

# Berenberg & Goldman Sachs

## Second German Corporate Conference

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September 24, 2013

Munich



**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. 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.

If not mentioned differently the term net income after minorities refers to the net income attributable to the shareholders of Fresenius Medical Care AG Co. KGaA independent of being the reported or the adjusted number. Numbers mentioned are in US-\$.

# Q2 with improving topline growth trends despite 1<sup>st</sup> time sequestration impact in North America

	Q2 2013 in \$ millions	Growth in %
Net Revenue	3,613	5
EBIT	544	(8)
Net income	263	(9)
Net income growth adjusted for special items related to the Liberty acquisition and sequestration		2

- ▶ Organic growth in North America improved further to over 5%
- ▶ Payor mix in North America again improved
- ▶ EMEA positive growth trend in products as well as services
- ▶ Net income excl. sequestration and adjusted for special items would be up by 2% on a comparable basis\*

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

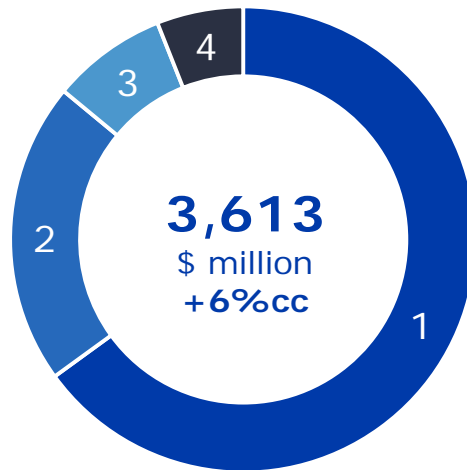
# Q2 Regional revenue breakdown

## North America

Revenue	\$ 2,375 m	+ 6%
Organic growth		+ 5%

## International ~ 34% of total revenue

Revenue	\$ 1,228 m	+ 6%cc
Organic growth		+ 5%
Europe	\$ 755 m	+ 3%cc
Asia-Pacific	\$ 262 m	+ 4%cc
Latin America	\$ 211 m	+ 18%cc



1	North America	66%
2	Europe/Middle East/Africa	21%
3	Asia-Pacific	7%
4	Latin America	6%

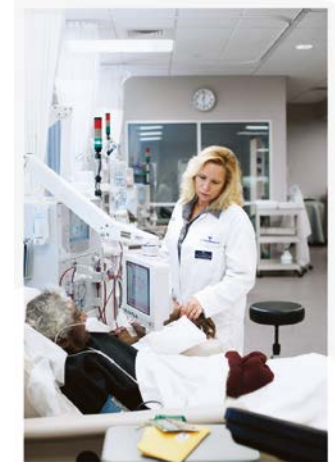
cc = constant currency

# Global market leader with significant franchise

	<b>Clinics</b> as of Jun. 30, 2013	De novo H1 2013	Acquired H1 2013
<b>Total</b>	<b>3,212</b>	<b>35</b>	<b>36</b>
Growth vs. Jun. 30, 2012	+ 3%		
North America	2,104	21	6
Growth vs. Jun. 30, 2012	+3%		
International	1,108	14	30
Growth vs. Jun. 30, 2012	+ 3%		

Growth rates impacted by acquisition program of previous year

- ▶ Delivered more than 19.7 million treatments globally +5%
  - North America ~12.5 m | International ~7.2 m
- ▶ Providing care to more than 264,000 patients globally +3%
  - North America ~168,100 | International ~96,100



## Organic revenue growth in Dialysis Services

	Q2 2012 in \$ millions	<b>Q2 2013</b> in \$ millions	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
North America	2,043	<b>2,157</b>	6	6	5	4
International	562	<b>586</b>	4	7	5	4
<b>Total Dialysis Services</b>	<b>2,605</b>	<b>2,743</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>4</b>


	H1 2012 in \$ millions	<b>H1 2013</b> in \$ millions	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
North America	3,960	<b>4,261</b>	8	8	5	4
International	1,122	<b>1,161</b>	3	6	6	4
<b>Total Dialysis Services</b>	<b>5,082</b>	<b>5,422</b>	<b>7</b>	<b>7</b>	<b>5</b>	<b>4</b>


cc = constant currency

# Quality outcomes

% of patients	U.S.		EMEA		Asia-Pacific	
	Q1 2013	<b>Q2 2013</b>	Q1 2013	<b>Q2 2013</b>	Q1 2013	<b>Q2 2013</b>
Kt/V $\geq$ 1.2	97	<b>97</b>	96	<b>96</b>	97	<b>97</b>
No catheter (>90 days)	83	<b>83</b>	85	<b>85</b>	94	<b>94</b>
Hemoglobin = 10 – 12 g/dl	73	<b>73</b>	58	<b>60</b>	56	<b>57</b>
Hemoglobin = 10 – 13 g/dl (International)	79	<b>78</b>	78	<b>78</b>	64	<b>65</b>
Albumin $\geq$ 3.5 g/dl	85	<b>85</b>	86	<b>86</b>	91	<b>91</b>
Phosphate $\leq$ 5.5 mg/dl	65	<b>64</b>	78	<b>75</b>	70	<b>71</b>
Calcium 8.4 – 10.2 mg/dl	83	<b>84</b>	77	<b>77</b>	74	<b>74</b>
Hospitalization days, per patient	9.7	<b>9.6</b>	9.2	<b>9.3</b>	4.4	<b>4.5</b>

# Rebound in products in North America and also positive development in International

		Q2 2012 in \$ millions	Q2 2013 in \$ millions	Growth in %	Growth in %cc
<b>Total External Revenue</b>		<b>823</b>	<b>870</b>	<b>6</b>	<b>5</b>
of which North America		206	<b>218</b>	6	6
of which International		609	<b>642</b>	5	5

		H1 2012 in \$ millions	H1 2013 in \$ millions	Growth in %	Growth in %cc
<b>Total External Revenue</b>		<b>1,595</b>	<b>1,654</b>	<b>4</b>	<b>4</b>
of which North America		393	<b>401</b>	2	2
of which International		1,185	<b>1,236</b>	4	4

cc = constant currency



# Topics of interest

- ▶ Legislative focus
- ▶ Global Efficiency Program

## Q2 Profit & Loss

	Q2 2012 in \$ millions	Q2 2013 in \$ millions	Growth in %
Net revenue	3,428	<b>3,613</b>	5 (6 cc)
Operating income (EBIT)	589	<b>544</b>	(8)
Operating income (EBIT) adjusted *	568	<b>555</b>	(2)
Net income	289	<b>263</b>	(9)
Net income, adjusted *	266	<b>272</b>	2

- ▶ First quarter of “sequestration” impact
- ▶ Good underlying performance trend and also sequential improvement excl. special items

\*excl. special items related to the acquisition of Liberty Dialysis Holdings Inc, and sequestration impact in 2013

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

# Day Sales Outstanding (DSO)

In days



Overall very positive trend

- ▶ Very stable development in North America
- ▶ International flat sequentially and decreased 4 days year-over-year despite on-going financial distress in several European countries

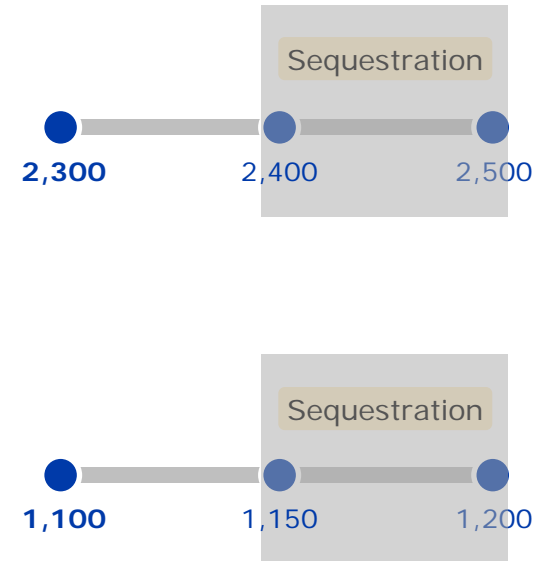
## Very strong Operating cash flow

	Q2 2012 in \$ millions	<b>Q2 2013</b> in \$ millions	Growth in %
Operating cash flow	451	<b>525</b>	16
% of revenue	13	<b>15</b>	
Capital expenditures, net	(151)	<b>(173)</b>	
Free cash flow	300	<b>352</b>	18
Acquisitions and investments, net of divestitures	6	<b>(13)</b>	
Free cash flow, after acquisitions and investments	306	<b>339</b>	11

- ▶ Share buy-back program progressing as planned

# 2013 Outlook – confirmed – and substantiated for sequestration

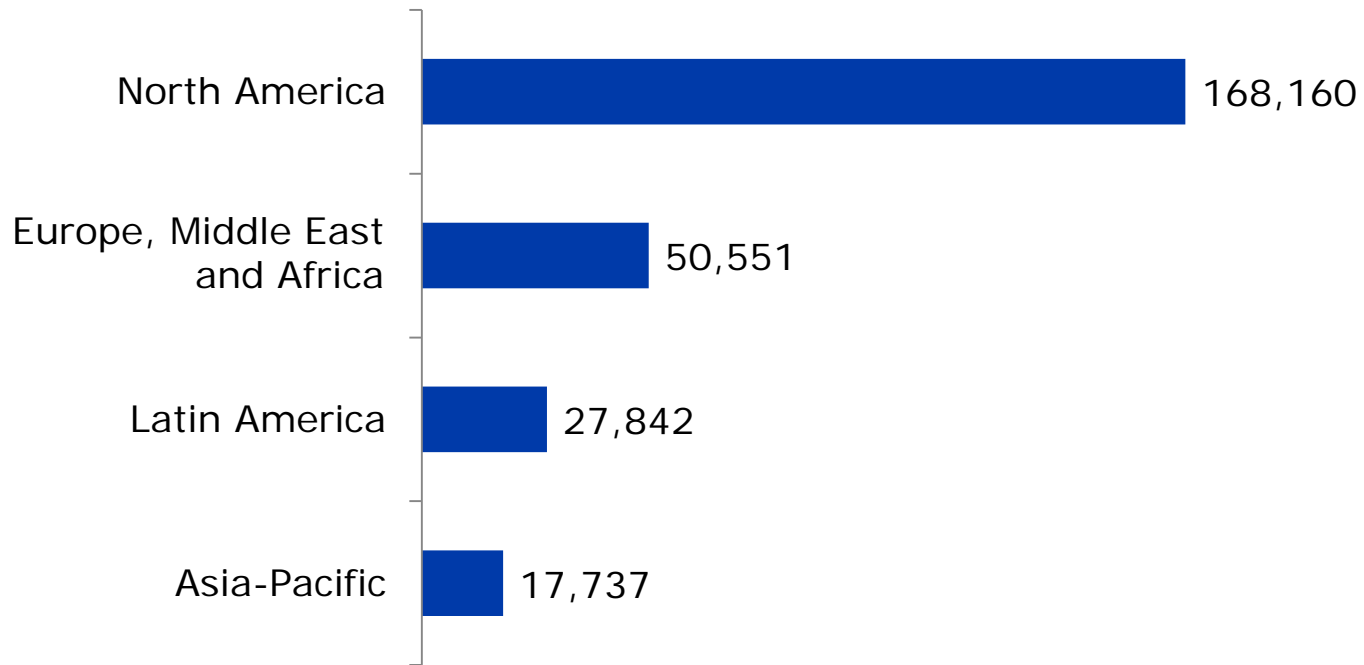
In \$ millions	2012	2013 E
	Reported	
Revenue	13,800	> 14,600
EBIT	2,219	2,300-2,400
Net income	1,187	
Investment gain	-140	
Net income adjusted for investment gain	1,047	1,100-1,150



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

# Continued global leader in dialysis services

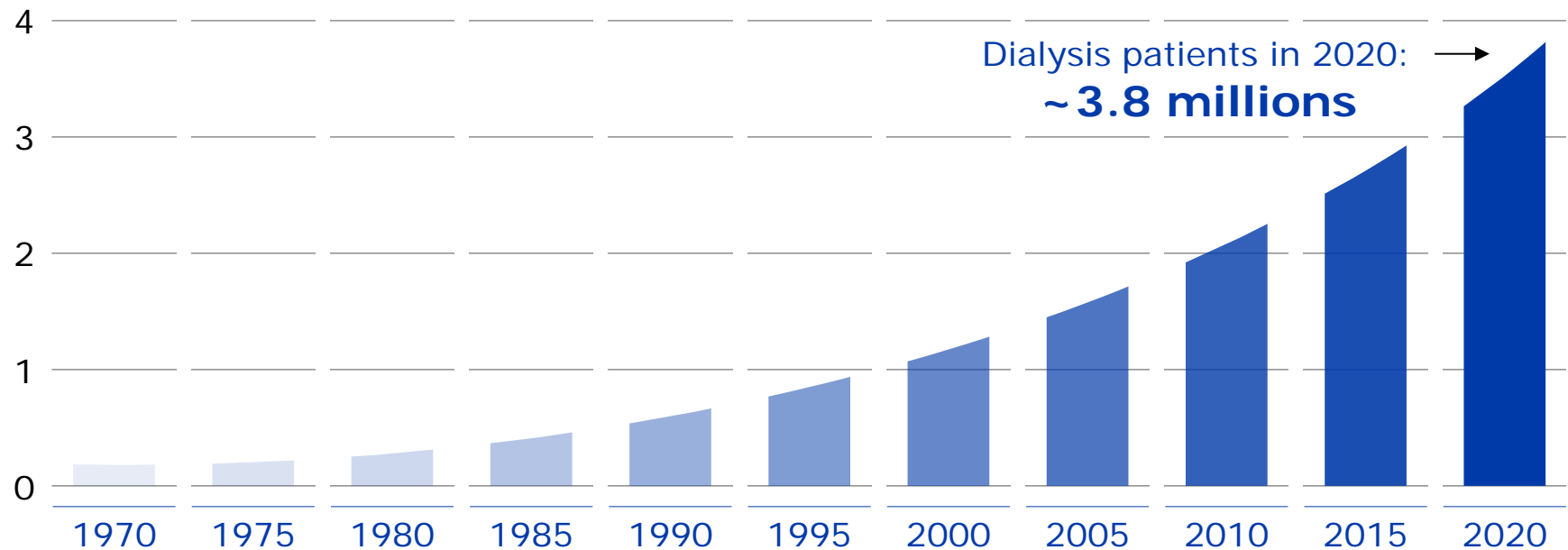
We lead in every major market, treating more than 264,000 patients worldwide.



# Expected development of global dialysis patient population

- ▶ Expected patient growth of around 6%
- ▶ Driven by age, lifestyle and higher life expectancy

Number of dialysis patients worldwide – Forecast to 2020<sup>1</sup>  
in millions

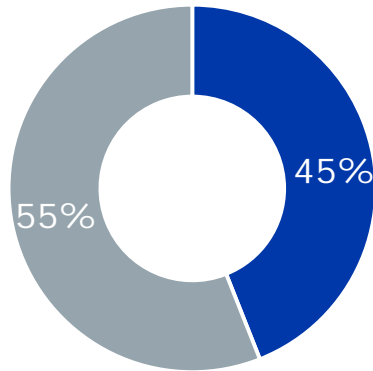


<sup>1</sup> Internal estimates

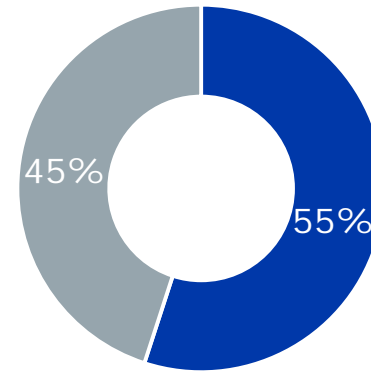
# Market position by major product groups 2012

	Position 1
Dialyzers	FME
Dialysis machines	FME
Hemodialysis concentrates	FME
Bloodlines	FME
Peritoneal dialysis products	Baxter

## Dialyzers



## Dialysis machines



Sold around 100,000,000 dialyzers in 2012



# Growth strategy to ensure continued success

## ▶ Leader in growing market

- Dialysis market growing 4%cc and estimated to reach \$ 100 billion by 2020
- Patient growth driven by age, life style and mortality reduction

## ▶ Provide highest standard of patient care

- Vertical integration
- High quality products & services
- Complete therapy offerings

## ▶ Consolidate position as global market leader

- Invest in our people
- Continue to innovate
- Global clinic acquisitions and service portfolio expansion
- Expand into new geographies

## ▶ Deliver shareholder value

- Ensure continuous development of company
- Deliver profitable growth
- Control financial risks

cc = constant currency

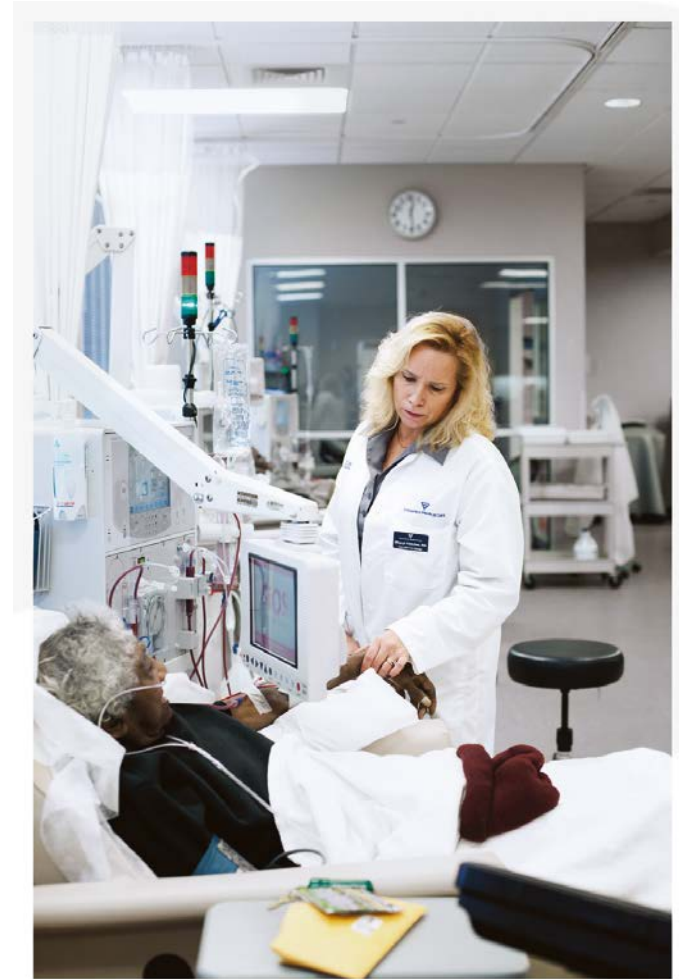
CREATING A FUTURE WORTH LIVING.  
FOR DIALYSIS PATIENTS.  
WORLDWIDE.  
EVERY DAY.

Thank you very much for your attention!

# Fresenius Medical Care – The world's leading dialysis company

- ▶ Operates in more than 120 countries
- ▶ The only vertical integrated listed dialysis company
- ▶ Founded in 1996 and member DAX30 since 1999
- ▶ Market capitalization of about 15.3 BN Euro\* (2001: ~6.2 BN Euro)
- ▶ High innovation competence
- ▶ Investment largely insensitive to economic developments

\* As of August 21, 2013



# A vertically integrated company

Global market leader for dialysis products and treatments



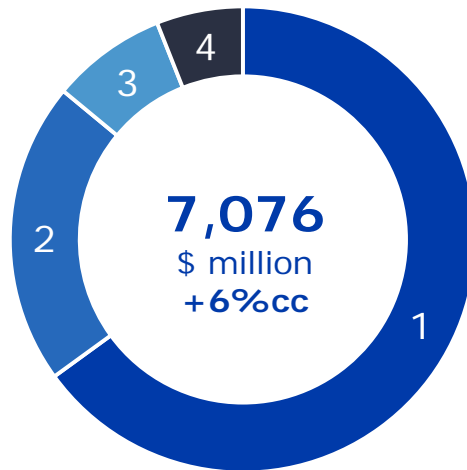
# Good growth across the group in H1 2013

## North America

Revenue	\$ 4,662 m	+ 7%
Organic growth		+ 5%

## International ~ 34% of total revenue

Revenue	\$ 2,397 m	+ 5%cc
Organic growth		+ 5%
Europe	\$ 1,471 m	+ 2%cc
Asia-Pacific	\$ 513 m	+ 5%cc
Latin America	\$ 413 m	+ 15%cc



1	North America	66%
2	Europe/Middle East/Africa	21%
3	Asia-Pacific	7%
4	Latin America	6%

cc = constant currency

# H1 Profit & Loss

	H1 2012 in \$ millions	<b>H1 2013</b> in \$ millions	Growth in %
Net revenue	6,677	<b>7,076</b>	6 (6 cc)
Operating income (EBIT)	1,092	<b>1,038</b>	(5)
Operating income (EBIT) adjusted *	1,078	<b>1,049</b>	(3)
Net income	660	<b>488</b>	(26)
Net income, adjusted *	514	<b>498</b>	(3)

► H1 performance in line with our expectations and stronger second half expected

\*excl. special items related to the acquisition of Liberty Dialysis Holdings Inc, and sequestration impact in 2013

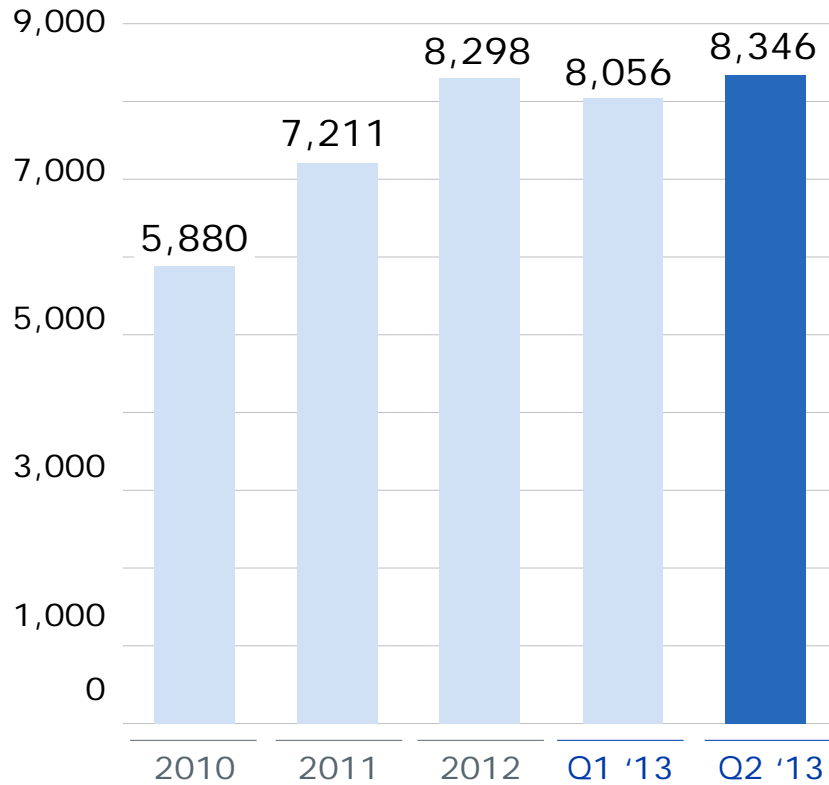
A reconciliation to the most directly comparable U.S. GAAP financial measures is provided in the attachments

# H1 Operating cash flow

	H1 2012 in \$ millions	<b>H1 2013</b> in \$ millions
Operating cash flow	932	<b>841</b>
% of revenue	14	12
Capital expenditures, net	(274)	<b>(319)</b>
Free cash flow	658	<b>522</b>
Acquisitions and investments, net of divestitures	(1,520)	<b>(84)</b>
Free cash flow, after acquisitions and investments	(862)	<b>438</b>

# Total Debt/EBITDA – ratio in line with guidance

Total debt in \$ millions



Total debt/EBITDA-ratio



Ratings	<b>S&amp;P</b>	<b>Moody's</b>	<b>Fitch</b>
Company	BB+	Ba1	BB+
Outlook	Positive	Stable	Positive

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



# Attachment 1

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

In \$ millions

<b>EBIT – Reconciliation</b>	Q2 2012	Q2 2013	H1 2012	H1 2013
<b>EBIT, reported</b>	589	544	1,092	1,038
- excluding special items related to Liberty acq. <sup>1)</sup>	(21)	(8)	(14)	(8)
- excluding sequestration impact	-	19	-	19
<b>EBIT, adjusted</b>	568	555	1,078	1,049

<b>Net income - Reconciliation</b> attributable to shareholders of FME AG&Co. KGaA	Q2 2012	Q2 2013	H1 2012	H1 2013
<b>Net income, reported</b>	289	263	660	488
- excluding special items related to Liberty acq. <sup>2)</sup>	(23)	(3)	(146)	(3)
- excluding sequestration impact	-	12	-	13
<b>Net income, adjusted</b> attributable to shareholders of FME AG&Co. KGaA	266	272	514	498

<sup>1)</sup> Legal, consulting, other expenses and gain on sale of clinics

<sup>2)</sup> Legal, consulting, other expenses, gain on sale of clinics, gain on retirement of loan receivable and investment gain

## Attachment 2

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

In \$ millions

<b>Debt</b>	H1 2013	FY 2012	FY 2011	FY 2010
Short term borrowings (incl. A/R program)	115	118	99	671
+ Short term borrowing from related parties	59	4	28	10
+ Current portion of long-term debt and capital lease obligations	515	335	1,589	264
+ Current portion of Trust Preferred Securities	-	-	-	625
+ Long-term debt and capital lease obligations less current portion	7,657	7,841	5,495	4,310
<b>TOTAL debt</b>	<b>8,346</b>	<b>8,298</b>	<b>7,211</b>	<b>5,880</b>

<b>EBITDA</b>	H1 2013	FY 2012*	FY 2011	FY 2010
Last twelve month operating income (EBIT)	2,164	2,255	2,075	1,924
+ Last twelve month depreciation and amortization	624	612	557	503
+ Non-cash charges	79	64	54	45
<b>EBITDA (annualized)</b>	<b>2,867</b>	<b>2,931</b>	<b>2,686</b>	<b>2,472</b>
<b>Total Debt / EBITDA</b>	<b>2.9</b>	<b>2.8</b>	<b>2.7</b>	<b>2.4</b>

\* Pro-forma numbers including Liberty Dialysis Holdings Inc., after FTC mandated divestitures

# Attachment 3

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

In \$ millions

### Patients, treatments, clinics – H1 2013

	Clinics	Patients	Treatments in million
North America	2,104	168,160	12.53
Growth in %	3	3	5
International	1,108	96,130	7.22
Growth in %	3	4	3
Europe	628	50,551	3.78
Latin America	229	27,842	2.12
Asia-Pacific	251	17,737	1.31
<b>Total</b>	<b>3,212</b>	<b>264,290</b>	<b>19.75</b>
Growth in %	3	3	5

### Cash Flow

	Q2 2012	Q2 2013	H1 2012	H1 2013
Acquisitions, investments and net purchases of intangible assets	(45)	(30)	(1,748)	(102)
+ Proceeds from divestitures	51	17	228	18
= Acquisitions and investments, net of divestitures	6	(13)	(1,520)	(84)

### Capital Expenditure, net

	Q2 2012	Q2 2013	H1 2012	H1 2013
Purchase of property, plant and equipment	153	186	(277)	(334)
- Proceeds from sale of property, plant & equipment	(2)	13	3	15
= Capital expenditure, net	(151)	(173)	(274)	(319)

# Attachment 4

In \$ millions

<b>External Revenue Q2</b>	Q2 2012	<b>Q2 2013</b>	Growth in %	Growth in %cc
International product revenue	712	766	8	8
- Internal revenue	(103)	(124)	21	22
= International external revenue	609	642	5	5
North America product revenue	400	422	6	6
- Internal revenue	(194)	(204)	5	5
= North America external revenue	206	218	6	6
<b>Total product revenue</b>	1,120	1,198	7	7
- Internal revenue	(297)	(328)	11	11
<b>Total external revenue</b>	<b>823</b>	<b>870</b>	<b>6</b>	<b>5</b>
<b>External Revenue H1</b>	H1 2012	<b>H1 2013</b>	Growth in %	Growth in %cc
International product revenue	1,394	1,471	5	6
- Internal revenue	(209)	(235)	12	14
= International external revenue	1,185	1,236	4	4
North America product revenue	771	792	3	3
- Internal revenue	(378)	(391)	3	3
= North America external revenue	393	401	2	2
<b>Total product revenue</b>	2,182	2,280	4	5
- Internal revenue	(587)	(626)	6	7
<b>Total external revenue</b>	<b>1,595</b>	<b>1,654</b>	<b>4</b>	<b>4</b>

# Contacts

## Fresenius Medical Care

### Investor Relations

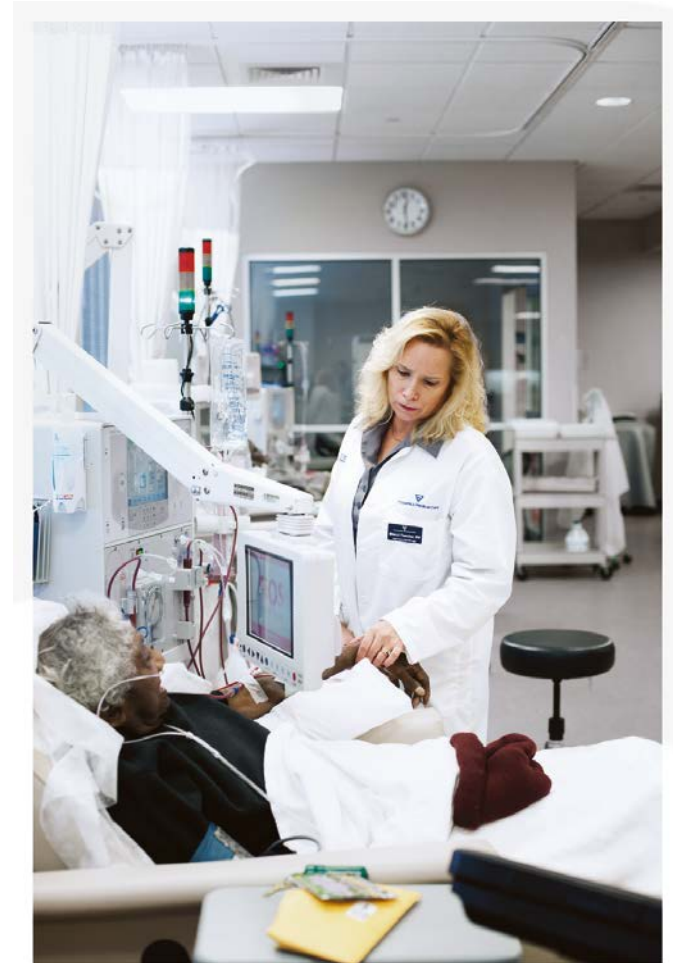
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# Financial Calendar \*

Nov 05, 2013	Report on 1 <sup>st</sup> – 3 <sup>rd</sup> quarter 2013
Nov 21, 2013	Capital Market Day, Boston
Feb 25, 2014	Report on Fiscal Year 2013

\* Please notice that these dates might be subject to change

**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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## Second German Corporate Conference

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