



# Fresenius Medical Care

The World's Leading Renal Therapy Company

Deutsche Bank

13<sup>th</sup> Annual European Leveraged Finance & Credit  
Products Conference

London, June 11, 2009



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 detailed in the Company's reports filed with the Securities and Exchange Commission (SEC) and the German Exchange Commission (Deutsche Börse).

**Rule FAS 160:** We adopted FAS 160 in our financial statement presentation. The effect of this adoption is factually just a relabeling of certain line items in the income statement, most prominently what was "net income" prior to FAS 160 is now called "net income attributable to Fresenius Medical Care AG & Co. KGaA". There are no earnings effects on operating income or other income and expense items.

# Agenda

**1. Business Update**

**2. Financials and Outlook**

**3. Growth Strategy**



# First Quarter 2009 – Overview

**Strong Start into the year**

	Q1 2008	Q1 2009	Growth
<b>Revenue</b>	\$ 2,512 m	\$ 2,560 m	+ 2%*
<b>Net income</b> <small>attributable to FME AG &amp; Co. KGaA</small>	\$ 186 m	\$ 198 m	+7%
<b>Earnings per share</b>	\$ 0.63	\$ 0.67	+6%

\* 8% growth at constant currency



# First Quarter 2009 – Revenue

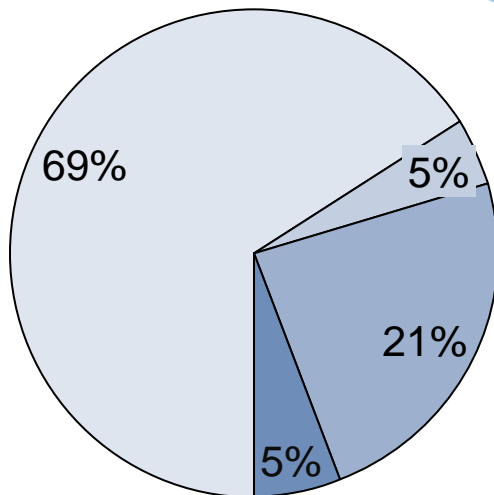
**Total Revenue increased 2% to \$ 2,560 m (8%cc)**

**By Region**

**By Segment**

## North America

Revenue \$ 1,774 m  
Growth 6%



**International \$ 786 m**  
▪ 31% of total revenue  
▪ 10% organic growth

## Latin America

Revenue \$111 m  
Growth - 1% / 21%cc

## Europe

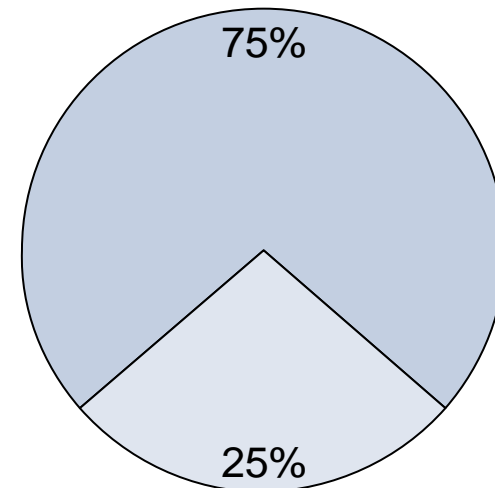
Revenue \$ 541 m  
Growth - 8% / 10%cc

## Asia-Pacific

Revenue \$134 m  
Growth - 5% / 5%cc

## Dialysis Services

Revenue \$ 1,923 m  
Growth 4% / 8%cc



## Dialysis Products

Revenue \$ 637 m  
Growth - 5% / 8%cc

cc = constant currency

# First Quarter 2009 - Dialysis Services Global

**Strong Growth of 8% constant currency**

US-\$ in millions	Q1 2008	<b>Q1 2009</b>	Growth	cc
<b>North America</b>	1,495	<b>1,577</b>	5%	
<b>International</b>	349	<b>346</b>	-1%	18%
<b>Total</b>	1,844	<b>1,923</b>	4%	8%

**Treating nearly 187,500 patients in ~ 2,450 clinics**

cc = constant currency



## Excellent Performance in Key Metrics

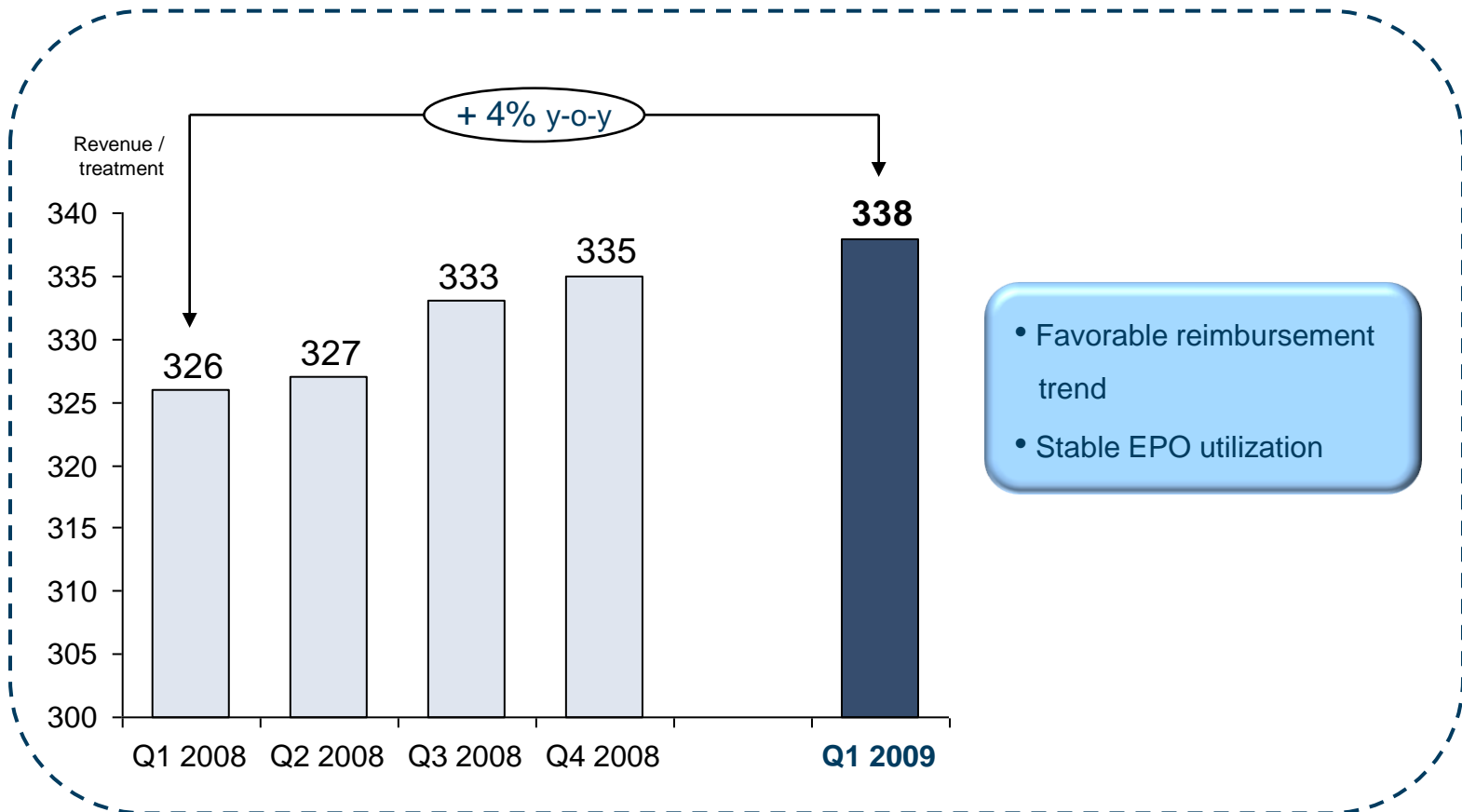
Q1 2009	Total	North America	International
<b>Organic revenue growth</b>	<b>+ 8%</b>	<b>+ 6%</b>	<b>+ 17%</b>
Same market treatment growth	+ 4.4%	+ 3%	+ 7%
Revenue per treatment		<b>\$ 332<sup>1)</sup></b>	<b>\$ 151</b>
Growth		+ 3%	+ 7% <sup>cc</sup>
Number of clinics	<b>2,448</b>	<b>1,714</b>	<b>734</b>
Growth	+ 7%	+ 5%	+ 12%
<b>De novos</b> (including managed clinics)	<b>33</b>	<b>26</b>	<b>7</b>

1) including Mexico

cc = constant currency



## Further improved revenue per treatment





# First Quarter 2009 - Dialysis Products

**Strong External Product Growth of 8%cc**

US-\$ in millions	Q1 2008	Q1 2009	Growth	cc
<b>Total Revenue</b> <small>(incl. Internal Revenue)</small>	869	<b>847</b>	-3%	9%
<b>External Revenue</b>	667	<b>637</b>	-5%	8%
North America	172	<b>197</b>	14%	
International	495	<b>440</b>	-11%	6%

cc = constant currency



# U.S. – Healthcare Reform

## Healthcare Reform Legislation - 2008

- The Dialysis specific healthcare reform has been passed in July 2008
  - 1% composite rate increase in 2009 and 2010
  - Introduction of Bundling in 2011
  - Automatic inflation adjustment after 2011

## Healthcare Reform Initiatives – In the News 2009

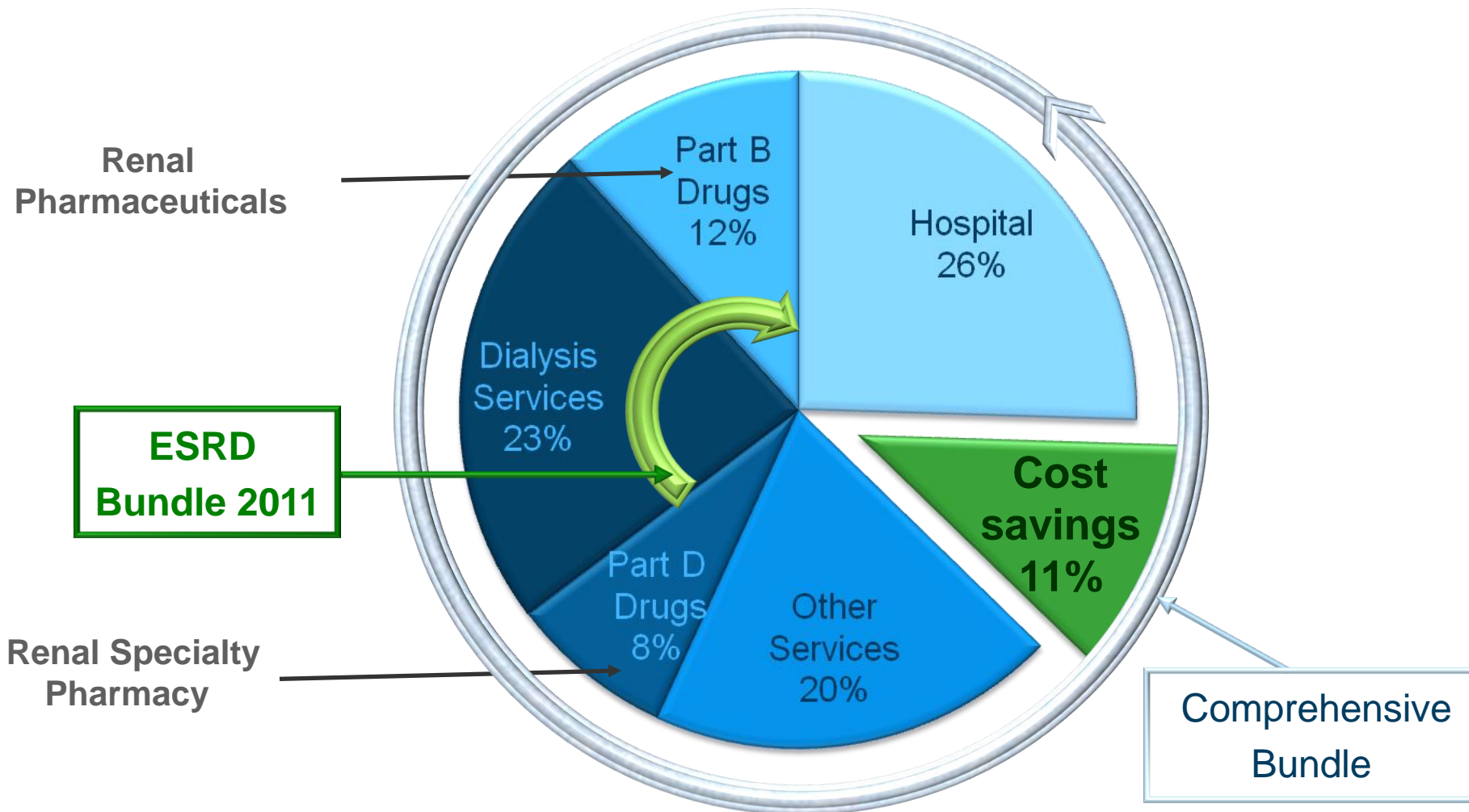
- Insurance reforms
  - Expand coverage for uninsured ~46 million citizens
  - Improve markets for small employers and individuals
  - Assure chronic disease patients are not discriminated against insurance coverage
- Provider reforms – improve care coordination through accountable care model and medical home model
- Reduce administrative costs with improved IT Systems
- Negative impact on dialysis industry appears unlikely

# Fresenius Medical Care – North America

Health Plan 2nd year results



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<b>Medicare Fee For Service</b>	<b>100% of costs per annum</b>
<b>FMC Health Plan (Capitation – Special Needs Plan/SNP)</b>	<b>89% of costs per annum</b>

# Strategy Update

## Continued Strong Business Fundamentals

## Strategic Progress

**Dialysis Quality Improvement:**

- Revenue per treatment 
- Mortality 
  - USA/Europe ~14%
- Organic growth 

**On target:**

- Renal Pharma 
  - IV Iron run rate >\$ 220m/year
- Clinic Network 
  - DeNovo's
- Integrated Care Model 
- New Renal Product Launches worldwide 
  - 5008S
  - Liberty Cyclor
  - Optiflux 250

# Agenda

1. Business Update

2. Financials and Outlook

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# First Quarter 2009 - Profit & Loss

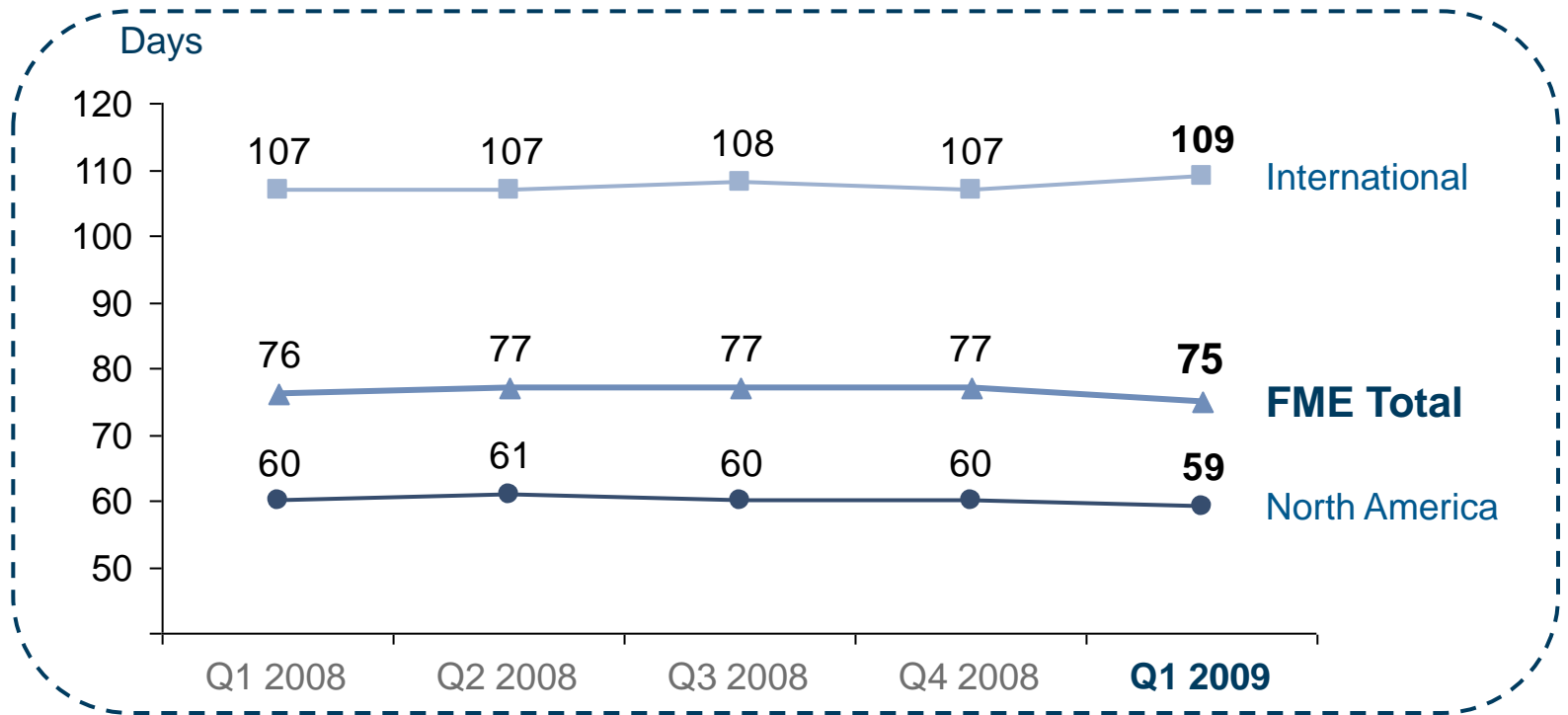
\$ in millions	Q1 2008	Q1 2009	Growth
Net revenue	2,512	<b>2,560</b>	2%*
Operating income (EBIT)	389	<b>396</b>	2%
EBIT margin in %	15.5	15.5	
Interest expense, net	83	74	
Income before income tax	306	<b>322</b>	5%
Income Tax expense	114	<b>116</b>	
Tax rate	37%	36%	
Non controlling interest	6	8	
<b>Net income</b> attributable to FME AG & Co. KGaA	186	<b>198</b>	7%

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



# Days Sales Outstanding (DSO)

**Very stable despite difficult environment**





## Operating Cash Flow 6% of Revenues

\$ in millions	Q1 2008	Q1 2009	Growth
Operating Cash Flow <sup>1)</sup>	192	<b>156</b>	(19%)
Capital Expenditures, net <sup>1)</sup>	(153)	<b>(111)</b>	
Free Cash Flow	39	<b>45</b>	16%
Acquisitions, net of divestitures <sup>1)</sup>	(33)	<b>(36)</b>	
Free Cash Flow, after acquisitions	6	<b>9</b>	

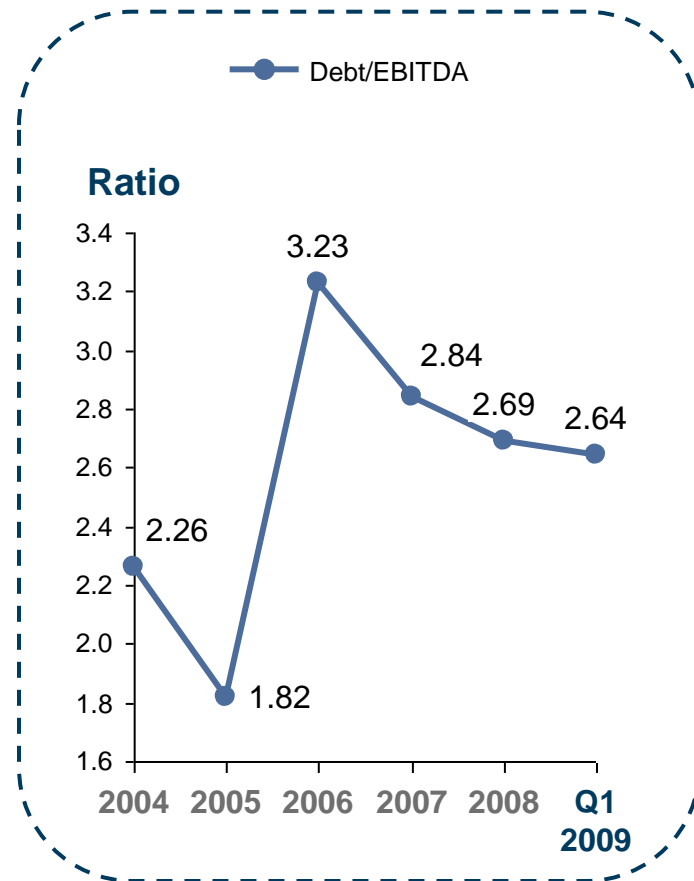
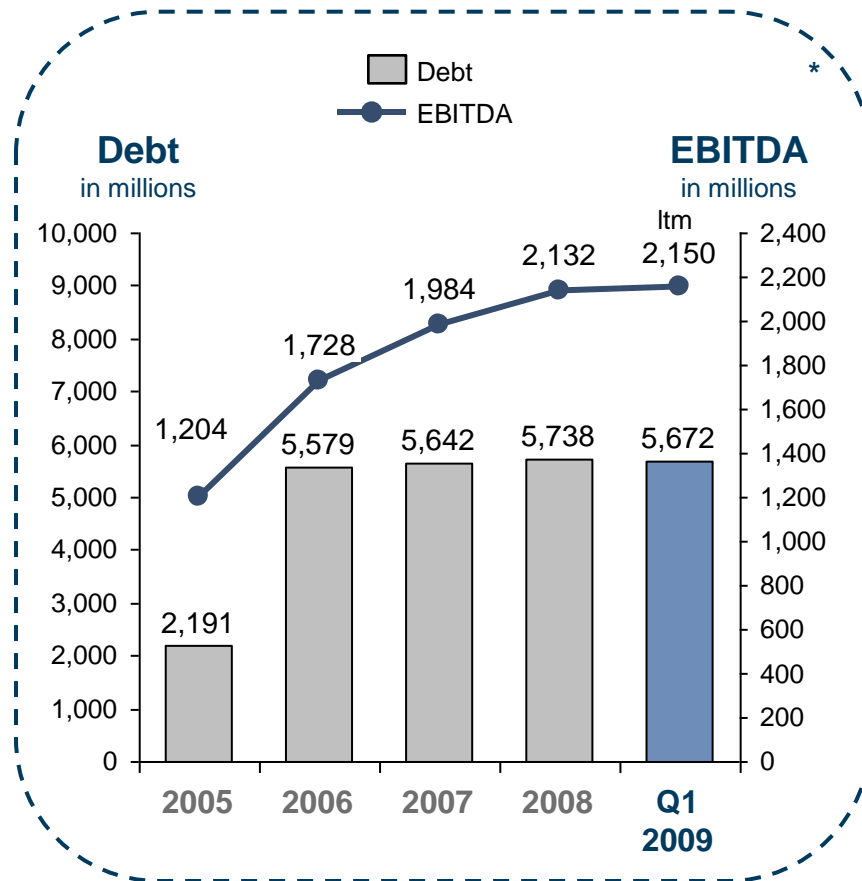
1) A reconciliation to the most directly comparable US-GAAP financial measure is provided in the attachment.





# Q1 2009 - Debt / EBITDA Development

## De-leveraging continues



ltm = last twelve months

\* including non-cash charges and 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.



# Financial Cushion (as of March 31, 2009)

\$ in millions	Facility	Utilization <sup>1)</sup>	Cushion
Credit Agreement	4,028	3,497	531
Trust Preferred Securities	624	624	0
Bond 2007 – 2017	500	500	0
Notes (Schuldscheindarlehen)	266	266	0
EIB Facility	294	169	0
Other bank facilities	495	273	222
<b>Subtotal</b>	<b>6,208</b>	<b>5,329</b>	<b>753</b>
Accounts Receivable Program			
North America <sup>2)</sup>	550	539	11
<b>TOTAL</b>	<b>6,758</b>	<b>5,868</b>	<b>764</b>

<sup>1)</sup> Utilization may differ from Balance Sheet debt due to off-balance sheet items (e.g. letters of credit and guarantees)

<sup>2)</sup> \$ 550 million facility amount, limit represents maximum amount of eligible receivables



# Current Debt Maturity



# Fiscal Year 2009 – Outlook Confirmed



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US-\$ in millions

Net Revenues

Net Income

attributable to FME AG & Co. KGaA

Leverage ratio (Debt/EBITDA)

Capital Expenditures

Acquisitions

Guidance

> \$ 11,100

\$ 850 – 890

< 2.7

~ \$ 550 - 650

~ \$ 200 - 300

# Agenda

1. Business Update

2. Financials and Outlook

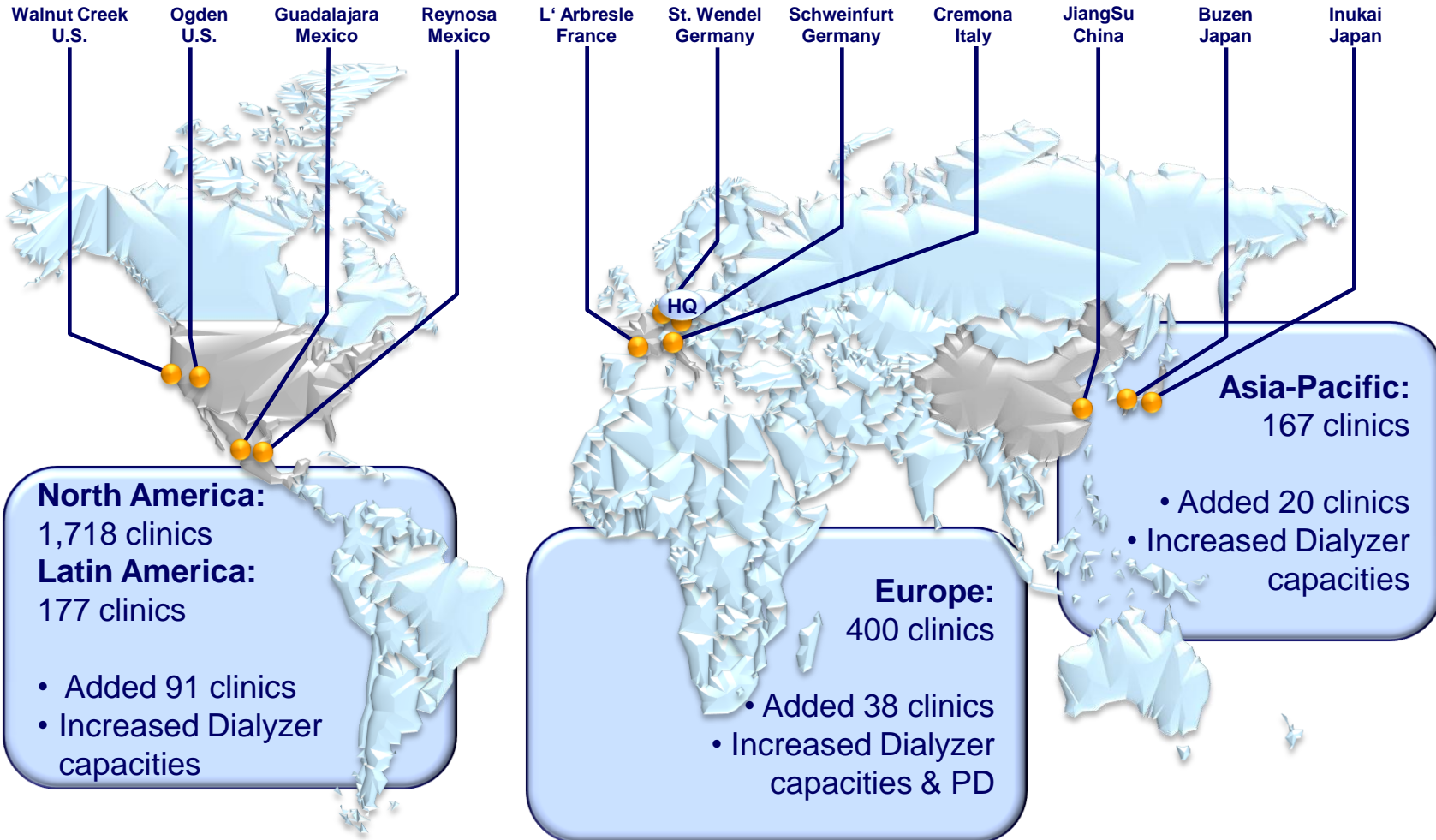
3. Growth Strategy



# Expanded Leading Global Presence



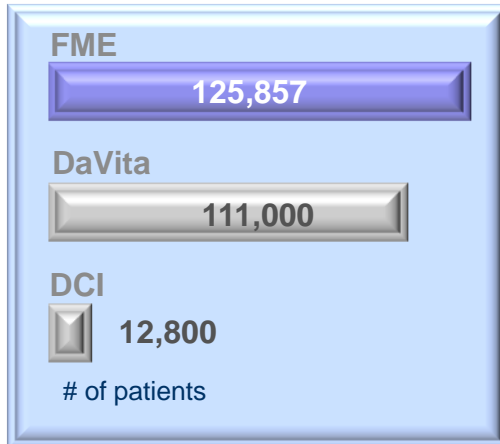
Fresenius Medical Care



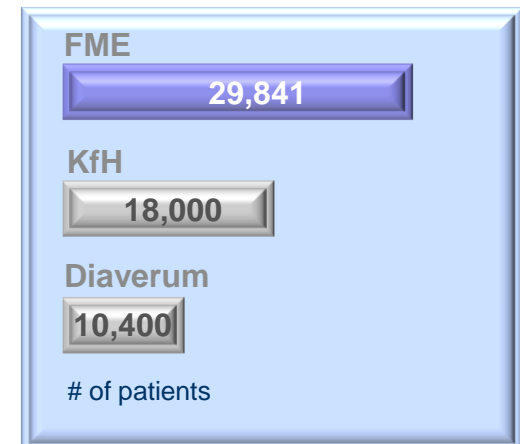


# Dialysis Services Worldwide - Patients

## North America



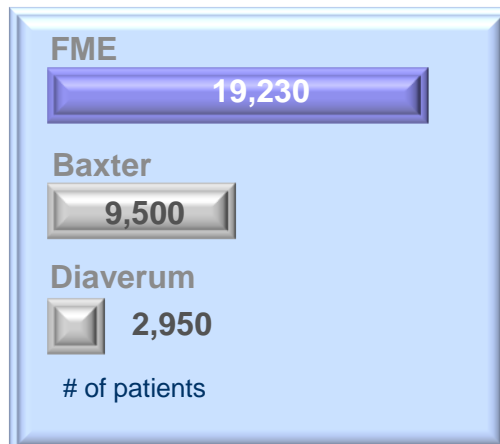
## EMEA



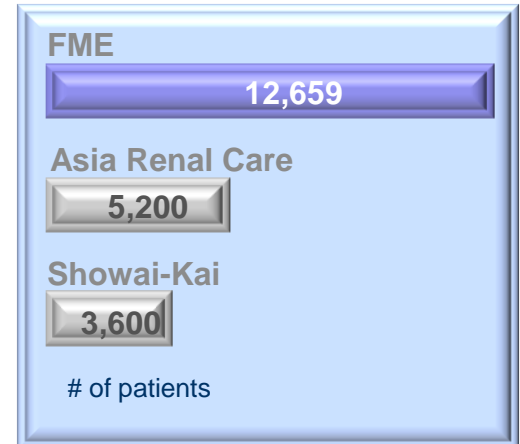
**\$55 Billion Market**

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

## Latin America



## Asia Pacific

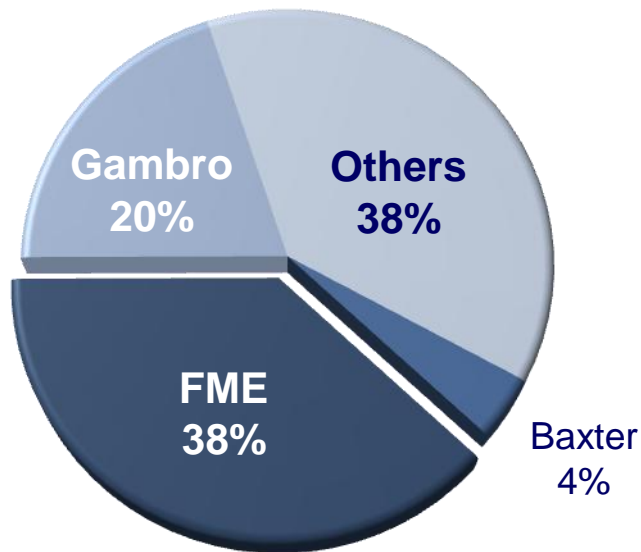


Source: Company data as of December 2008



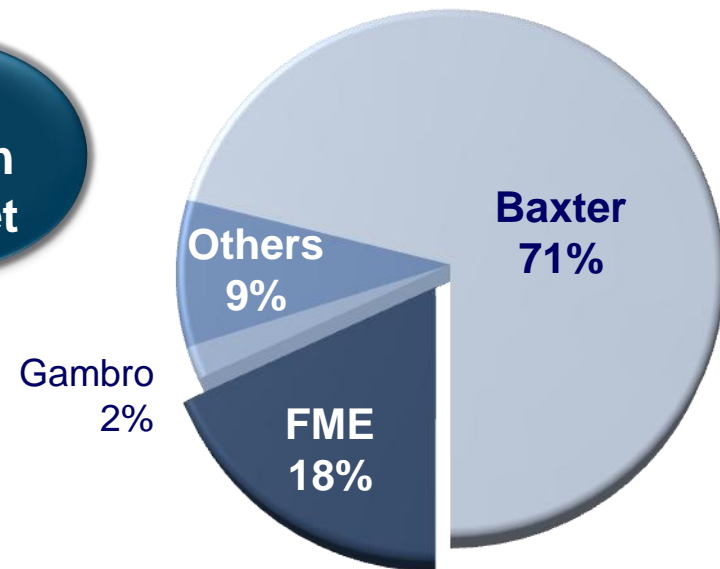
# Dialysis Products Worldwide

**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

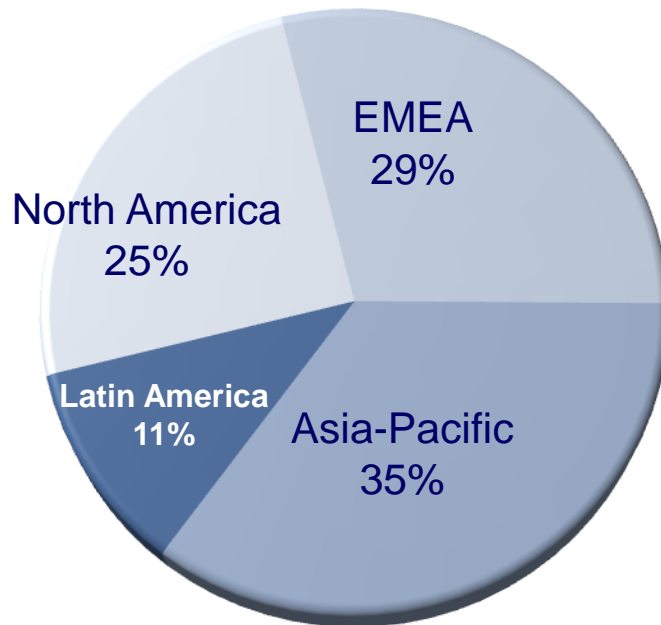




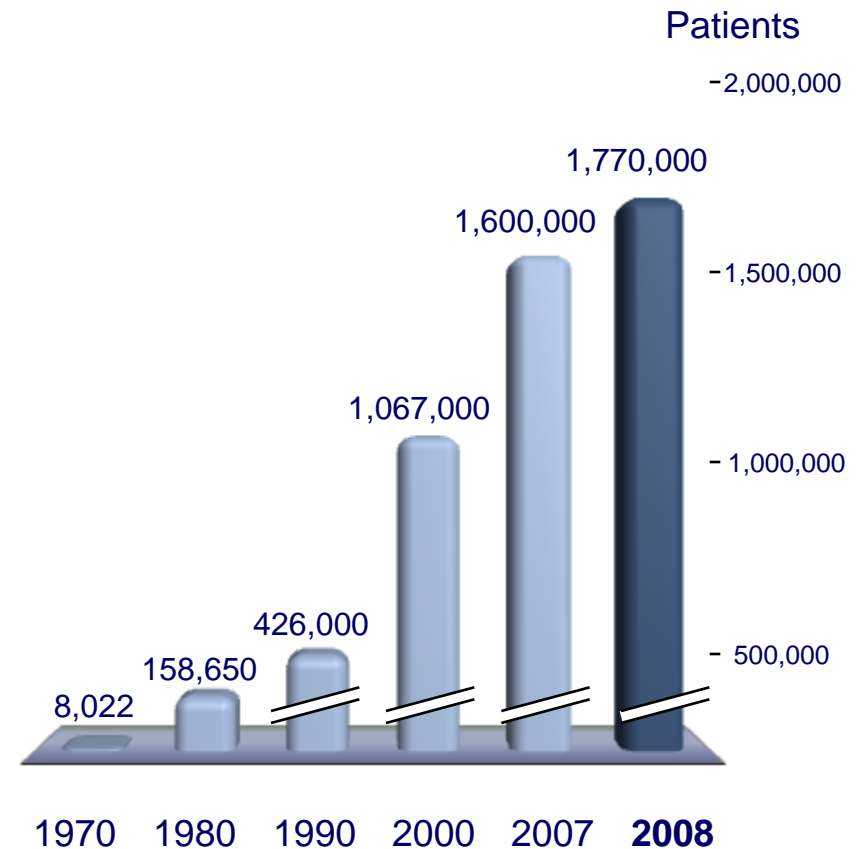
# Global Patients by Region

**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



# Our Growth Opportunities

1. Increased Product Market Share

2. Reimbursement Based on Quality

3. Expansion of Dialysis Network

4. Renal Pharma – Enhanced Therapy

5. New Clinical Services





## **Global Leadership Position**

**Well positioned as the global leader for future growth and to take advantage of strategic opportunities globally**

## **2009 Financial Objectives**

**Continued profitable growth momentum**

- **Revenue > \$11,100 m**
- **Net Income \$850-890 m**



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





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# Attachment I



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

All numbers are in \$ millions

<b>Debt</b>	Q1 2009	FY 2008	FY 2007	FY 2006	FY 2005
<b>Short term borrowings (incl. A/R program) <sup>1)</sup></b>	<b>645</b>	<b>684</b>	<b>217</b>	<b>331</b>	<b>151</b>
+ Short term borrowings from related parties	17	1	2	5	19
+ Current portion of long-term debt and capital lease obligations	426	455	85	160	126
+ Current portion of Trust Preferred Securities	0	0	670		
+ Long-term debt and capital lease obligations, less current portion	3,961	3,957	4,004	3,829	707
+ Trust Preferred Securities (net of current portion)	623	641	664	1,254	1,188
<b>= Total debt</b>	<b>5,672</b>	<b>5,738</b>	<b>5,642</b>	<b>5,579</b>	<b>2,191</b>

<b>EBITDA</b>	Q1 2009	FY 2008	FY 2007 <sup>2)</sup>	FY 2006 (pro forma)	FY 2005
<b>Last twelve months operating income (EBIT)</b>	<b>1,680</b>	<b>1,672</b>	<b>1,580</b>	<b>1,367</b>	<b>939</b>
+ Last twelve months depreciation and amortization	424	416	363	326	251
+ Non-cash charges	46	44	41	35	14
<b>= EBITDA (annualized)</b>	<b>2,150</b>	<b>2,132</b>	<b>1,984</b>	<b>1,728</b>	<b>1,204</b>

1) A/R securitization program off-balance sheet in 2003 and included in short term borrowings from 2004 onwards

2) 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>	<b>Q1 2009</b>	<b>Q1 2008</b>	<b>growth</b>	<b>cc</b>
<b>International</b> product revenue	502	566	- 11%	+ 6%
- Internal revenue	(62)	(71)		
<b>= External revenue</b>	<b>440</b>	<b>495</b>	<b>- 11%</b>	<b>+ 6%</b>
<b>North America</b> product revenue	345	303	+ 14%	
- Internal revenue	(148)	(131)		
<b>= External revenue</b>	<b>197</b>	<b>172</b>	<b>+ 14%</b>	
<b>TOTAL</b> product revenue	847	869	- 3%	+ 9%
- Internal revenue	(210)	(202)		
<b>= External revenue</b>	<b>637</b>	<b>667</b>	<b>- 5%</b>	<b>+ 8%</b>

<b>Capital expenditure (net)</b>	<b>Q1 2009</b>	<b>Q1 2008</b>
Purchase of property, plant and equipment	112	159
- Proceeds from sale of property, plant and equipment	(1)	(6)
<b>= Capital expenditure (net)</b>	<b>111</b>	<b>153</b>

<b>Cash Flow</b>	<b>Q1 2009</b>	<b>Q1 2008</b>
Acquisitions and Investment and net purchases of intangible assets	(37)	(72)
Proceeds from divestitures	1	39
<b>Acquisitions, net of divestitures</b>	<b>(36)</b>	<b>(33)</b>

cc = constant currency

# Dialysis Services - Global

Q1 2009	Clinic	Patients	Treatments (in million)
Total	2,448	187,476	7.0
Growth	+ 7%	+ 6%	+ 5%
North America	1,714	127,121	4.7
Growth	+ 5%	+ 4%	+ 2%
International	734	60,355	2.3
Growth	+ 12%	+ 11%	+ 11%
Europe	410	30,451	1.2
Latin America	194	20,535	0.8
Asia-Pacific	130	9,369	0.4



# First Quarter 2009 - Quality Outcomes

## Overall Strong Quality Performance

	North America		International	
	Q1 2008	Q1 2009	Q1 2008	Q1 2009
% of FME patients				
Kt/V ≥ 1.2	95%	<b>96%</b>	95%	<b>94%</b>
Hemoglobin ≥ 11 g/dl	74%	<b>73%</b>	70%	<b>71%</b>
Hemoglobin = 10-13 g/dl	84%	<b>86%</b>	76%	<b>75%</b>
Albumin ≥ 3.5 g/dl	80%	<b>80%</b>	85%	<b>84%</b>
Phosphate 3.5-5.5 mg/dl	52%	<b>53%</b>	60%	<b>60%</b>
Hospitalization days	10.7*	<b>10.4*</b>	7.9	<b>8.2</b>

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



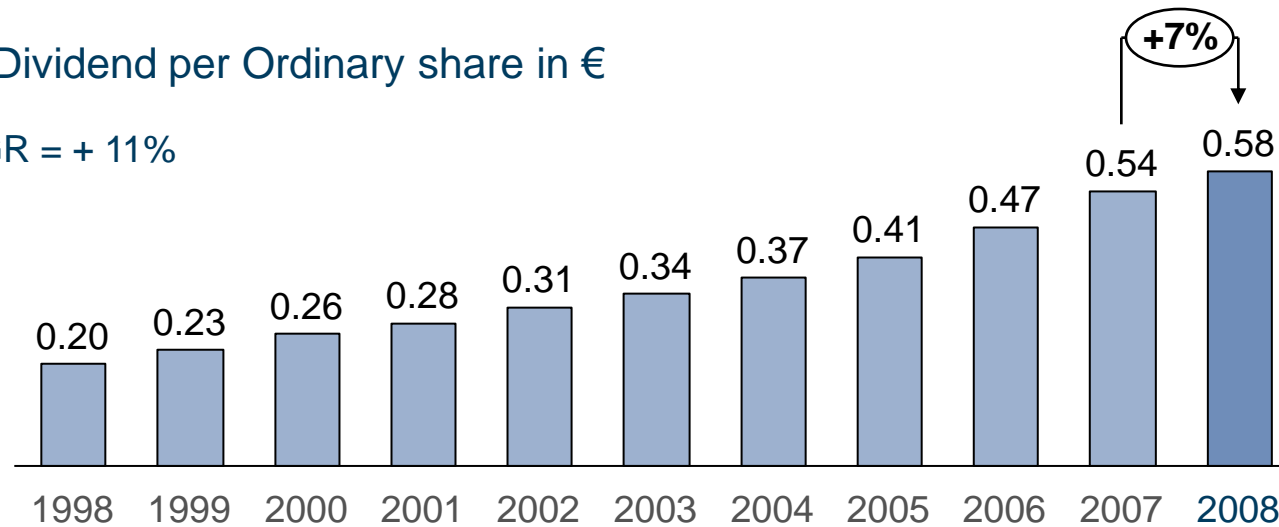
# 2008 Annual Dividend Proposal

12<sup>th</sup>

## Consecutive Dividend Increase Proposed

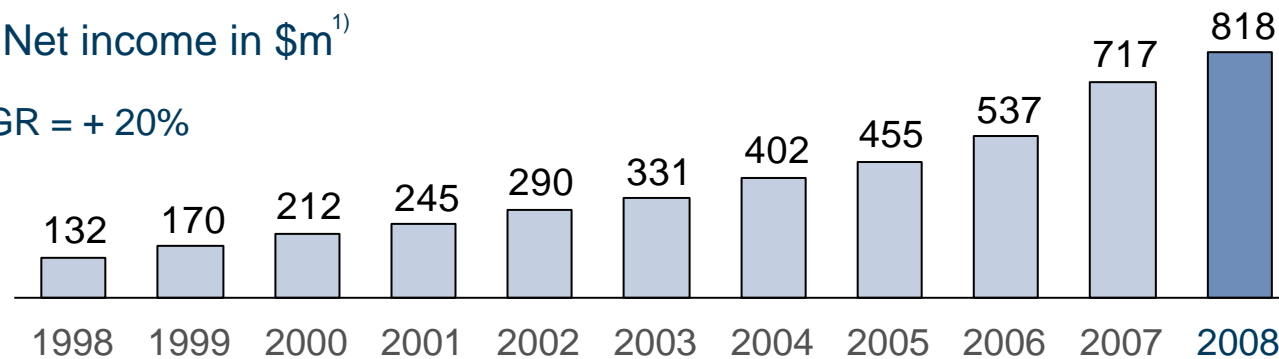
■ Dividend per Ordinary share in €

CAGR = + 11%



■ Net income in \$m<sup>1)</sup>

CAGR = + 20%



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



# Exchange Rate Sensitivity

## Weakness in the Euro and some other currencies present challenges for reported results

- ▶ Largest translation exposure in Euro/US\$
  - First half comparison expected to be more challenging
- ▶ Weakness in non-Euro European currencies presents additional exposure

## However:

- ▶ Underlying business is strong and on target
- ▶ Exchange rates developing favorably in some key markets
- ▶ Strong US\$ favorable for Euro valuation

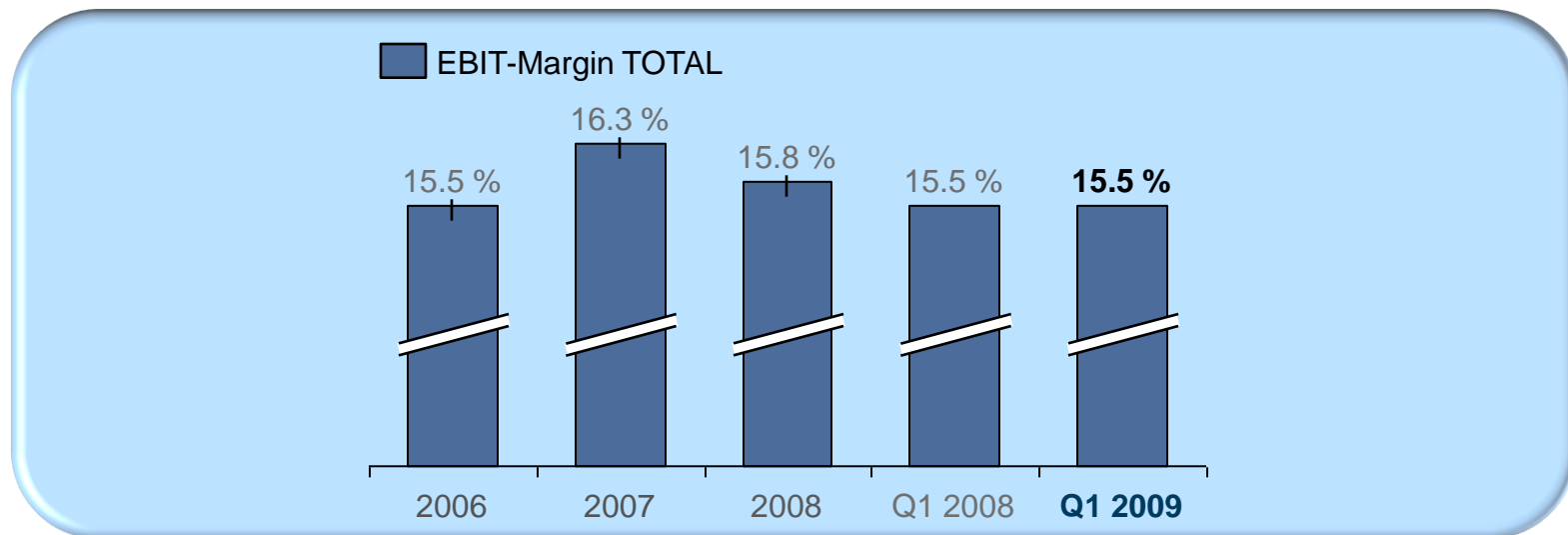
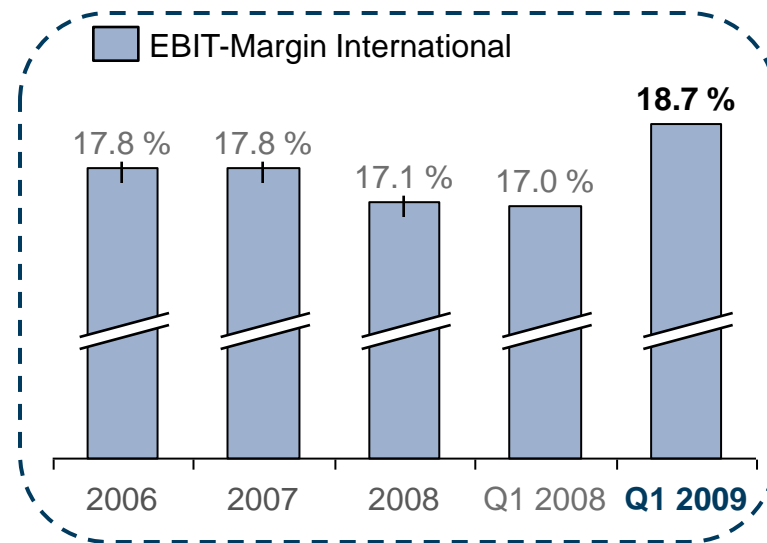
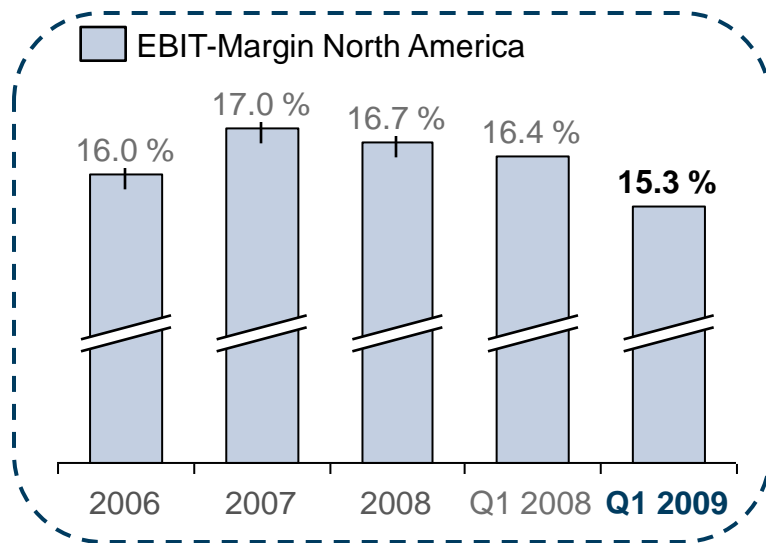


**A 10% Appreciation in Currencies versus the US-Dollar would result in the following impacts on the Earnings after Tax**

		as % of 2008 revenue
Euro (10 cents = 1.2%)	<b>1.7%</b>	16%
Europe – Non-Euro	<b>1.3%</b>	8%
Chinese Yuan & Hong Kong Dollar	<b>0.4%</b>	1%
Other Asia	<b>0.7%</b>	4%



# Operating Margin Development





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## Second Quarter Results 2009 – August 4, 2009

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