



# Fresenius Medical Care

The World's Leading Renal Therapy Company

**UniCredit German Investment Conference 2010**

Munich, September 23, 2010



Fresenius Medical Care

# Forward-looking Statements



Fresenius Medical Care

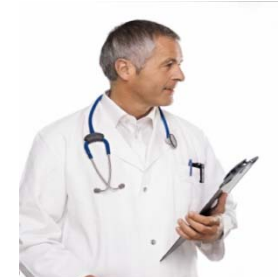
**Safe Harbor Statement:** This presentation includes certain forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Act of 1934, as amended. Actual results could differ materially from those included in the 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 and Summary



## 1. Business Update

## 2. Financials and Outlook

## 3. Growth Strategy and Summary





**Strong quarter and fully on track for full-year targets**  
 Very good underlying performance

	Q2 2009	Q2 2010	Growth
<b>Revenue</b>	\$ 2,764 m	\$ 2,946 m	7%
<b>Net income</b> <small>attributable to FMC AG &amp; Co. KGaA</small>	\$ 221 m	\$ 248 m	12%
<b>Earnings per share</b>	\$ 0.74	\$ 0.83	12%

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

# 2<sup>nd</sup> Quarter 2010 – Revenue

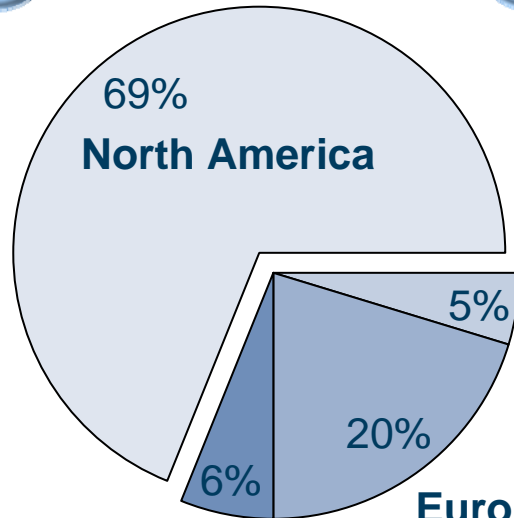


Fresenius Medical Care

**Total revenue increased 7% to \$2,946 m**

North America	
Revenue	\$2,027 m
Growth actual	8%
Growth organic	7%

International	
Revenue	\$919 m
Growth cc	5%
Growth organic	3%



Latin America	
Revenue	\$141 m
Growth	15% / 8% cc

Europe	
Revenue	\$602 m
Growth	-1% / 4% cc

Asia-Pacific	
Revenue	\$176 m
Growth	12% / 5% cc

cc = constant currency



## Very strong revenue growth globally

First time over 200,000 patients being treated

US\$ millions	Q2 2009	Q2 2010	Growth	cc
<b>North America</b>	1,677	1,817	8%	
<b>International</b>	377	407	8%	9%
<b>Total</b>	2,054	2,224	8%	8%

- Good organic treatment growth of 4.3% globally
- Continued strong revenue per treatment development
- Treating 202,414 patients in 2,599 clinics

cc = constant currency

## Very strong revenue growth globally

US\$ millions	H1 2009	H1 2010	Growth	cc
<b>North America</b>	3,254	<b>3,578</b>	10%	
<b>International</b>	723	<b>817</b>	13%	9%
<b>Total</b>	3,977	<b>4,395</b>	11%	10%

- Good organic treatment growth of 4.3% globally
- Continued strong revenue per treatment development

cc = constant currency

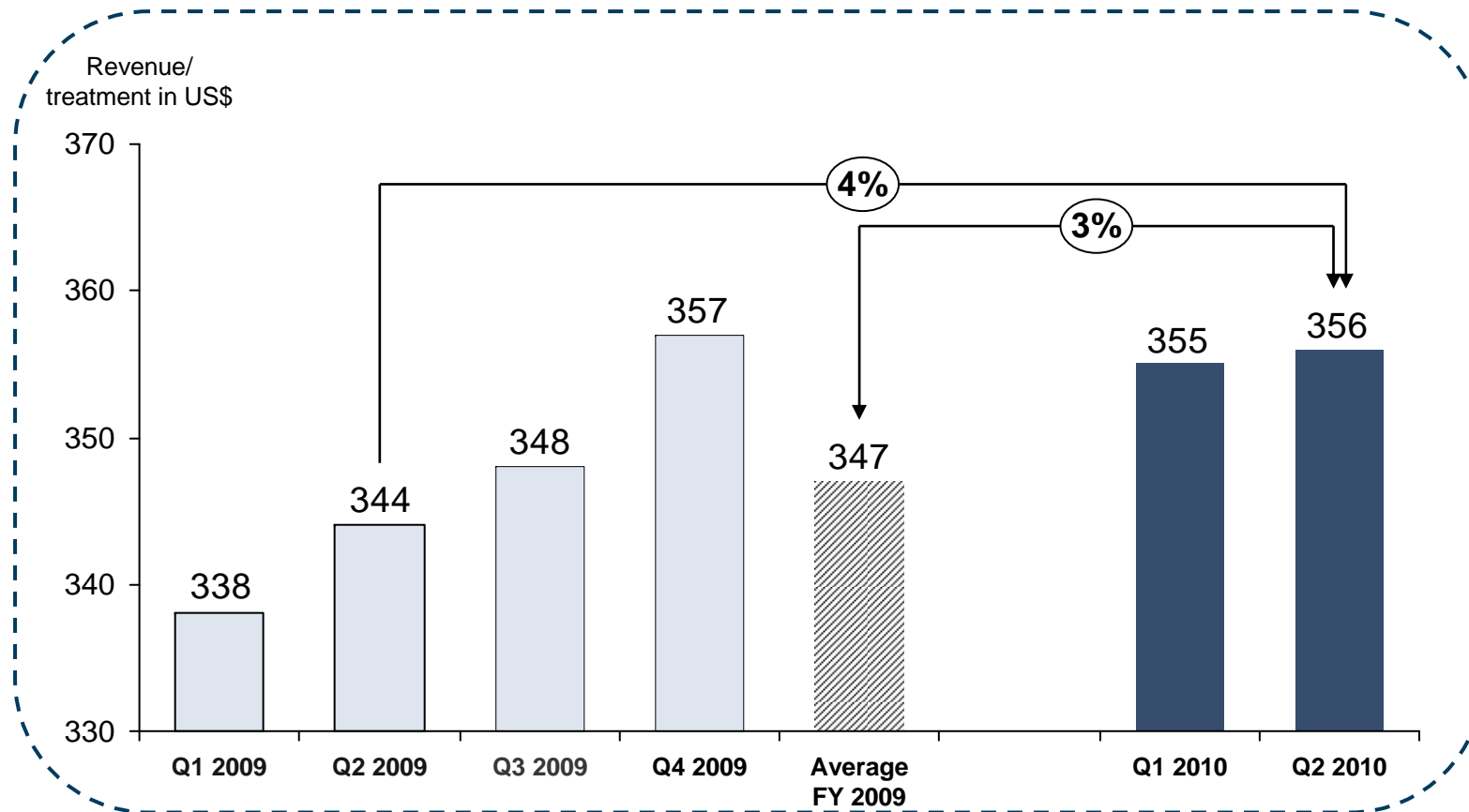


# 2<sup>nd</sup> Quarter 2010 – Revenue per treatment US



Fresenius Medical Care

## Stable reimbursement environment





## Good product growth in North America

US\$ millions	Q2 2009	Q2 2010	Growth	cc
<b>Total revenue</b> <small>(incl. internal revenue)</small>	955	<b>994</b>	4%	5%
<b>External revenue</b>	709	<b>722</b>	2%	3%
North America	199	<b>210</b>	5%	
International	510	<b>512</b>	0%	2%

cc = constant currency

# First Half 2010 – Dialysis Products



Fresenius Medical Care

## Good product growth in H1 2010

US\$ millions	H1 2009	H1 2010	Growth	cc
<b>Total revenue</b> <small>(incl. internal revenue)</small>	1,813	<b>1,962</b>	8%	6%
<b>External revenue</b>	1,346	<b>1,433</b>	6%	4%
North America	396	<b>408</b>	3%	
International	950	<b>1,025</b>	8%	4%

cc = constant currency

## Expanded Dialysis Services and Products in Key Regions



- ▶ Acquired Asia Renal Care
  - ▶ Adding more than 100 clinics treating about 6,200 patients
  - ▶ Adding approximately \$80 million in annual revenue
- ▶ Expanded dialysis products business in Korea
  - ▶ Adding approximately \$15 million in annual revenue
  - ▶ Accretive to earnings in the first year
- ▶ Entered into long-term distributor agreement in Japan



- ▶ Expanded dialysis services business in Russia
  - ▶ Adding approximately \$25 million in annual revenue
  - ▶ Accretive to earnings in the first year

# Agenda



Fresenius Medical Care

1. Business Update

**2. Financials and Outlook**

3. Growth Strategy and Summary



## 2<sup>nd</sup> Quarter 2010 – Profit & Loss



Fresenius Medical Care

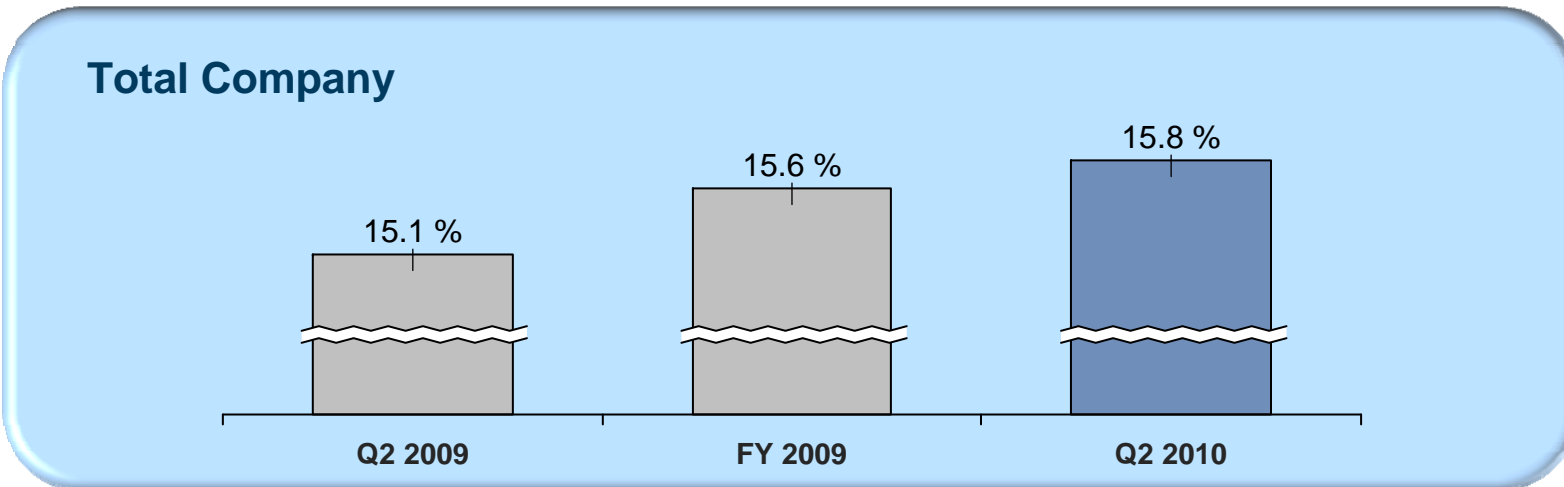
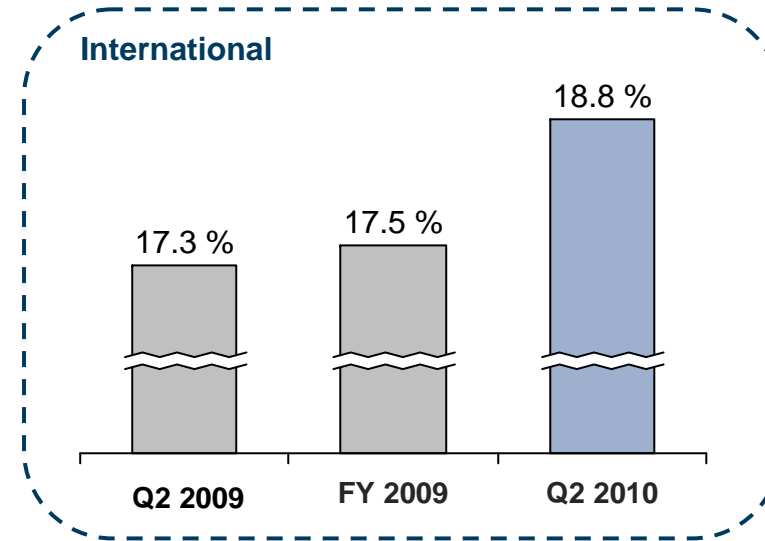
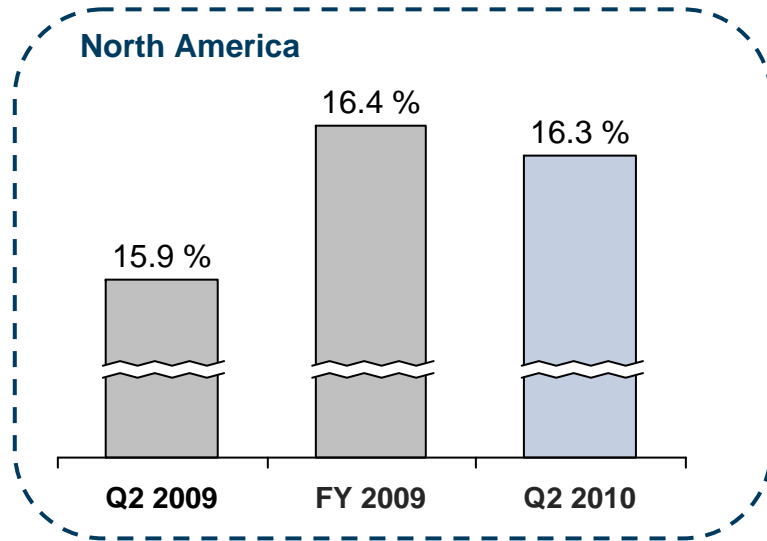
US\$ millions	Q2 2009	Q2 2010	Growth
Net revenue	2,764	<b>2,946</b>	7%*
Operating income (EBIT)	418	<b>465</b>	11%
EBIT margin in %	15.1	15.8	
Interest expense, net	76	68	
Income before income tax	342	<b>397</b>	16%
Income tax expense	103	<b>129</b>	
Tax rate	30%	33%	
Non-controlling interest	18	20	
<b>Net income</b> attributable to FMC AG & Co. KGaA	221	<b>248</b>	12%

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

# Operating Margin Development

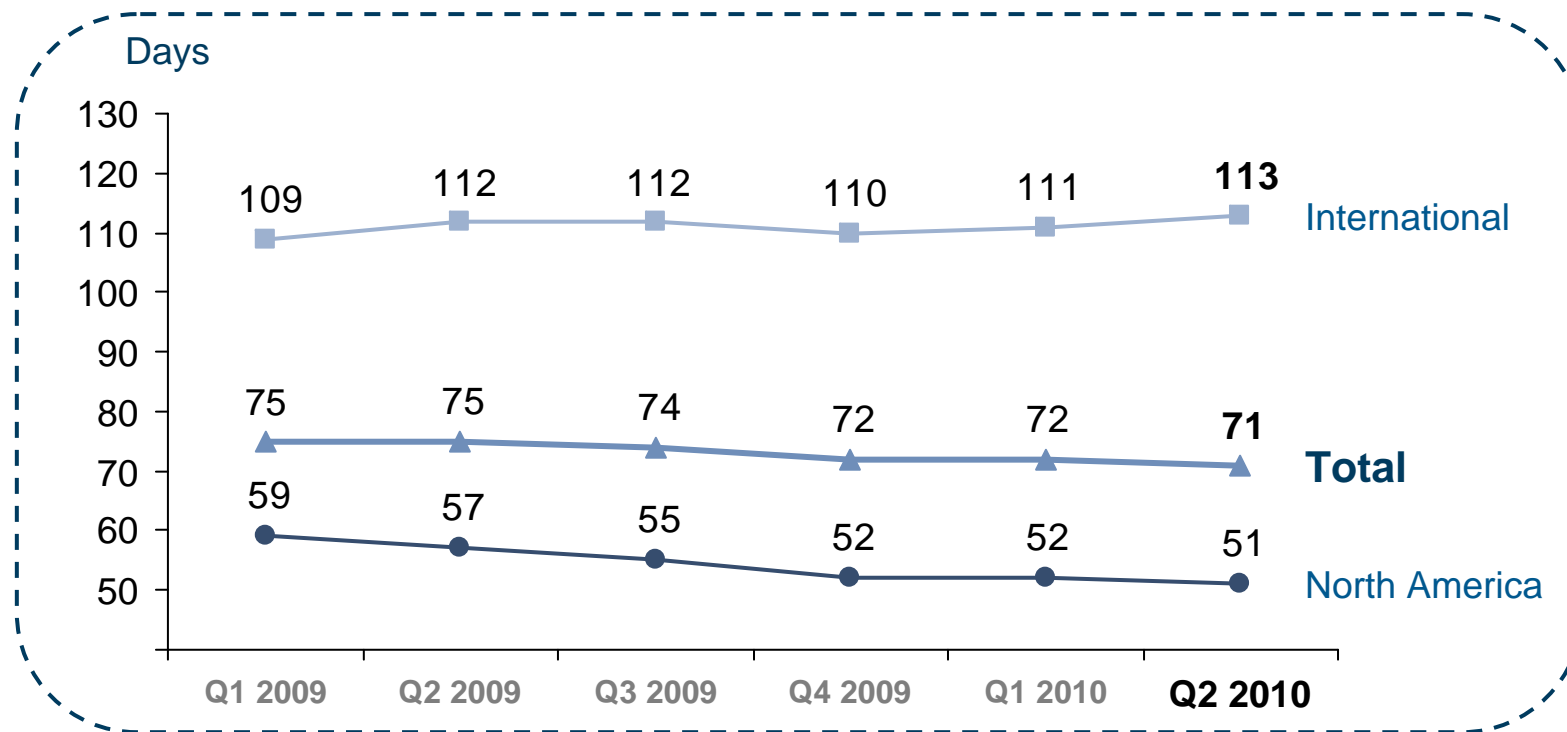


Fresenius Medical Care



# Days Sales Outstanding (DSO)

**Continued excellent cash collection**







## Strong operating cash flow performance

US\$ millions	Q2 2009	Q2 2010	Growth
Operating cash flow <sup>1)</sup>	282	<b>294</b> 10% of revenue	4%
Capital expenditures, net <sup>1)</sup>	(139)	<b>(119)</b>	
Free cash flow	143	<b>175</b> 6% of revenue	23%
Acquisitions, net of divestitures <sup>1) 2)</sup>	(45)	<b>(68)</b>	
Free cash flow, after acquisitions <sup>1) 2)</sup>	98	<b>107</b>	

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

2) Does not include a \$133 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

# First Half 2010 – Cash Flow



Fresenius Medical Care

## Operating cash flow at 11% of revenue

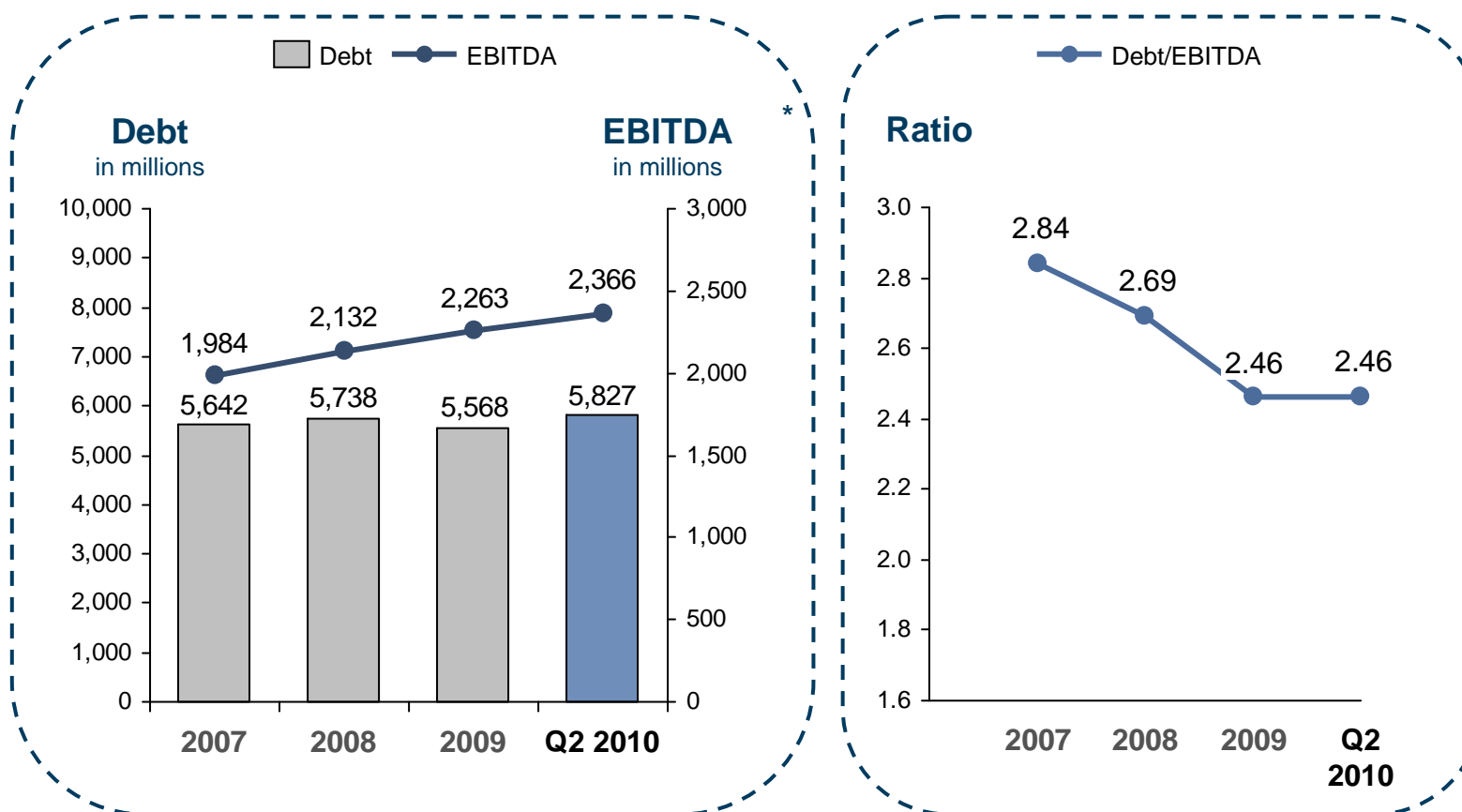
US\$ millions	H1 2009	H1 2010	Growth
Operating cash flow <sup>1)</sup>	437	<b>643</b> 11% of revenue	47%
Capital expenditures, net <sup>1)</sup>	(249)	<b>(218)</b>	
Free cash flow	188	<b>425</b> 7% of revenue	127%
Acquisitions, net of divestitures <sup>1) 2)</sup>	(81)	<b>(150)</b>	
Free cash flow, after acquisitions <sup>1) 2)</sup>	107	<b>275</b>	

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

2) Does not include a \$133 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



## 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.

# 2010 – Outlook Reiterated



Fresenius Medical Care

## Fully on track for 2010 Targets

US\$ 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 \$500

# Agenda



Fresenius Medical Care

1. Business Update

2. Financials and Outlook

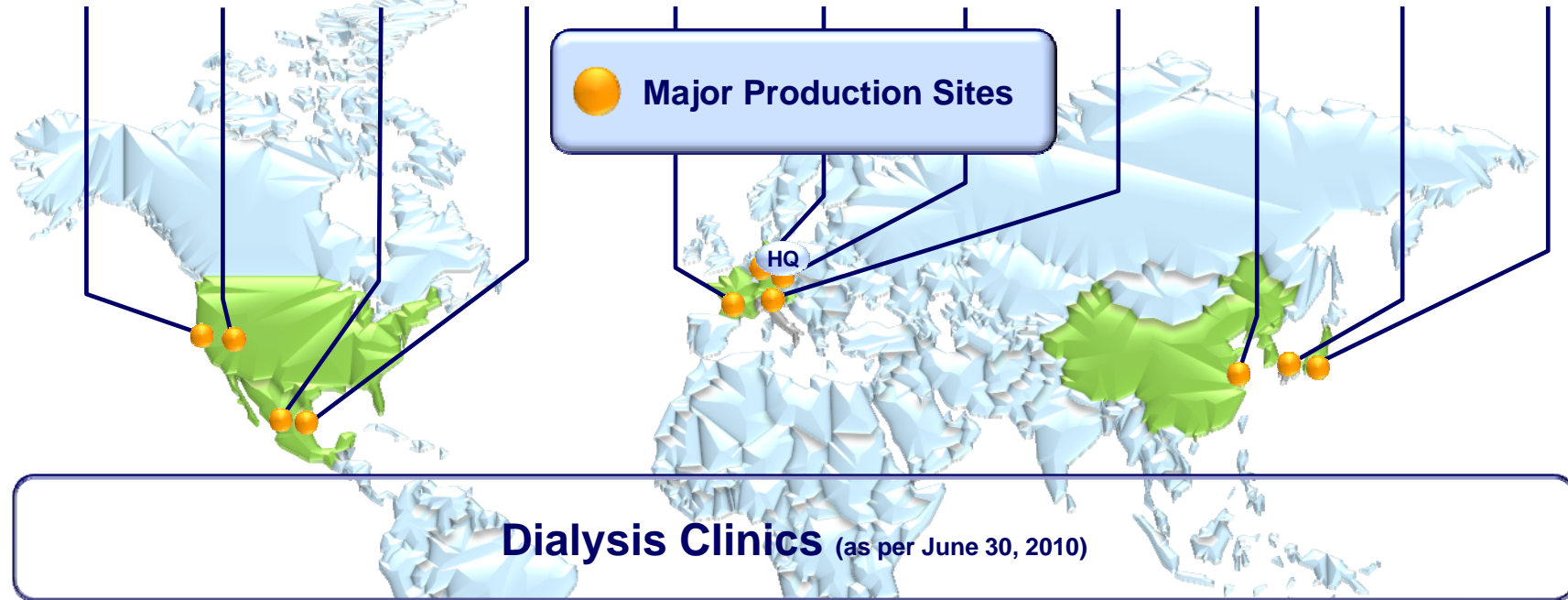
**3. Growth Strategy and Summary**



# Global Presence Products & Services



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**

**Dialysis Clinics** (as per June 30, 2010)

**North America:**  
1,795 clinics  
**Latin America:**  
193 clinics

**Europe:**  
463 clinics

**Asia-Pacific:**  
148 clinics

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



Fresenius Medical Care

## North America

FME

132,262

DaVita

118,000

DCI

13,000

# of patients

## Latin America

FME

20,973

Baxter

9,250

Diaverum

3,300

# of patients

## EMEA

FME

32,409

KfH

18,000

Diaverum

12,200

# of patients

## Asia Pacific

FME

10,007\*\*

Showai-Kai

7,000

Asia Renal Care

6,200

# of patients

\$65  
Billion  
Market

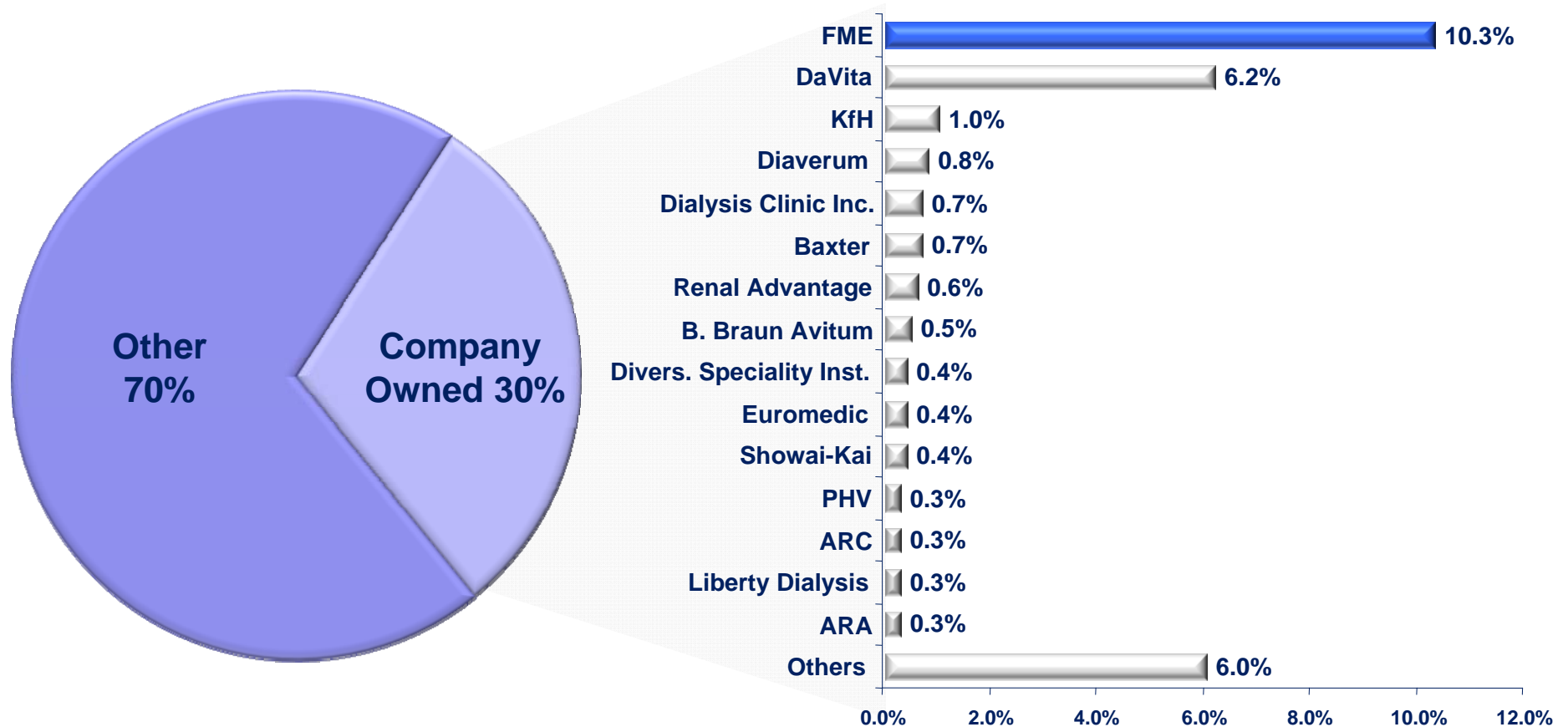
We Lead in Every Major  
Market, Treating more  
than 195,000 Patients  
Worldwide

\* 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

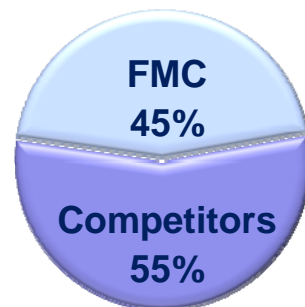




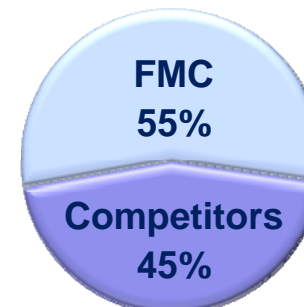
# Market Position by Major Product Groups

	<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**



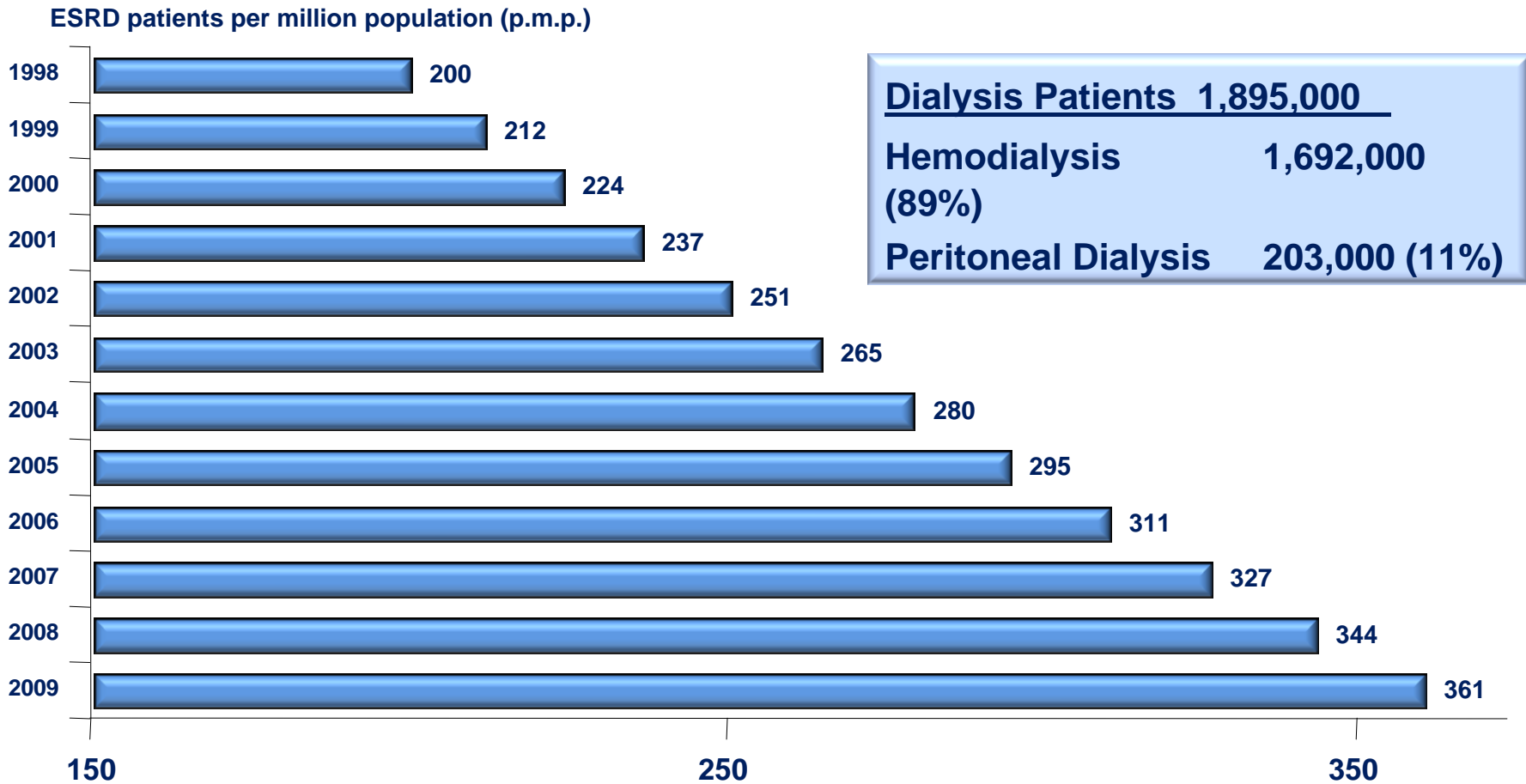
**Dialysis machines**



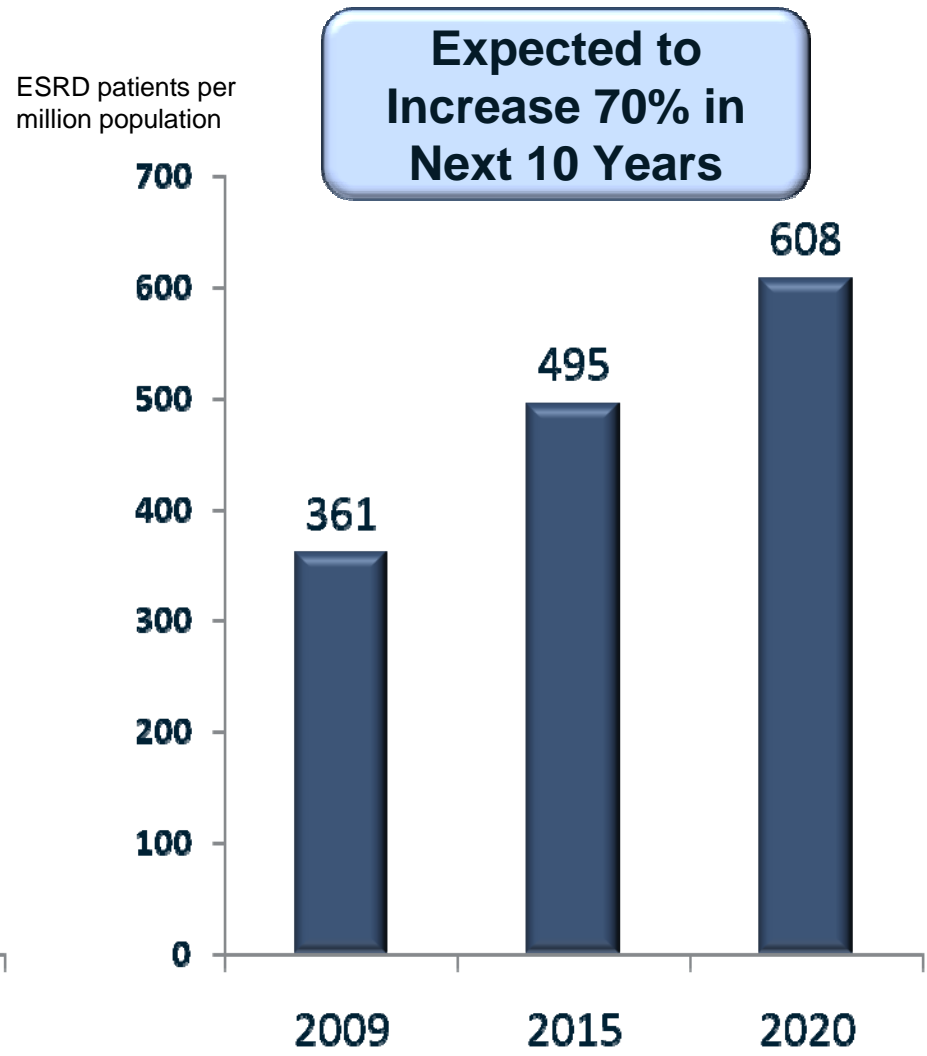
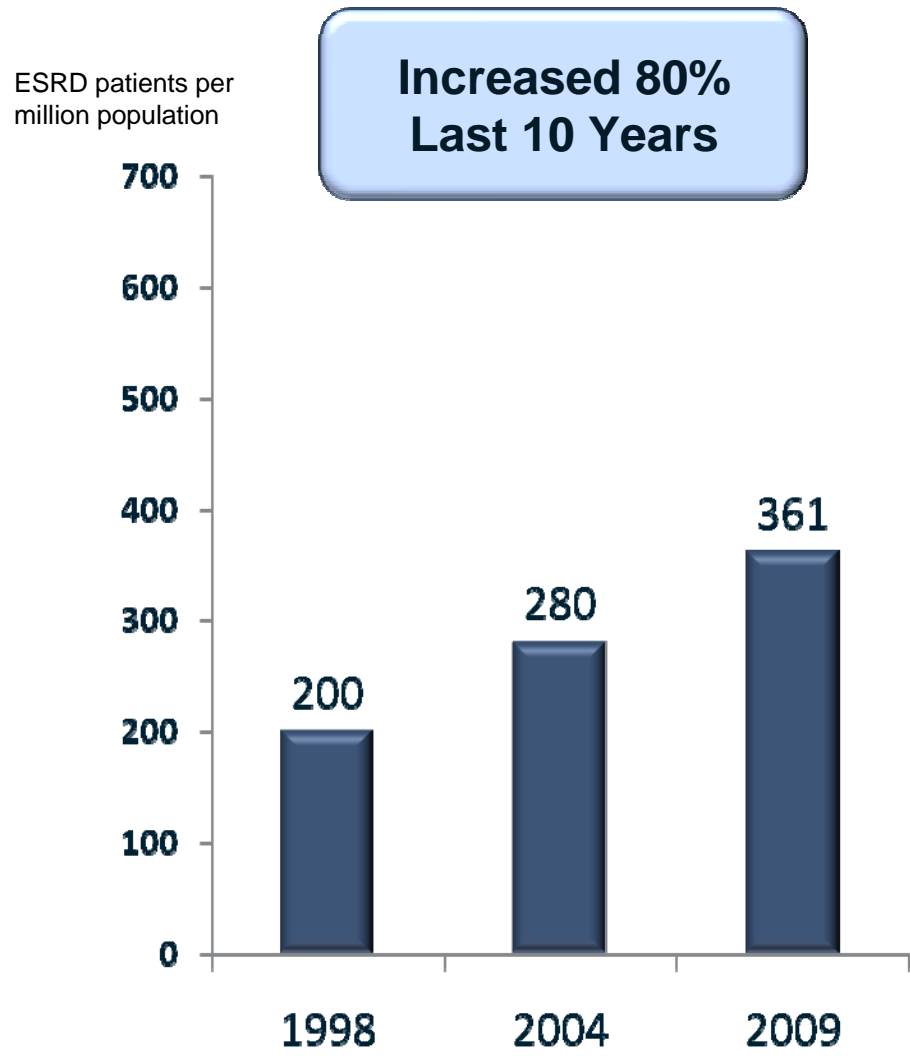
**Produced more than ~85,000,000 Dialyzers in 2009**

# Global View of Dialysis Patients

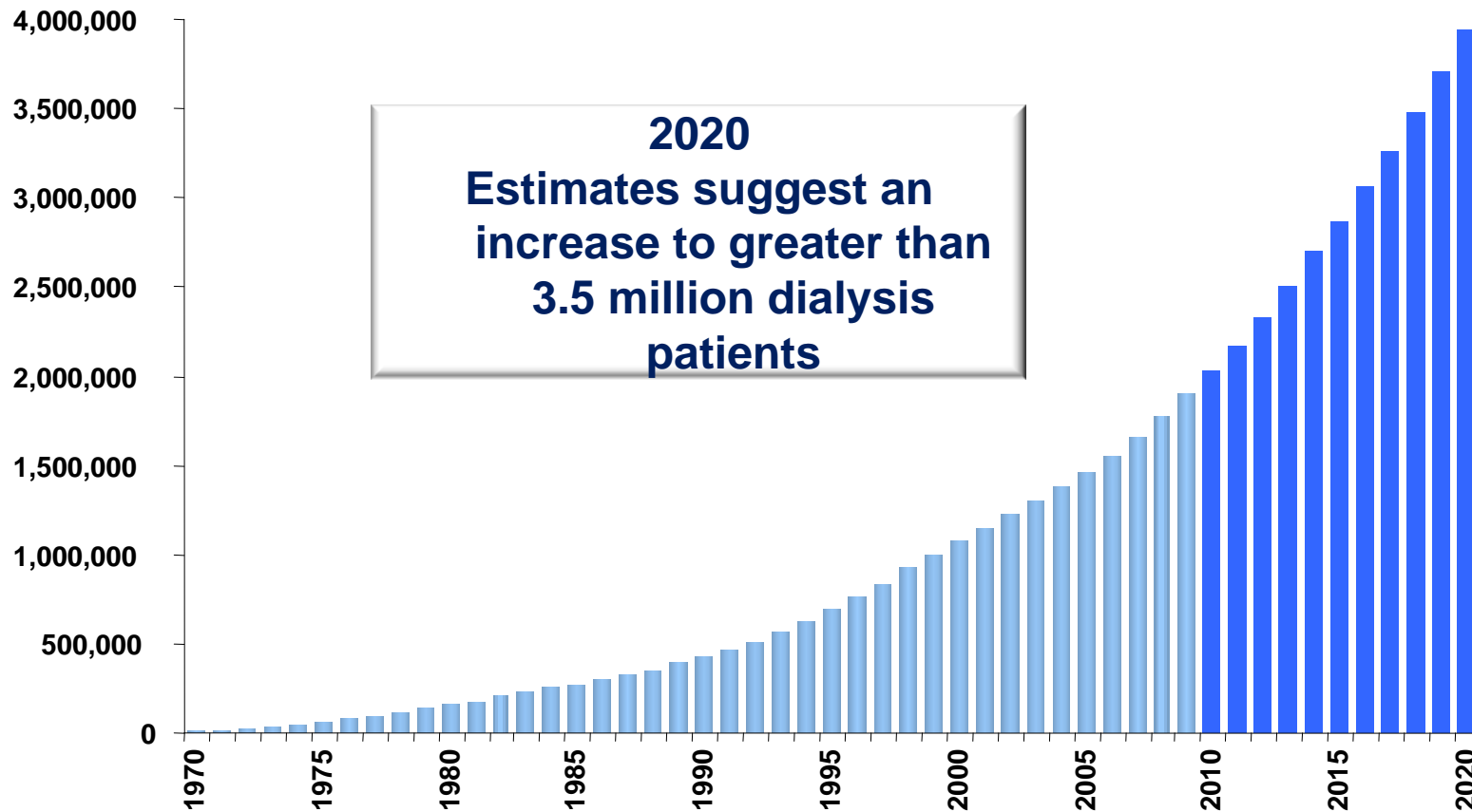
**Global prevalence increased by 80% over the last 10 years**



# Global Prevalence of ESRD

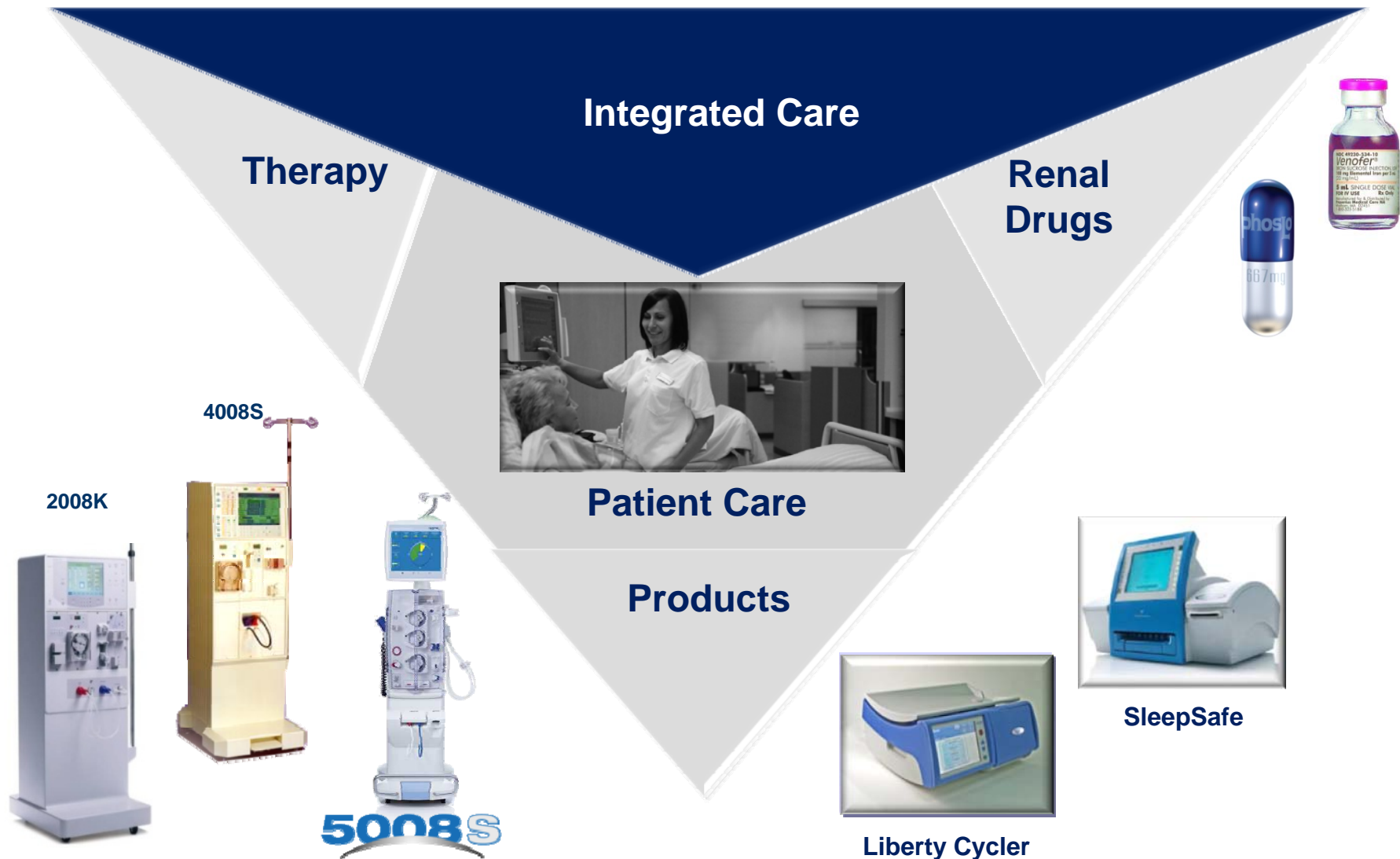


# Development of Dialysis Patient Numbers



- 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



# 2010 Guidance and Goal 2013 Strategic Financial Objectives



Fresenius Medical Care

	2010 - Guidance	Goal 13
Revenues	> \$12bn	6-8% Growth*
EBIT Margins	~ 15.6%	10 - 20 bps (incremental increases p.a.)
Interest Expense	< 5.5%	6.0 to 6.5%
Tax Rate	34.5 – 35.5%	35 – 36%
Net Income	\$950 - 980	High single to low double digits
Operating Cash Flow	> 10% of Revenue	> 10% of Revenue
CapEx + Acquisitions	~9% of Revenue	~7% of Revenue

\*Constant Currency



## 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**



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







# Fresenius Medical Care

The World's Leading Renal Therapy Company

**UniCredit German Investment Conference 2010**

Munich, September 23, 2010



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>	Q2 2010	FY 2009	FY 2008	FY 2007
<b>Short-term borrowings (incl. A/R program)</b>	410	316	684	217
+ Short-term borrowings from related parties	9	10	1	2
+ Current portion of long-term debt and capital lease obligations	1,866	158	455	85
+ Current portion of trust preferred securities				670
+ Long-term debt and capital lease obligations, less current portion	2,949	4,428	3,957	4,004
+ Trust preferred securities	593	656	641	664
<b>= Total debt</b>	<b>5,827</b>	<b>5,568</b>	<b>5,738</b>	<b>5,642</b>

<b>EBITDA</b>	Q2 2010	FY 2009	<sup>1)</sup> FY 2008	FY 2007
<b>Last twelve months operating income (EBIT)</b>	1,830	1,756	1,672	1,580
+ Last twelve months depreciation and amortization	487	457	416	363
+ Non-cash charges	49	50	44	41
<b>= EBITDA (annualized)</b>	<b>2,366</b>	<b>2,263</b>	<b>2,132</b>	<b>1,984</b>

<b>Capital expenditure (net)</b>	H1 2010	H1 2009	Q2 2010	Q2 2009
Purchase of property, plant and equipment	(227)	(254)	(121)	(142)
- Proceeds from sale of property, plant and equipment	9	5	2	3
<b>= Capital expenditure (net)</b>	<b>(218)</b>	<b>(249)</b>	<b>(119)</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

<b>External Revenue</b>	<b>H1 2010</b>	<b>H1 2009</b>	<b>Growth</b>	<b>cc</b>	<b>Q2 2010</b>	<b>Q2 2009</b>	<b>Growth</b>	<b>cc</b>
<b>International product revenue</b>	<b>1,207</b>	<b>1,109</b>	<b>9</b>	<b>5</b>	<b>604</b>	<b>595</b>	<b>1</b>	<b>2</b>
<b>- Internal revenue</b>	<b>(182)</b>	<b>(159)</b>	<b>15</b>		<b>(92)</b>	<b>(85)</b>	<b>8</b>	
<b>■ External revenue</b>	<b>1,025</b>	<b>950</b>	<b>8</b>	<b>4</b>	<b>512</b>	<b>510</b>	<b>0</b>	<b>2</b>
<b>North America product revenue</b>	<b>755</b>	<b>704</b>	<b>7</b>		<b>390</b>	<b>360</b>	<b>8</b>	
<b>- Internal revenue</b>	<b>(347)</b>	<b>(308)</b>	<b>12</b>		<b>(180)</b>	<b>(161)</b>	<b>12</b>	
<b>■ External revenue</b>	<b>408</b>	<b>396</b>	<b>3</b>		<b>210</b>	<b>199</b>	<b>5</b>	
<b>TOTAL product revenue</b>	<b>1,962</b>	<b>1,813</b>	<b>8</b>	<b>6</b>	<b>994</b>	<b>955</b>	<b>4</b>	<b>5</b>
<b>- Internal revenue</b>	<b>(529)</b>	<b>(467)</b>	<b>13</b>		<b>(272)</b>	<b>(246)</b>	<b>11</b>	
<b>■ External revenue</b>	<b>1,433</b>	<b>1,346</b>	<b>6</b>	<b>4</b>	<b>722</b>	<b>709</b>	<b>2</b>	<b>3</b>

<b>Acquisitions (net)</b>	<b>H1 2010</b>	<b>H1 2009</b>	<b>Q2 2010</b>	<b>Q2 2009</b>
Acquisitions and investment and net purchases of intangible assets	(291)	(82)	(207)	(45)
Proceeds from divestitures	8	51	6	50
Acquisitions and investments, net of divestitures	(283)	(31)	(201)	5
Investment, net of repayments	133	(50)	(133)	(50)
Acquisitions, net of divestitures	(150)	(81)	(68)	(45)

cc = constant currency

# Dialysis Services - Global



Fresenius Medical Care

<b>Q2 2010</b>	<b>Clinics</b>	<b>Patients</b>	<b>Treatments</b> (in millions)
Total	2,599	202,414	15.3
Growth	+ 5%	+ 6%	+ 6%
North America	1,795	135,088	10.2
Growth	+ 4%	+ 5%	+ 6%
International	804	67,326	5.0
Growth	+ 9%	+ 11%	+ 8%
Europe	463	35,277	2.6
Latin America	193	21,761	1.7
Asia-Pacific	148	10,288	0.8

# First Half 2010 – Overview



Fresenius Medical Care

	H1 2009	H1 2010	Growth
<b>Revenue</b>	\$ 5,323 m	\$ 5,828 m	+9%
<b>Net income</b> <small>attributable to FMC AG &amp; Co. KGaA</small>	\$ 419 m	\$ 459 m	+10%
<b>Earnings per share</b>	\$ 1.41	\$ 1.53	+9%

- Strong revenue growth at 8% at constant currency and 7% organic
- Continued excellent cash flow development

# First Half 2010 – Profit & Loss



Fresenius Medical Care

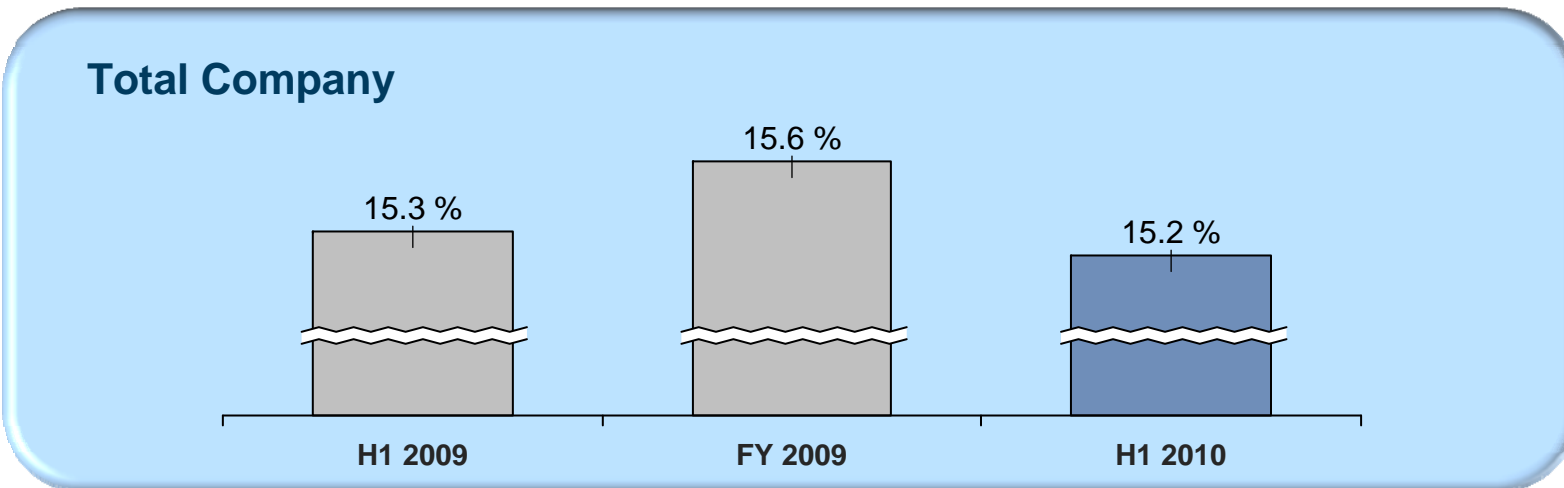
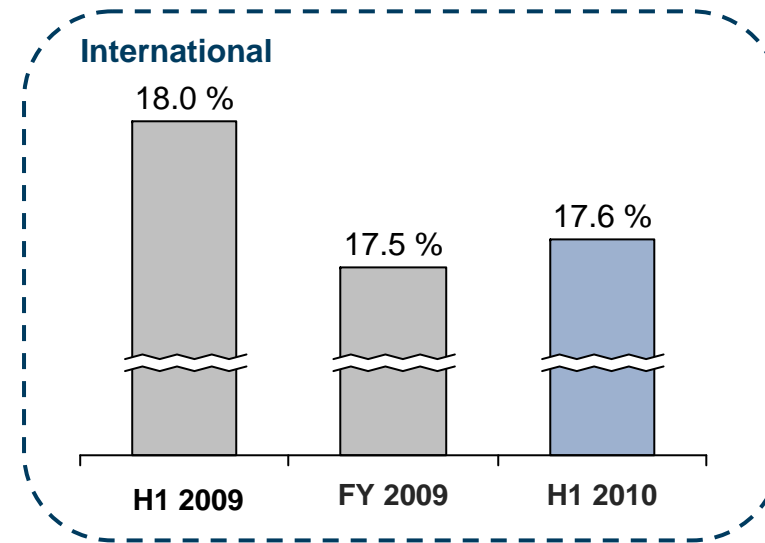
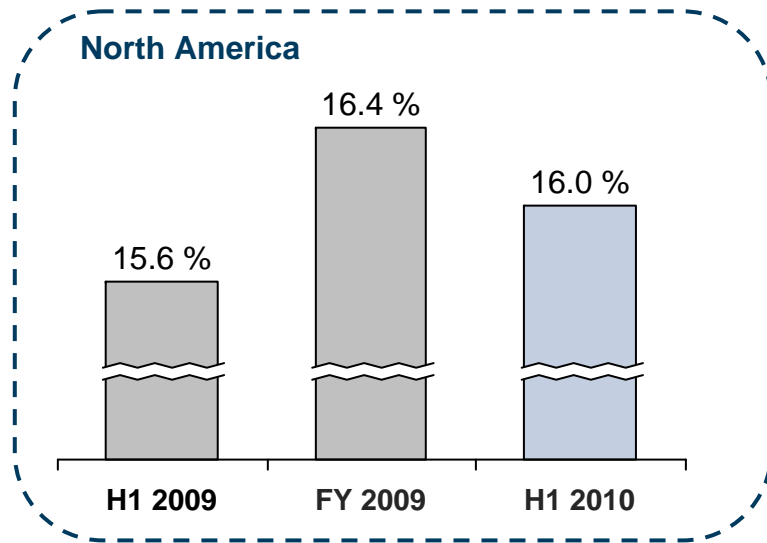
US\$ millions	H1 2009	<b>H1 2010</b>	Growth
Net revenue	5,323	<b>5,828</b>	9%*
Operating income (EBIT)	813	<b>888</b>	9%
EBIT margin in %	15.3	15.2	
Interest expense, net	149	135	
Income before income tax	664	<b>753</b>	13%
Income tax expense	214	<b>257</b>	
Tax rate	32%	34%	
Non-controlling interest	31	37	
<b>Net income</b> attributable to FMC AG & Co. KGaA	419	<b>459</b>	10%

\* 8% growth at constant currency, 7% organic growth

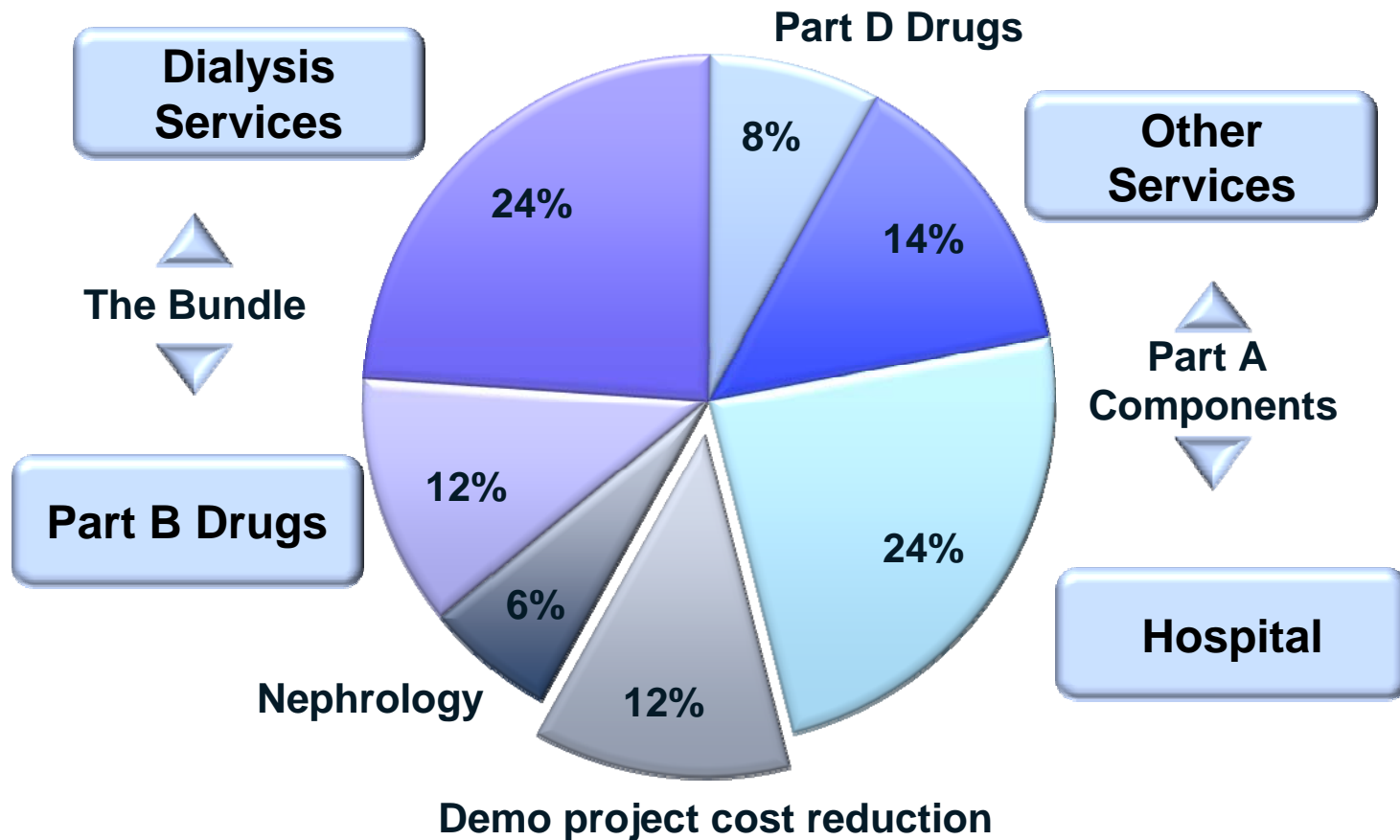
# H1 2010 Operating Margin Development



Fresenius Medical Care



## ESRD Demonstration Project / FME Cost Model







## **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

E-mail: [oliver.maier@fmc-ag.com](mailto:oliver.maier@fmc-ag.com)

### **Gerrit Jost, Director Investor Relations & Corporate Communications**

Tel.: +49-(0)6172-609-5216

Fax.: +49-(0)6172-609-2301

E-mail: [gerrit.jost@fmc-ag.com](mailto:gerrit.jost@fmc-ag.com)

### **Terry L. Morris**

Tel.: +1-800-948-2538

Fax.: +1-615-345-5605

E-mail: [terry.morris@fmc-na.com](mailto:terry.morris@fmc-na.com)

# Reminder ...



Fresenius Medical Care

**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)**

## **Calendar**

**Investor Relations > Financial Calendar**

**Annual Report / Quarterly Filings / SEC Filings / Deutsche Börse Filings ...**

**Investor Relations > Publications**

**Corporate Governance / Sarbanes-Oxley Act / NYSE declaration ...**

**Investor Relations > Corporate Governance**

**Financing / Analyst Coverage / Consensus estimates / Share data ...**

**Investor Relations > Our Shares**



# Fresenius Medical Care

The World's Leading Renal Therapy Company

**UniCredit German Investment Conference 2010**

Munich, September 23, 2010



Fresenius Medical Care