<b>Strong growth expected for 2010</b>	





Accomplishments and Business Update

Global Leadership Position

Growth Strategy and Summary



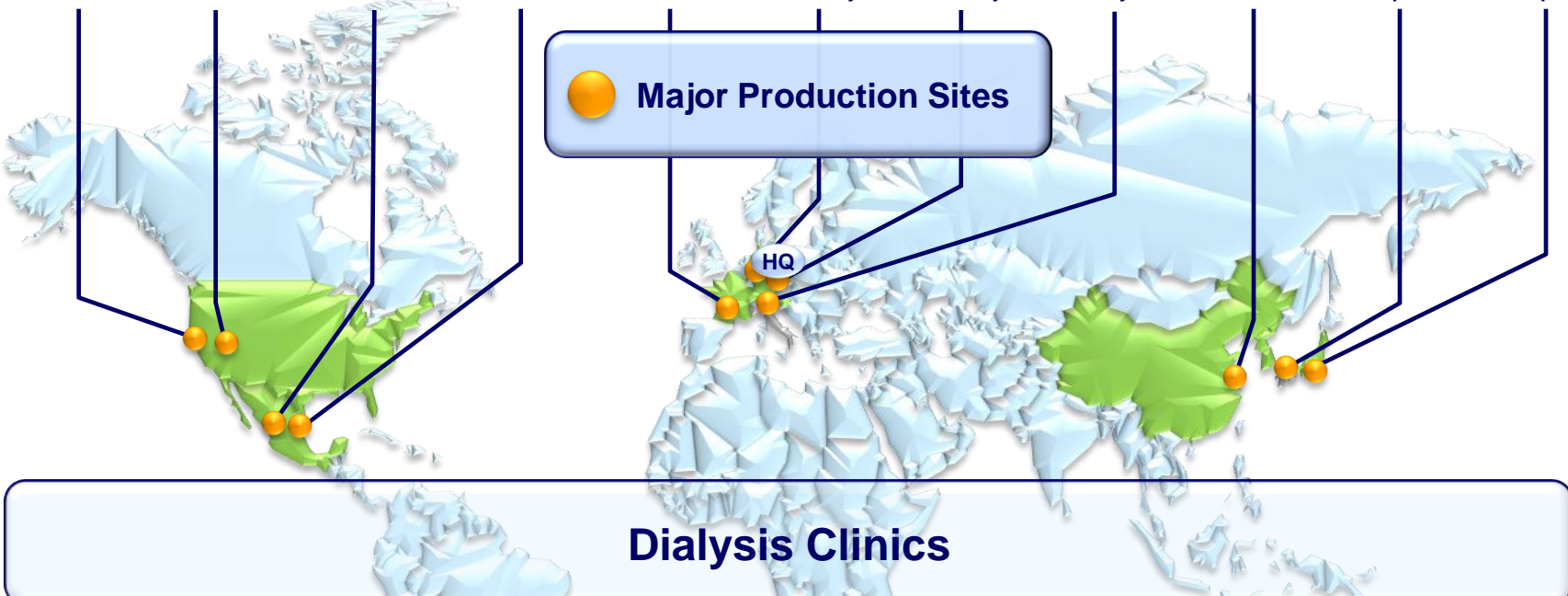
# Global Presence Products & Services



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



**Major Production Sites**

HQ

**Dialysis Clinics**

**North America:**  
1,784 clinics  
**Latin America:**  
191 clinics

**Europe:**  
435 clinics

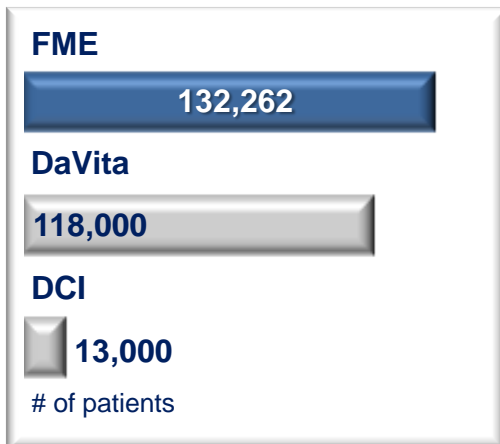
**Asia-Pacific:**  
143 clinics

# Dialysis Services Worldwide – Number of Patients Treated 2009\*

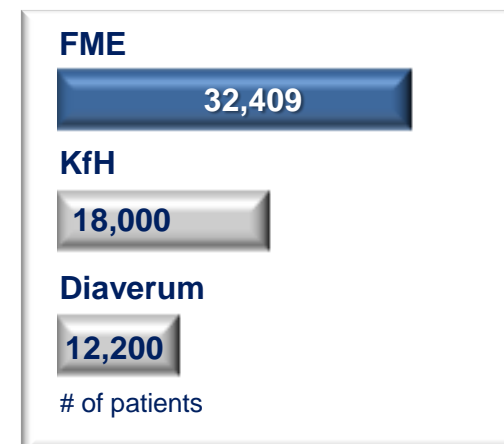


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## North America



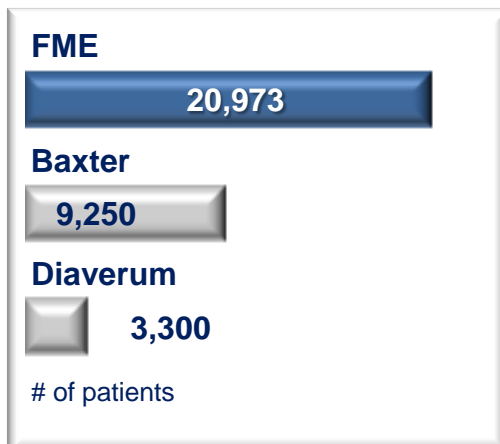
## EMEA



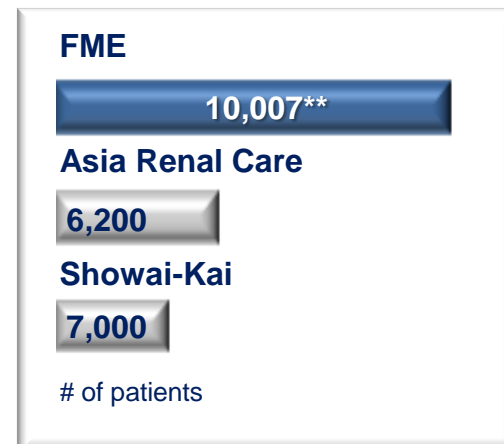
**\$65 Billion Market**

**We Lead in Every Major Market, Treating more than 195,000 Patients Worldwide**

## Latin America



## Asia Pacific



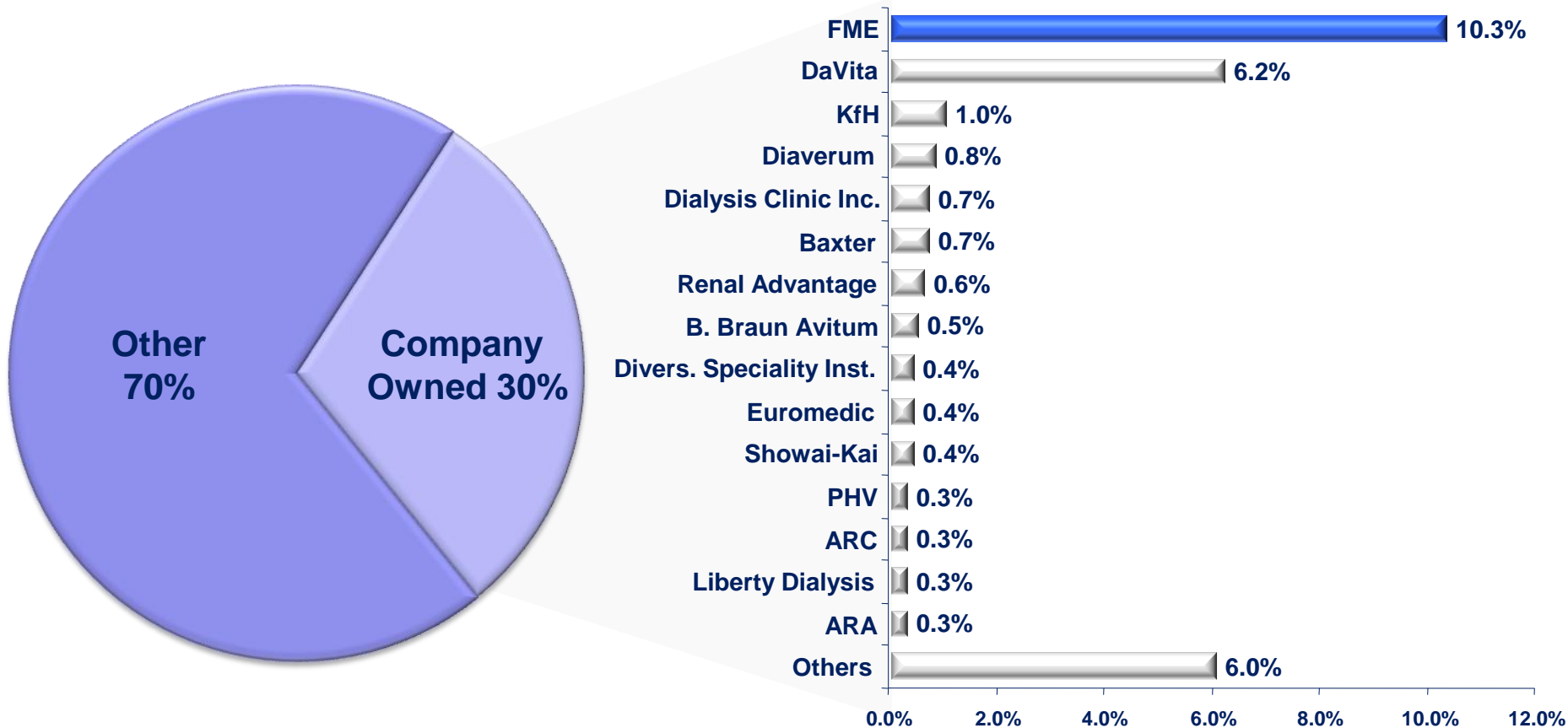
\* Based on company statements and estimates

\*\* 13,606 patients including managed clinics



## 1,895,000 Dialysis Patients in 2009

Dialysis patients treated in 2009 by company

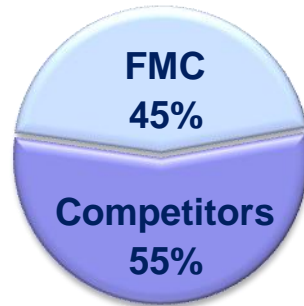


# Market Position by Major Product Groups



	<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**



Accomplishments and Business Update

Global Leadership Position

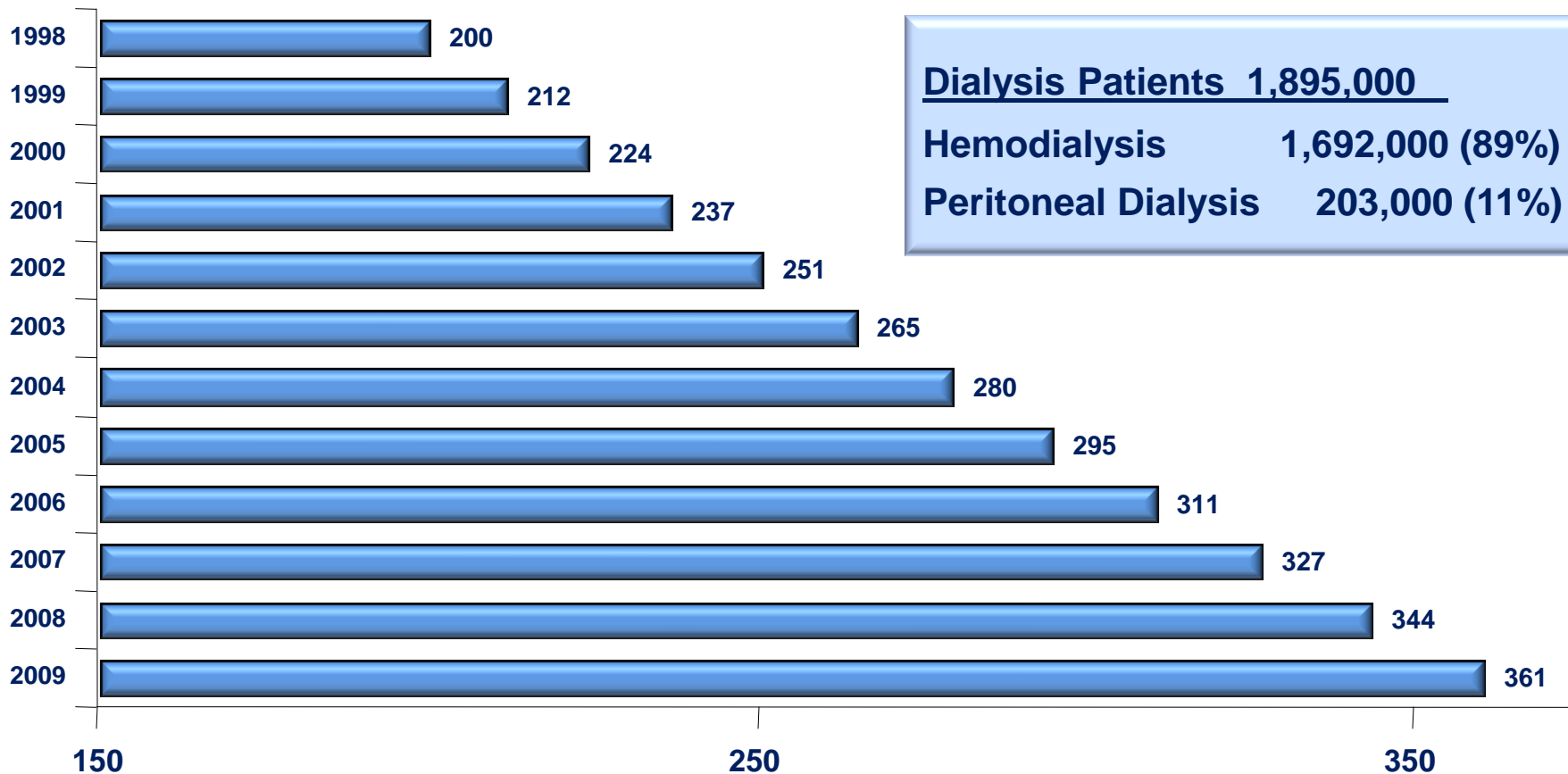
Growth Strategy and Summary





**Global prevalence increased by 80% over the last 10 years**

ESRD patients per million population (p.m.p.)



**Dialysis Patients 1,895,000**

**Hemodialysis 1,692,000 (89%)**

**Peritoneal Dialysis 203,000 (11%)**



## Services – Reduction in Mortality

**North America 2005 – 2009: 21%**

**Europe 2005 – 2009: 13%**

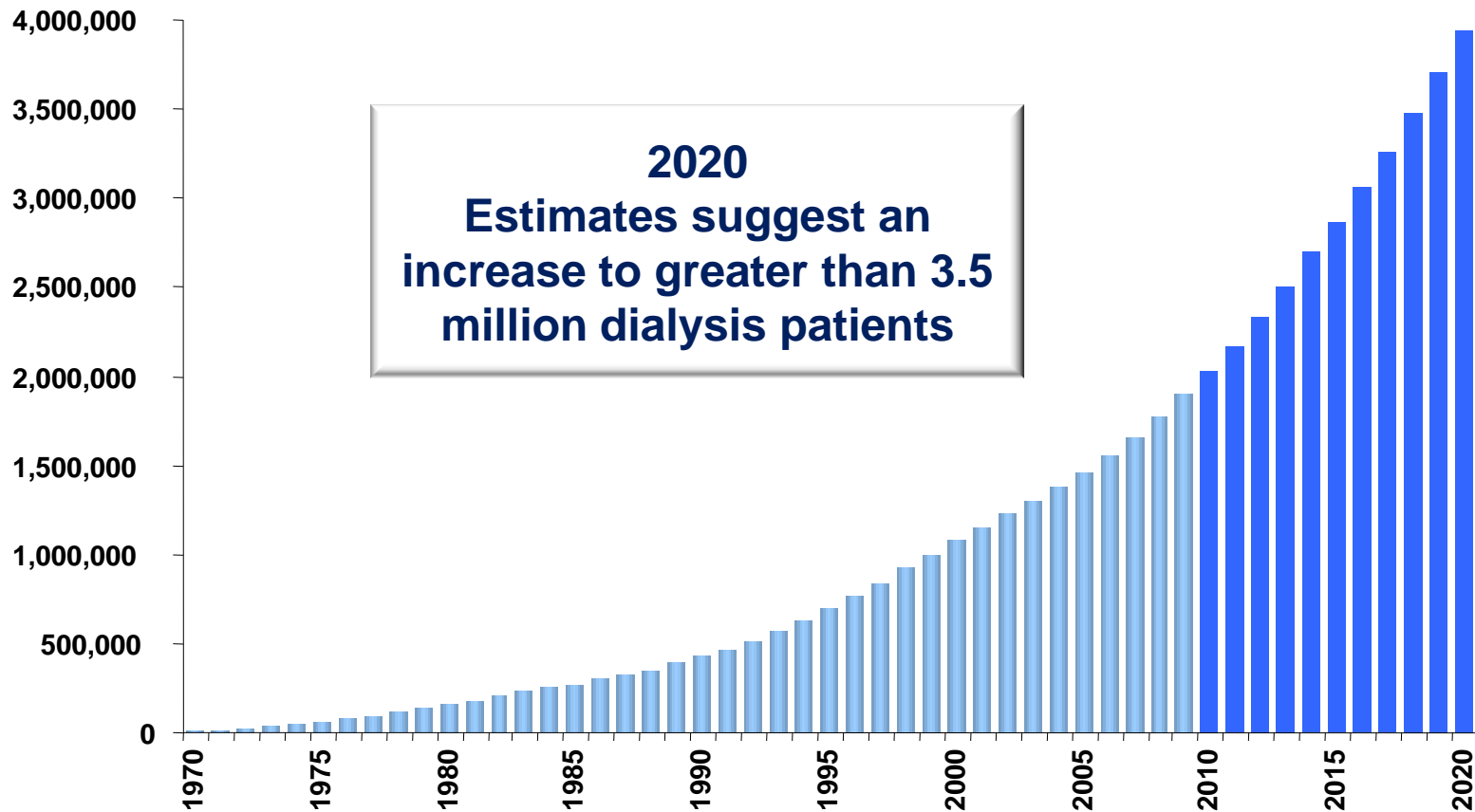
## Products – Bloodlines

**Reynosa, Mexico 2002 – 2010:  
85% Improvement in Quality**

**Achieved less than 3 complaints per million while  
producing 73 million bloodlines per year**



# Development of Dialysis Patient Numbers



- 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

# Continued Growth Opportunities



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## Integrated Care

Therapy

Renal  
Drugs



Patient Care

Products



4008S



2008K



5008S



SleepSafe



Liberty Cyclor



**Our global presence, growth and profitability is market leading**

**Vertical integration was and will be the best business model**

**There are many opportunities but also challenges**

**We will confidently continue to pursue our growth strategy, and we will remain vigilant with respect to:**

**Quality**

**Innovation**

**Corporate Ethics**



**Thank You  
for your interest in  
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).



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## 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>	Q1 2010	FY 2009	FY 2008	FY 2007
<b>Short-term borrowings (incl. A/R program)</b>	99	316	684	217
+ Short-term borrowings from related parties	10	10	1	2
+ Current portion of long-term debt and capital lease obligations	1,544	158	455	85
+ Current portion of trust preferred securities				670
+ Long-term debt and capital lease obligations, less current portion	3,029	4,428	3,957	4,004
+ Trust preferred securities less current portion	628	656	641	664
<b>= Total debt</b>	<b>5,310</b>	<b>5,568</b>	<b>5,738</b>	<b>5,642</b>

<b>EBITDA</b>	Q1 2010	FY 2009	<sup>1)</sup> FY 2008	FY 2007
<b>Last twelve months operating income (EBIT)</b>	1,783	1,756	1,672	1,580
+ Last twelve months depreciation and amortization	476	457	416	363
+ Non-cash charges	51	50	44	41
<b>= EBITDA (annualized)</b>	<b>2,310</b>	<b>2,263</b>	<b>2,132</b>	<b>1,984</b>

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



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

All figures are in \$ millions

<b>External Revenue</b>	Q1 2010	Q1 2009	Growth	cc
<b>International</b> product revenue	603	513	17	7
- Internal revenue	(92)	(73)	23	
<b>= External revenue</b>	511	440	16	7
<b>North America</b> product revenue	366	345	6	
- Internal revenue	(166)	(148)	12	
<b>= External revenue</b>	200	197	1	
<b>TOTAL</b> product revenue	969	858	13	7
- Internal revenue	(258)	(221)	16	
<b>= External revenue</b>	711	637	12	5

<b>Capital expenditure (net)</b>	Q1 2010	Q1 2009
Purchase of property, plant and equipment	(106)	(112)
- Proceeds from sale of property, plant and equipment	7	1
<b>= Capital expenditure (net)</b>	(99)	(111)

<b>Acquisitions (net)</b>	Q1 2010	Q1 2009
Acquisitions and investment and net purchases of intangible assets	(84)	(37)
Proceeds from divestitures	2	1
<b>Acquisitions, net of divestitures</b>	(82)	(36)

cc = constant currency





<b>Q1 2010</b>	<b>Clinics</b>	<b>Patients</b>	<b>Treatments</b> (in millions)
<b>Total</b>	<b>2,580</b>	<b>198,774</b>	<b>7.5</b>
Growth	+ 5%	+ 6%	+ 7%
<b>North America</b>	<b>1,788</b>	<b>133,105</b>	<b>5.0</b>
Growth	+ 4%	+ 5%	+ 6%
<b>International</b>	<b>792</b>	<b>65,669</b>	<b>2.5</b>
Growth	+ 8%	+ 9%	+ 8%
Europe	455	34,227	1.3
Latin America	192	21,317	0.8
Asia-Pacific	145	10,125	0.4



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- Q2 2010 Results** – **Conference Call, August 3, 2010**
- Capital Market Day** – **September 1-2, 2010, London, UK**
- Q3 2010 Results** – **Conference Call, November 2, 2010**

*For recent updates, please have a look at our website.*

**[www.fmc-ag.com](http://www.fmc-ag.com)**

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