

# Deutsche Bank

## Leveraged Finance Conference

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Scottsdale, AZ | October 10, 2012



**FRESENIUS  
MEDICAL CARE**

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# AGENDA

- ▶ 1 BUSINESS UPDATE
- ▶ 2 GROWTH STRATEGY
- ▶ 3 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	<b>Q2 2012</b>	Growth in %
Net revenue	3,138	<b>3,428</b>	9
EBIT	510	<b>589</b>	16
Net income attributable to FMC AG & Co. KGaA	261	<b>289</b>	11
Earnings per ordinary share	0.86	<b>0.95</b>	10
Excluding investment gain:			
Net income attributable to FMC AG & Co. KGaA	261	<b>276</b>	6

## Q2 | Revenue split by region

### ▶ North America

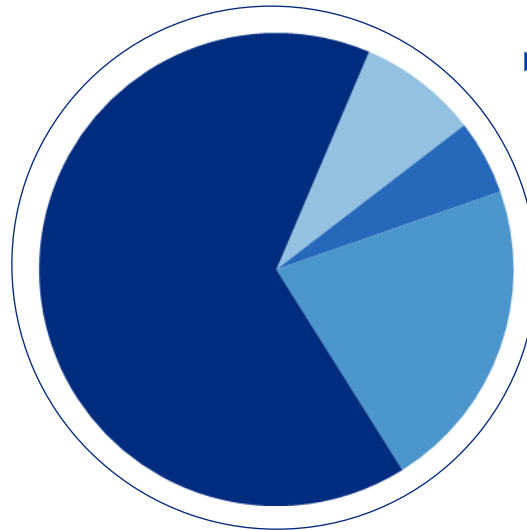
Revenue \$ 2,249 m + 14%  
Organic growth + 2%

### ▶ 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



▶ 7% Asia-Pacific

▶ 6% Latin America

▶ 21% Europe | Middle East | Africa

cc = constant currency

# Q2/H1 | Dialysis Services | Revenue growth

Strong growth of 16% in constant currency

In US-\$ million	Q2 2011	<b>Q2 2012</b>	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	<b>H1 2012</b>	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/H1 | Dialysis Products | Revenue growth

Growth at or above estimated market growth

US-\$ in millions	Q2 2011	<b>Q2 2012</b>	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	<b>H1 2012</b>	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 | U.S. Healthcare reform update

### **Prospective Payment System (PPS) Rule for Medicare patients**

- ▶ According to CMS the market basket increase for 2013 is expected to be 2.5% net with a base rate of \$240.88
- ▶ There will continue to be NO transition adjustment
- ▶ Sequestration of -2% in 2013?

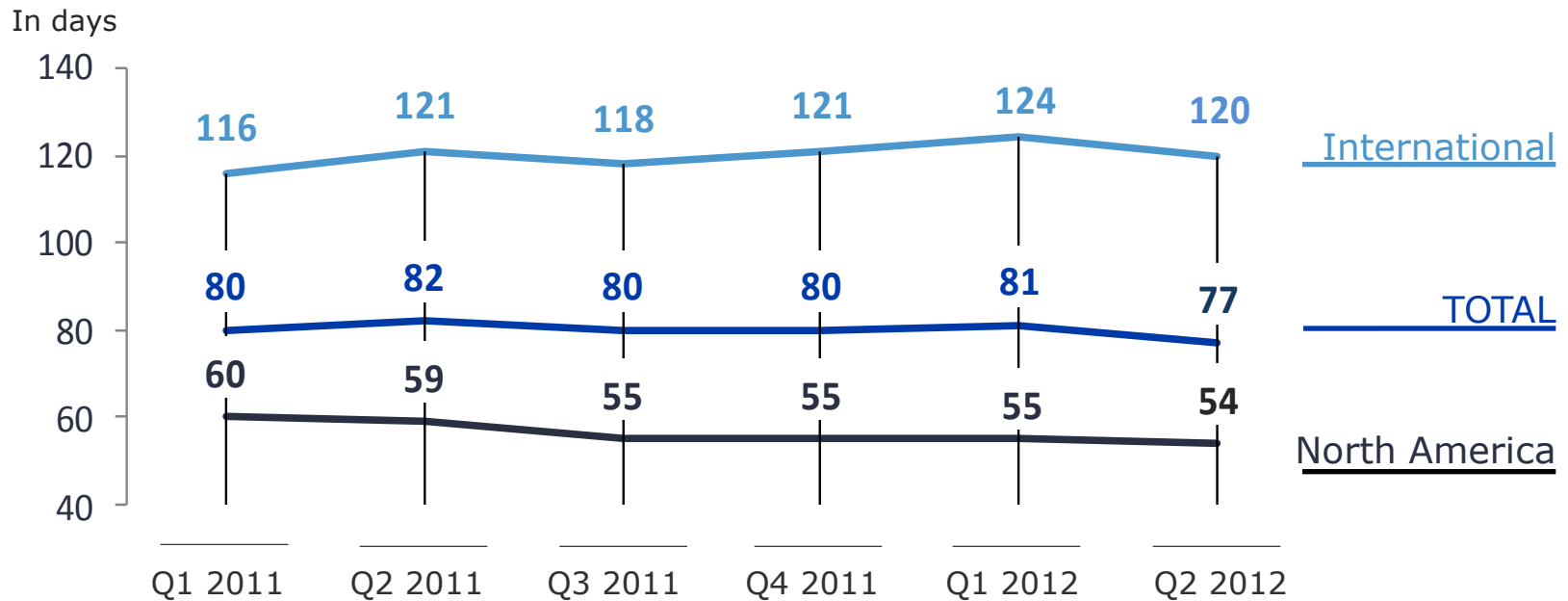
### **Quality Incentive Program (QIP)**

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

# 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

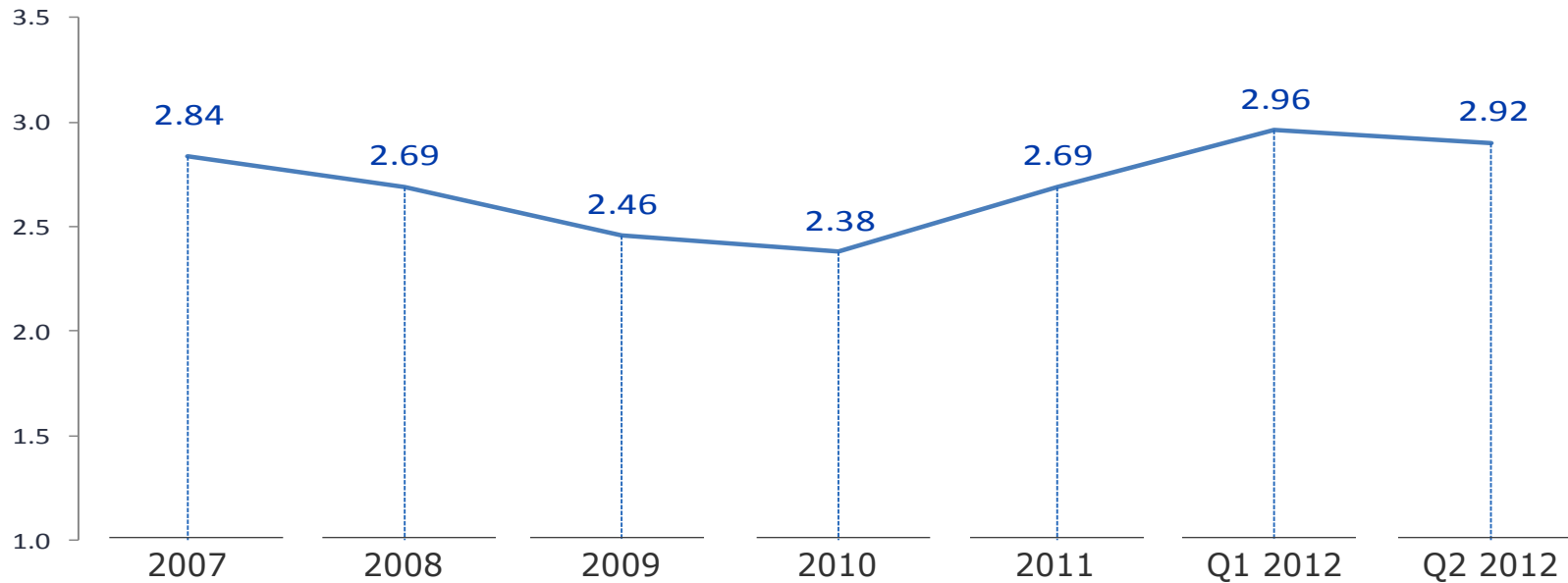
US-\$ in millions	Q2 2011	<b>Q2 2012</b>	Growth in %
Operating cash flow	311	<b>451</b>	45
% of revenue	10	13	
Capital expenditures, net*	(117)	<b>(151)</b>	
Free cash flow	194	<b>300</b>	54
Acquisitions and investments, net of divestitures*	(784)	<b>6</b>	
Free cash flow after acquisitions and investments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

Favorable DSO  
development globally

\* 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

# Capitalization as of June 30, 2012

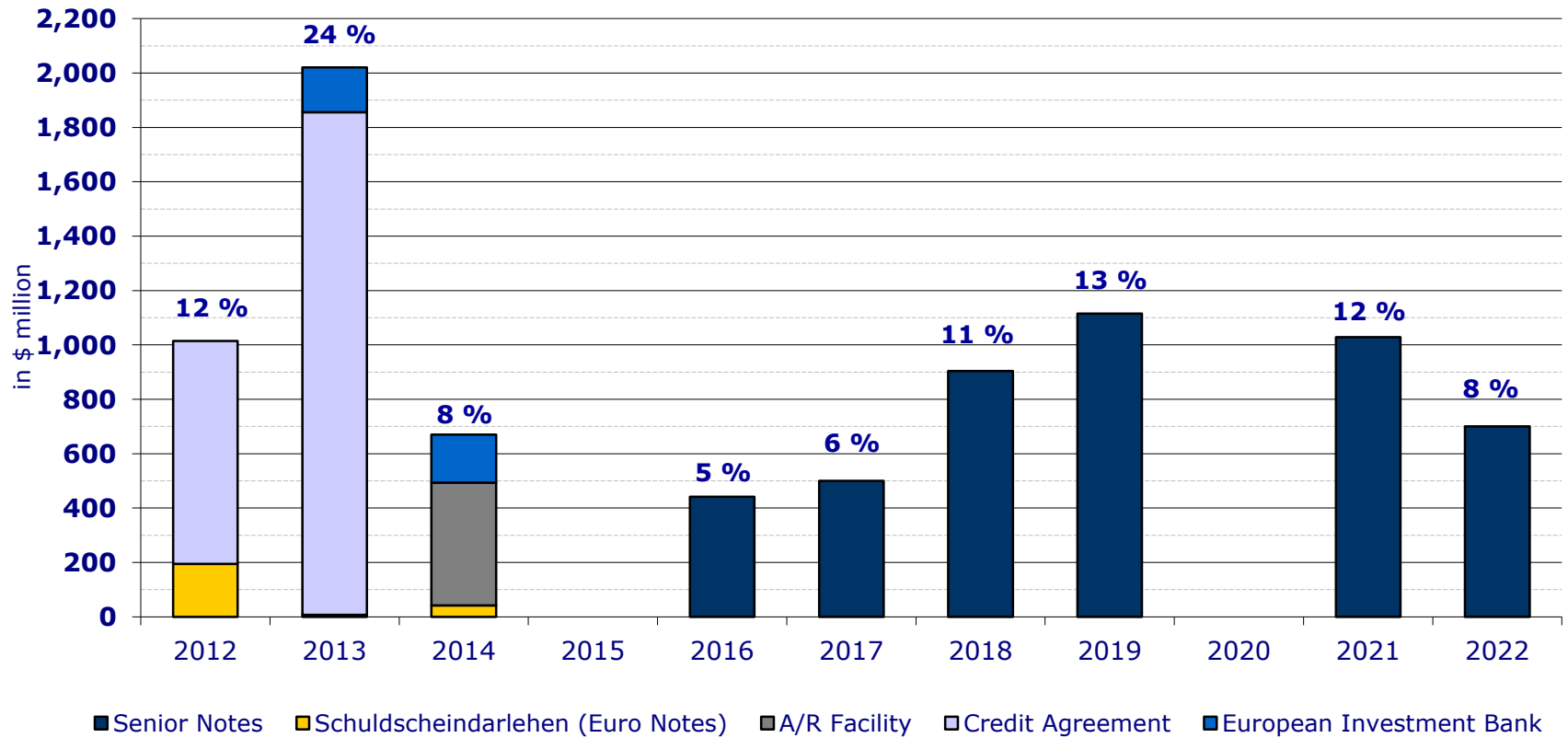
	in \$ m	in € m	% of total capitalization	PF EBITDAx <sup>1</sup> LTM June 12
Cash and cash equivalents	677	538	2.30%	
Revolving credit facility	375	298	1.27%	
Term Loan A	1,155	917	3.92%	
Term Loan B	1,138	904	3.86%	
<b>Total credit agreement debt</b>	<b>2,668</b>	<b>2,119</b>	<b>9.06%</b>	<b>0.9x</b>
6.875 % senior notes	496	394	1.68%	
5.500 % senior notes	312	248	1.06%	
5.750 % senior notes	645	512	2.19%	
5.250 % senior notes	692	550	2.35%	
6.500 % senior notes	893	709	3.03%	
5.625 % senior notes	800	635	2.72%	
5.875 % senior notes	700	556	2.38%	
Floating Rate Notes	126	100	0.43%	
Euro notes	245	194	0.83%	
EIB agreements	341	271	1.16%	
A/R facility	452	359	1.53%	
Other <sup>2</sup>	415	329	1.41%	
<b>Total net debt</b>	<b>8,107</b>	<b>6,439</b>	<b>27.51%</b>	<b>2.7x</b>
Market capitalization <sup>3</sup>	21,357	16,963	72.49%	
<b>Total capitalization</b>	<b>29,464</b>	<b>23,402</b>	<b>100.00%</b>	

<sup>1</sup> Based on June LTM 2012 Pro forma EBITDA of \$2,952 m I <sup>2</sup> Consists of other bank debt (incl. short term debt), capital lease obligations

<sup>3</sup> Based on market capitalization for FMC as of June 30, 2012 I Based on exchange rate of USD / EUR of 1.2590 as of June 30, 2012

# Debt Maturity Profile<sup>1</sup>

June 30, 2012



<sup>1</sup> based on utilization of major financing instruments

## 2012 | Outlook confirmed | excl. investment gain

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

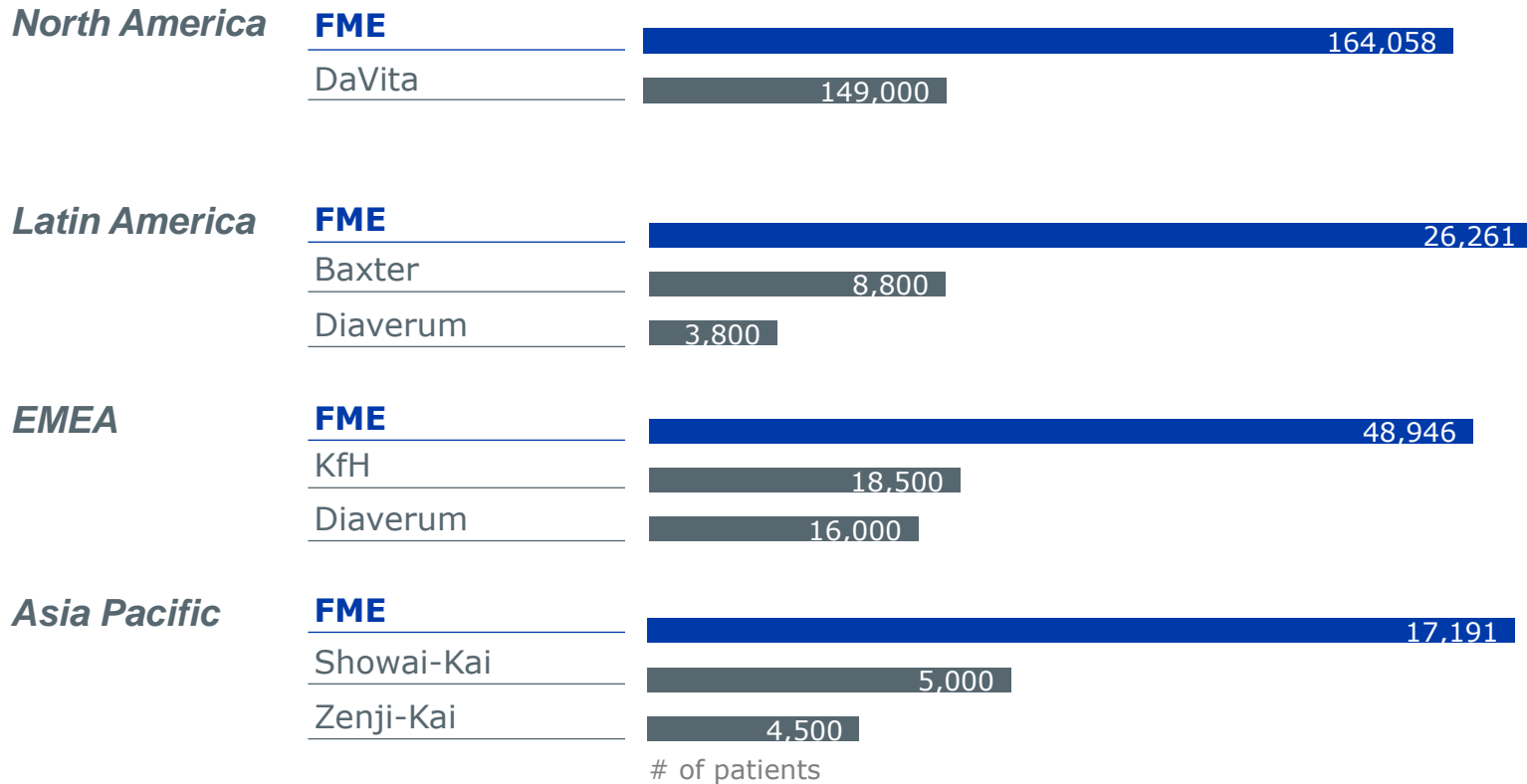
- ▶ Continue to provide the highest quality patient care and products on a global basis
- ▶ Progressing well with the integration of the acquisitions
- ▶ Strong cash collection despite difficult global economic environment
- ▶ Continue to focus on R&D and also evaluate clinical approaches on anemia, phosphorus and hydration management which will be essential for potential hospitalization reductions - important to our patients and the cost for the payers

# 2

## GROWTH STRATEGY

# World Leader in Dialysis Services<sup>1</sup>

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

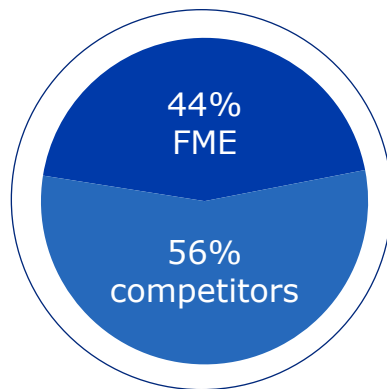


<sup>1</sup> Based on company statements and estimates

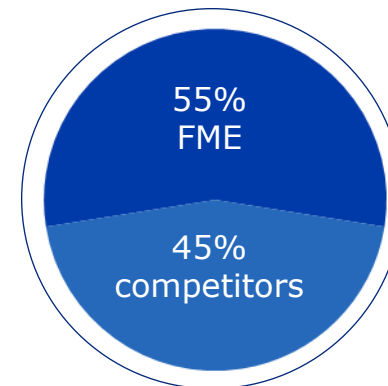
# Market position by major product groups 2011

	<b>Rank 1</b>	<b>Rank 2</b>
Dialyzers	FME	Gambro
Dialysis machines	FME	Nikkiso
Hemodialysis concentrates	FME	Fuso
Bloodlines	FME	Gambro
Peritoneal dialysis products	Baxter	FME

**Dialyzers**



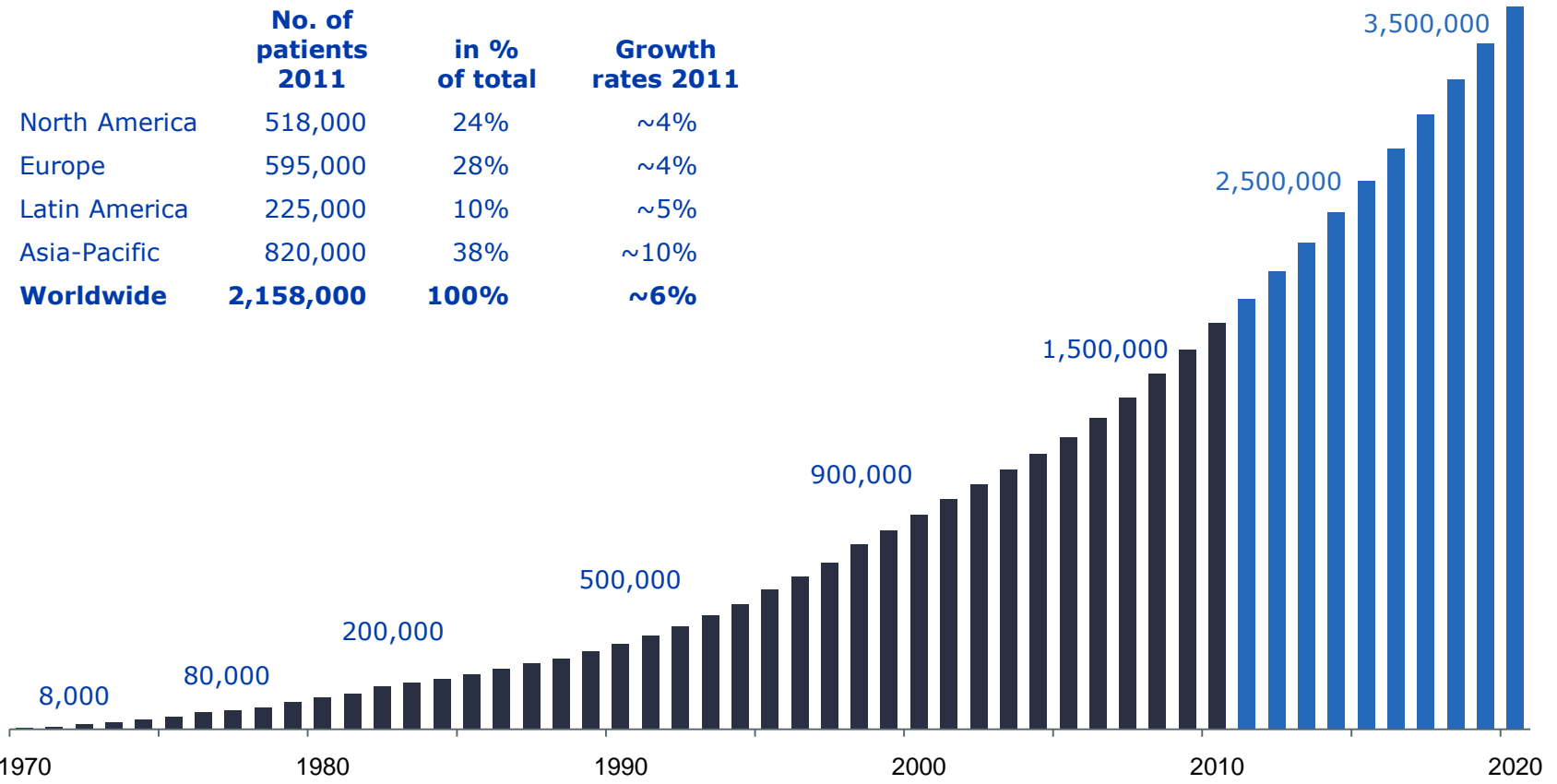
**Dialysis machines**



**Sold around 93,000,000 dialyzers in 2011**

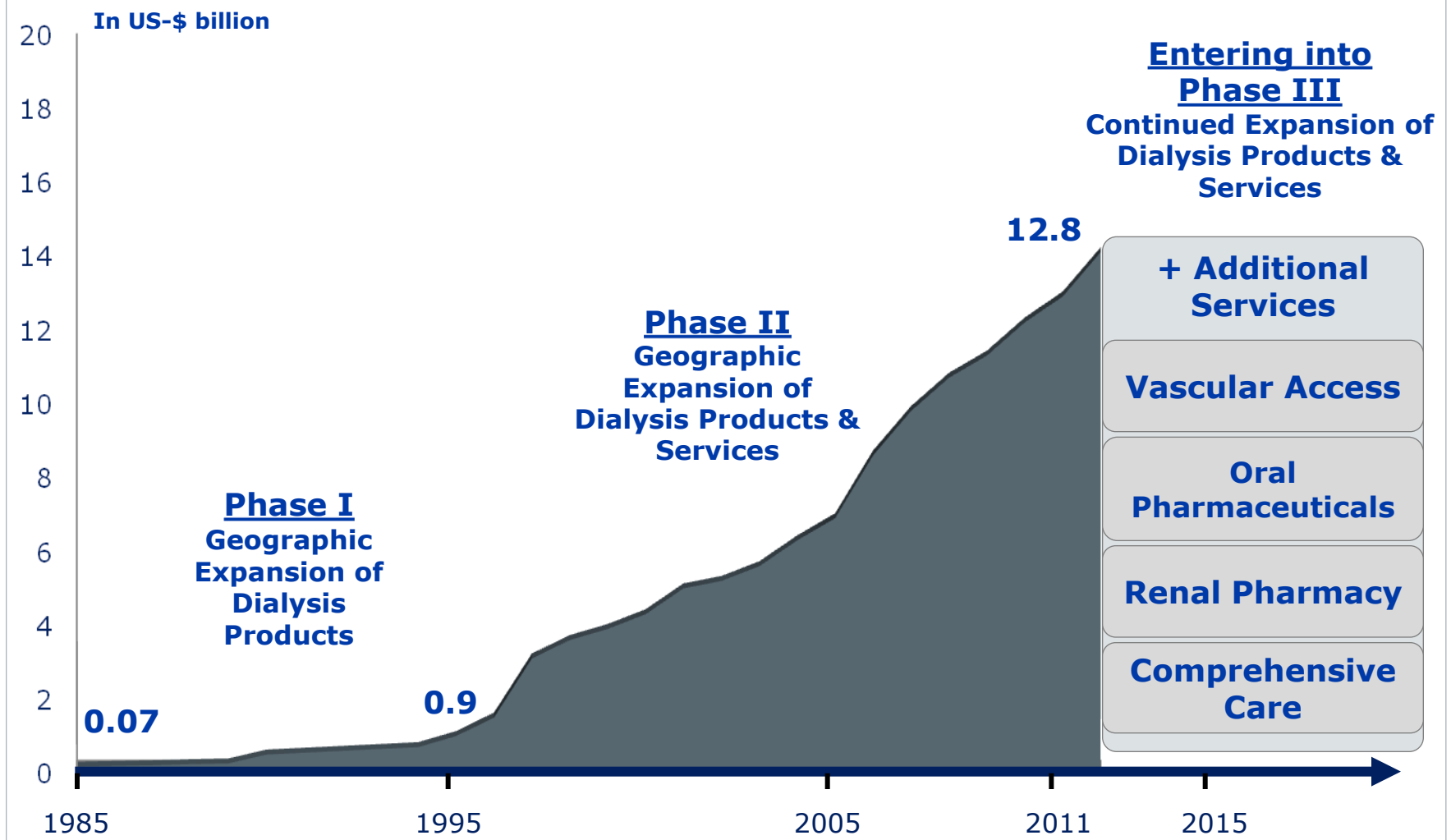
# Development of Dialysis Patient Population Worldwide

**2020: Estimates suggest an increase to 3.8 million dialysis patients**

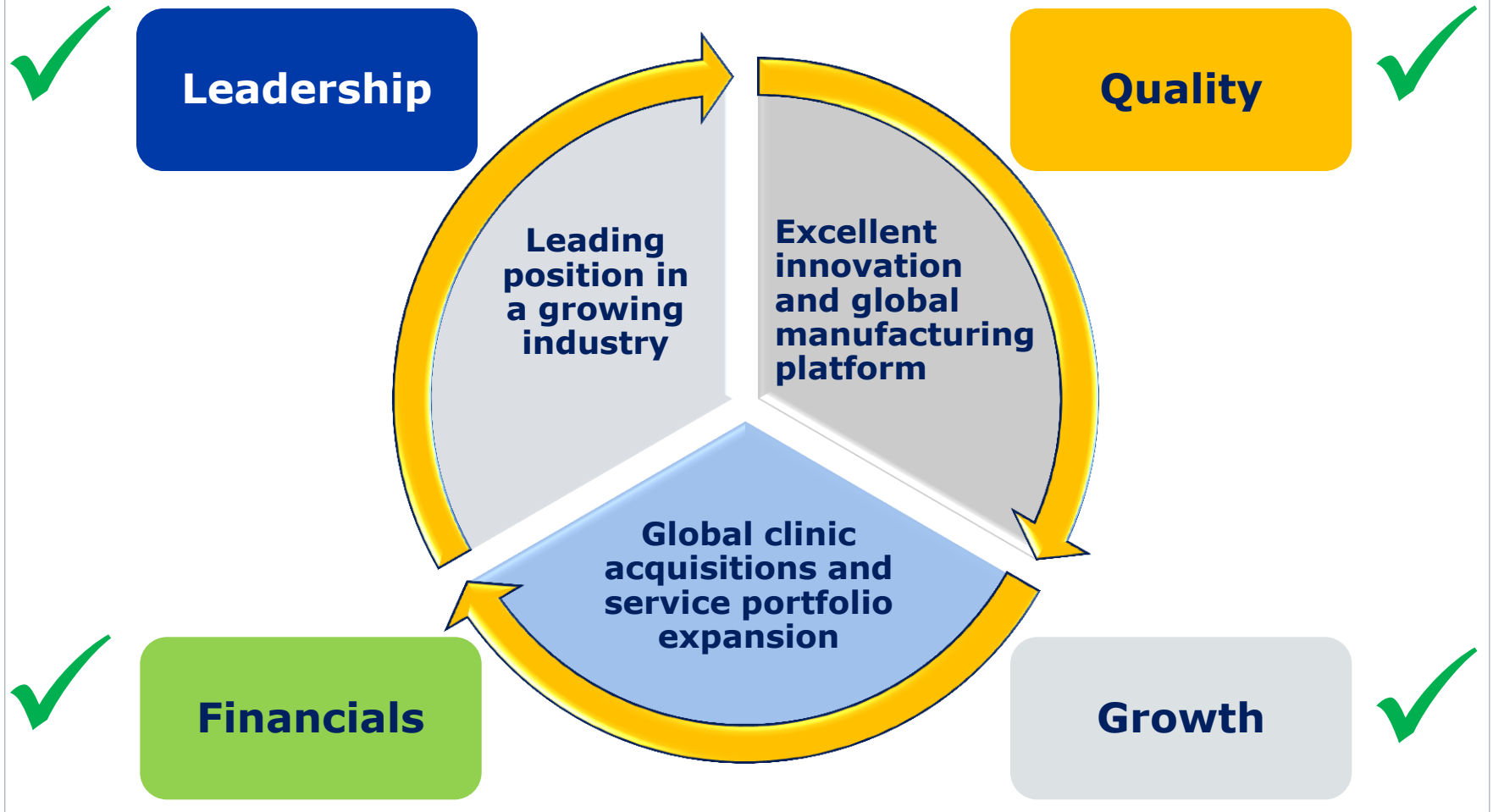


	No. of patients 2011	in % of total	Growth rates 2011
North America	518,000	24%	~4%
Europe	595,000	28%	~4%
Latin America	225,000	10%	~5%
Asia-Pacific	820,000	38%	~10%
<b>Worldwide</b>	<b>2,158,000</b>	<b>100%</b>	<b>~6%</b>

# Market Opportunities for Fresenius Medical Care



# Summary – Well Positioned for the Future





# 3

## QUESTIONS & ANSWERS

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

Thank you very much for your attention!

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