

J.P. Morgan

31<sup>st</sup> Annual Healthcare Conference

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San Francisco | January 9, 2013



**FRESENIUS  
MEDICAL CARE**

# AGENDA

- ▶ 1 BUSINESS UPDATE
- ▶ 2 FINANCIALS & OUTLOOK
- ▶ 3 GROWTH STRATEGY
- ▶ 4 ATTACHMENTS

# 1

## BUSINESS UPDATE

*Q3 and Nine months 2012*

# Q3 | Financial Results

- ▶ Revenue growth of 11% in constant currency (North America +13%; International +7%cc)
- ▶ International results reflect the weaker services same market growth in Asia Pacific and Europe
- ▶ Strong development of operating results in North America keep margin at 18.7%
- ▶ Net income\* in Euro up 9%

In US-\$ million	Q3 2011	<b>Q3 2012</b>	Growth in %
Net revenue	3,184	3,418	7
EBIT	534	568	6
Net income attributable to FMC AG & Co. KGaA	279	270	(3)

cc = constant currency \* attributable to FMC AG & Co. KGaA and excl. the investment gain

# 9M | Financial Results

- ▶ Excellent revenue growth of 11% in constant currency (North America +12%; International +10%cc)
- ▶ Net income\* in Euro up 14%

In US-\$ million	9M 2011	<b>9M 2012</b>	Growth in %
Net revenue	9,306	<b>10,095</b>	8
EBIT	1,488	<b>1,659</b>	11
Net income attributable to FMC AG & Co. KGaA	761	<b>930</b>	22
Excluding investment gain:			
Net income attributable to FMC AG & Co. KGaA	761	<b>790</b>	4

cc = constant currency \* attributable to FMC AG & Co. KGaA and excl. the investment gain

# Q3 | Revenue split by region

## ▶ North America

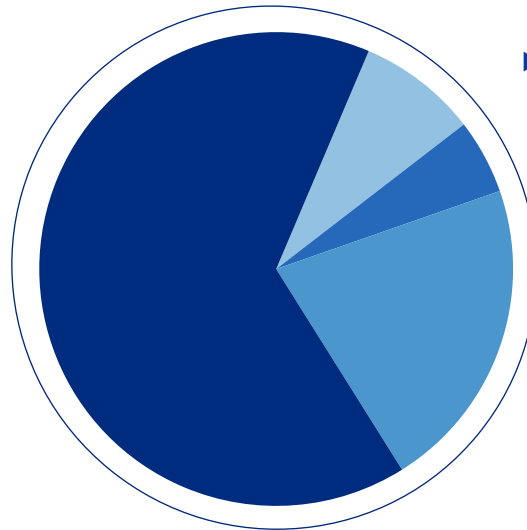
Revenue \$ 2,249 m + 13%  
Organic growth + 3%

## ▶ International 34% of total revenue

Revenue \$ 1,163 m + 7%cc  
Organic growth + 7%

EMEA \$ 702 m + 4%cc  
Asia-Pacific \$ 259 m + 7%cc  
Latin America \$ 202 m + 23%cc

▶ 66% North America



▶ 7% Asia-Pacific

▶ 6% Latin America

▶ 21% Europe | Middle East | Africa

cc = constant currency

# Q3/9M | Dialysis Services | Revenue growth

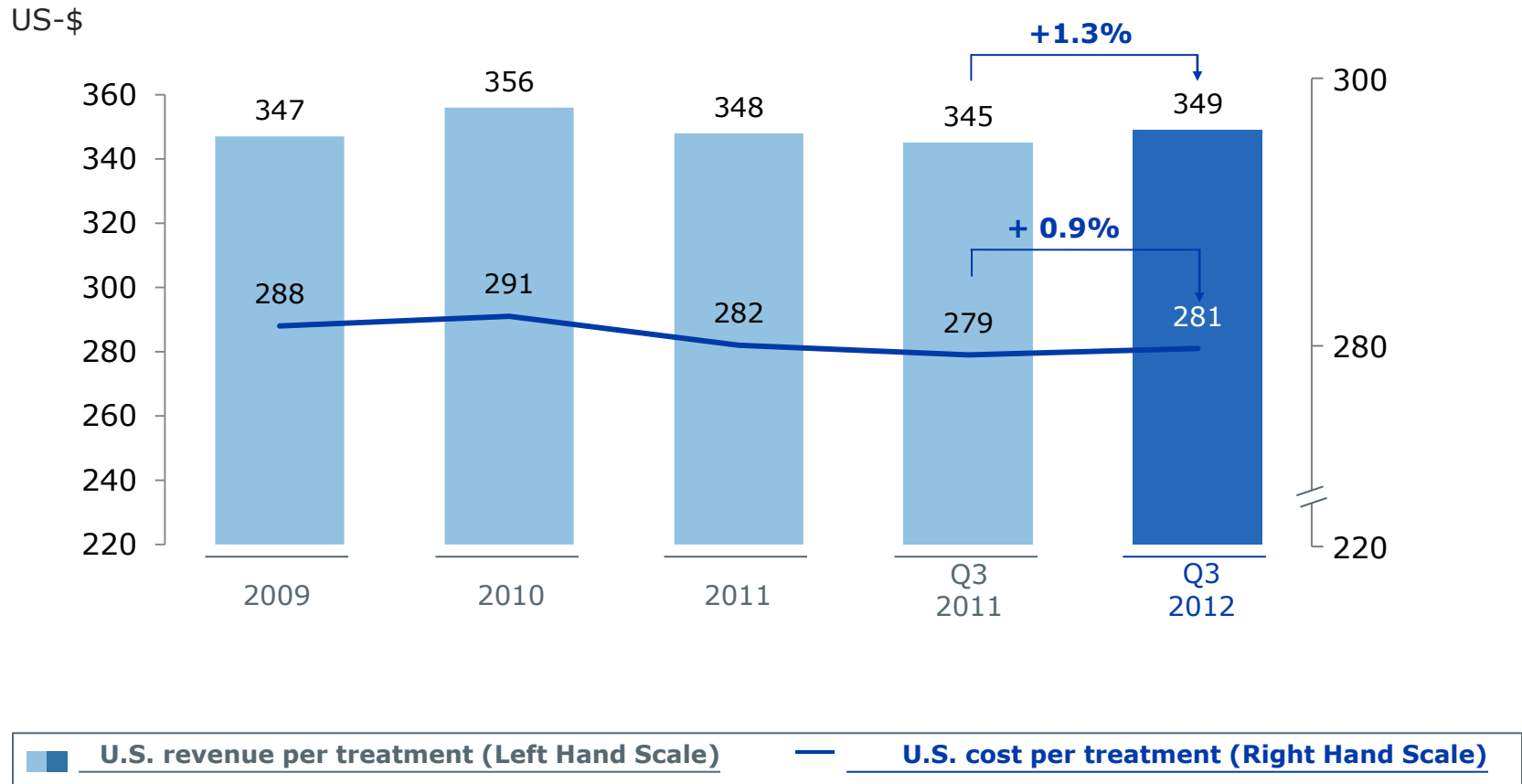
Strong growth in constant currency

In US-\$ million	Q3 2011	<b>Q3 2012</b>	Growth in %	Growth in %cc	Organic growth in %	Same market treatment growth in %
North America	1,788	2,047	15	15	3	4
International	579	558	(4)	6	5	2
▶ Total	2,367	2,605	10	12	3	3

In US-\$ million	9M 2011	<b>9M 2012</b>	Growth in %	Growth in %cc	Organic growth in %	Same market treatment growth in %
North America	5,289	6,007	14	14	2	4
International	1,616	1,680	4	12	5	4
▶ Total	6,905	7,688	11	13	3	4

cc = constant currency

# Q3 | U.S. Dialysis Services





# Q3 | Dialysis Services | Quality outcomes

Excellent quality improvement programs

		U. S.		EMEA		Asia-Pacific**	
% of patients	Q3 2011	<b>Q3 2012</b>		Q3 2011	<b>Q3 2012</b>	Q3 2011	<b>Q3 2012</b>
Kt/V $\geq$ 1.2	97	97		96	96	97	97
No catheter (>90 days)	81	82		84	85	96	93
Hemoglobin = 10 – 12 g/dl	77	74		57	59	57	58
Hemoglobin = 10 – 13 g/dl (Int. Reg.)	89	83		78	78	66	66
Albumin $\geq$ 3.5 g/dl*	84	85		86	87	90	89
Phosphate $\leq$ 5.5 mg/dl	64	66		75	78	73	73
Calcium 8.4 – 10.2 mg/dl	80	84		78	77	75	74
Hospitalization days, per patient	9.8	9.7		9.4	9.3	5.0	4.5

\* In the U.S. the albumin results are calculated with the BCG-method (bromocresol green)

\*\* Phillipines and Taiwan Jiatae included as of Q2 2012

# Q3/9M | Dialysis Products | Revenue growth

Growth in constant currency at or above estimated market growth

US-\$ in millions	Q3 2011	<b>Q3 2012</b>	Growth in %	Growth in %cc
▶ Total Product Revenue	1,129	1,121	(1)	6
North America	204	202	(1)	(1)
International	608	605	(1)	9
▶ Total External Revenue	817	813	(1)	7

US-\$ in millions	9M 2011	<b>9M 2012</b>	Growth in %	Growth in %cc
▶ Total Product Revenue	3,281	3,302	1	6
North America	599	595	(1)	(1)
International	1,789	1,790	-	8
▶ Total External Revenue	2,401	2,407	-	6

cc = constant currency

# Q3 | Strong revenue growth in North America

## Growth (Q3 2012 / Q3 2011)

▶ North America	+13%
▶ Services	+15%
▶ Products - External Revenue (North America)	
➤ Total Dialysis Products	-1.1%
▶ Products - External Revenue (North America adj.*)	
➤ Total Dialysis Products	+2.2%
➤ Hemodisposable Products	+7.3%

\*Adjusted to exclude Liberty/RAI from External Revenue

## Q3 | Summary

- ▶ Divestiture of clinics was slower than expected due to increased regulatory scrutiny and affected same store growth in Europe and revenue rate in North America
- ▶ Outstanding cash collection despite difficult global economic environment with Days Sales Outstanding (DSO)
- ▶ Continued focus on a global basis with payers to achieve increased reimbursement while providing additional patient care services
- ▶ Updating our global quality systems to new standards with additional investment to provide the highest quality of patient care and products
- ▶ CEO transition on track
- ▶ Confirm our guidance for FY 2012 at the lower end of the indicated range
  - excluding the investment gain as well as potential special charges -

# 2

## FINANCIALS & OUTLOOK

*Q3 and Nine months 2012*

## Q3 | Profit & Loss

US-\$ in millions	Q3 2011	<b>Q3 2012</b>	Growth in %
Net revenue	3,184	<b>3,418</b>	7 11% cc
Operating income (EBIT)	534	<b>568</b>	6
Operating margin in %	16.8	<b>16.6</b>	
Net interest expense	68	<b>108</b>	
Income before taxes	466	<b>460</b>	(1)
Income tax expense	163	<b>153</b>	
Tax rate in %	35.0	<b>33.3</b>	
Non-controlling interest	24	<b>37</b>	
Net income attributable to FMC AG & Co. KGaA	279	<b>270</b>	(3)

cc = constant currency

## 9M | Profit & Loss

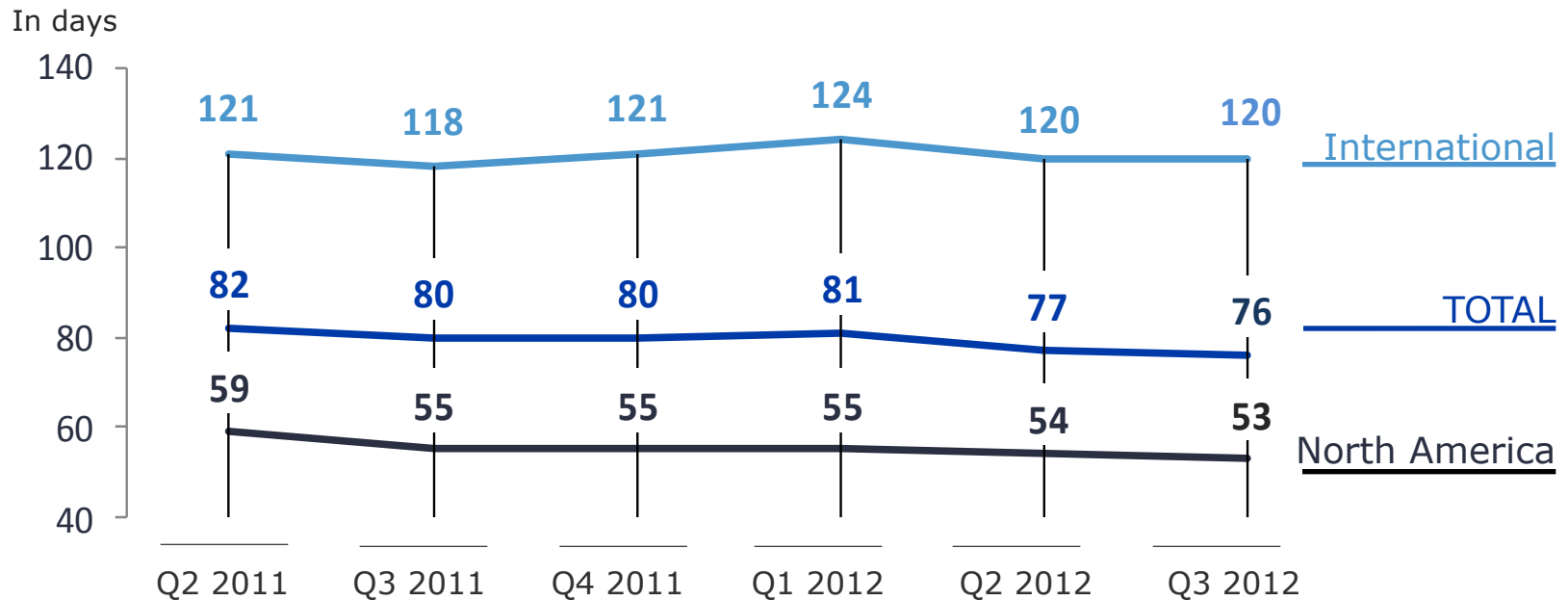
US-\$ in millions	9M 2011	<b>9M 2012</b>	Growth in %	
Net revenue	9,306	10,095	8	11% cc
Operating income (EBIT)	1,488	1,659	11	
Operating margin in %	16.0	16.4		
Net interest expense	214	311		
Income before taxes	1,274	1,488	17	Excluding investment gain \$1,348m +6%
Income tax expense	436	462		
Tax rate in %	34.2	31.1		Excluding investment gain 34.3%
Non-controlling interest	77	96		
Net income attributable to FMC AG & Co. KGaA	761	930	22	Excluding investment gain \$790m +4%

cc = constant currency

# Q3 | Day Sales Outstanding (DSO)

Excellent development with decrease of 1 day sequentially

- ▶ International DSO flat sequentially and year over year up by 2 days
- ▶ North America DSO down sequentially by 1 day and year over year by 2 days





## Q3 | Cash Flow

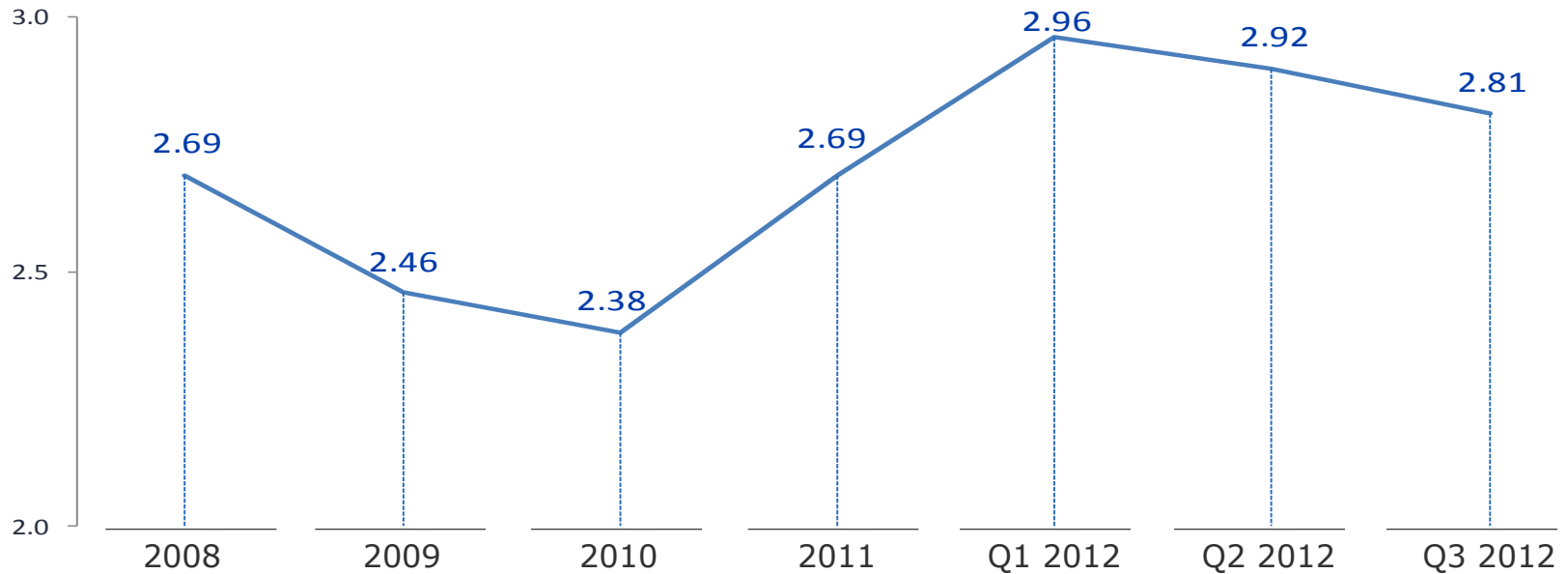
US-\$ in millions	Q3 2011	<b>Q3 2012</b>	Growth in %
Operating cash flow	463	<b>535</b>	16
% of revenue	15	16	
Capital expenditures, net*	(150)	<b>(164)</b>	
Free cash flow	313	<b>371</b>	18
Acquisitions and investments, net of divestitures*	(49)	<b>(37)</b>	
Free cash flow after acquisitions and investments	264	<b>334</b>	

Favorable working capital development

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

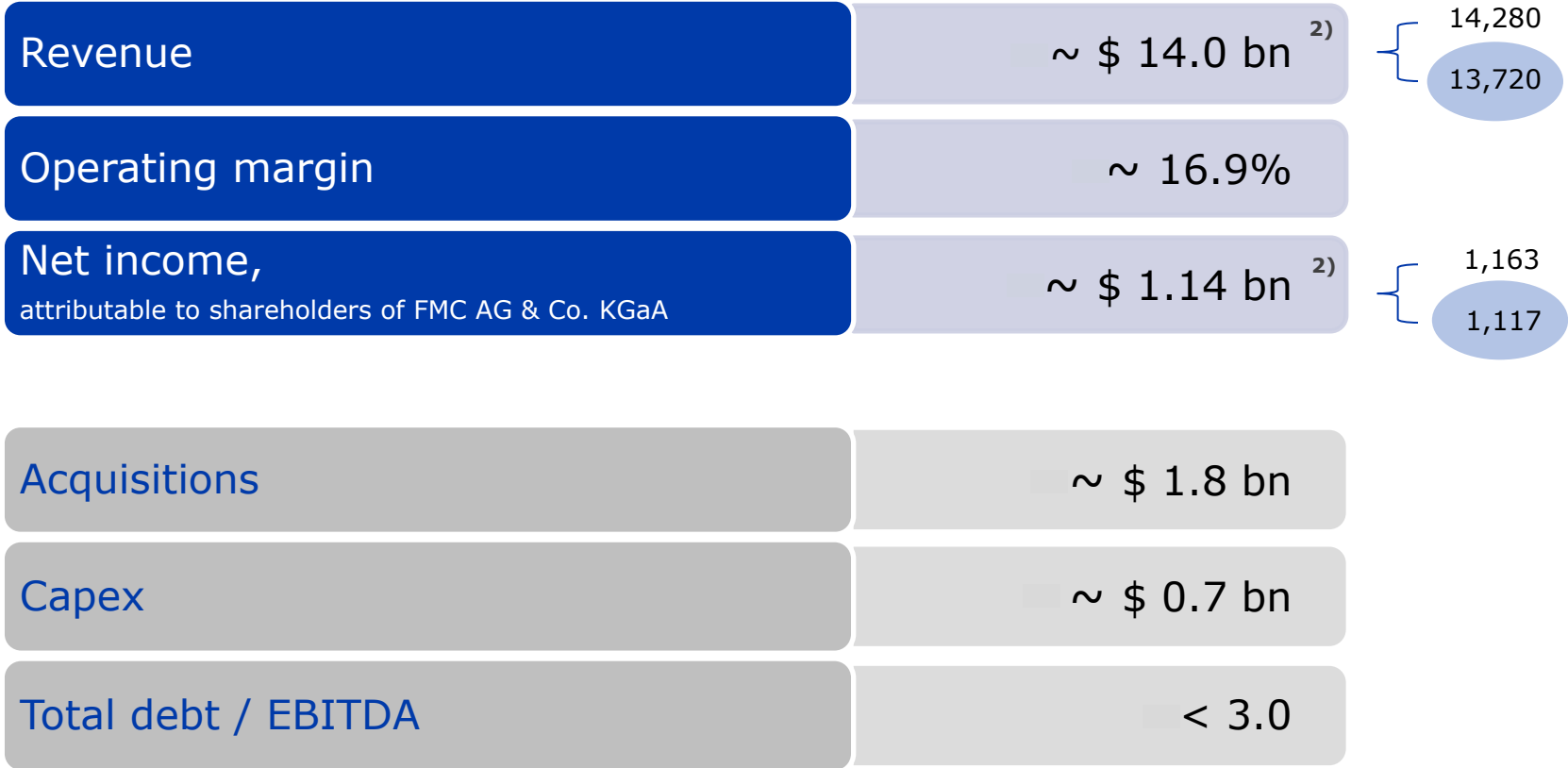
## Q3 | Total Debt/EBITDA

- ▶ FY 2012 target of < 3.0
- ▶ Total debt of \$8,441 m and annualized EBITDA of \$3,004 m



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

# 2012 | Outlook confirmed <sup>1)</sup>



- 1) This does neither include the investment gain in the amount of \$140 million in the first nine month of 2012 nor does it consider charges of up to \$70 million after tax mainly related to the intended renegotiation of the distribution, manufacturing and supply agreement for iron products in North America to reflect changes in the market and a donation to the American Society of Nephrology Foundation to establish the Ben J. Lipps Research Fellowship Program
- 2) As indicated in Q2 2012 we are defining the ~ sign as a +/- 0-2% deviation from the respective numbers.

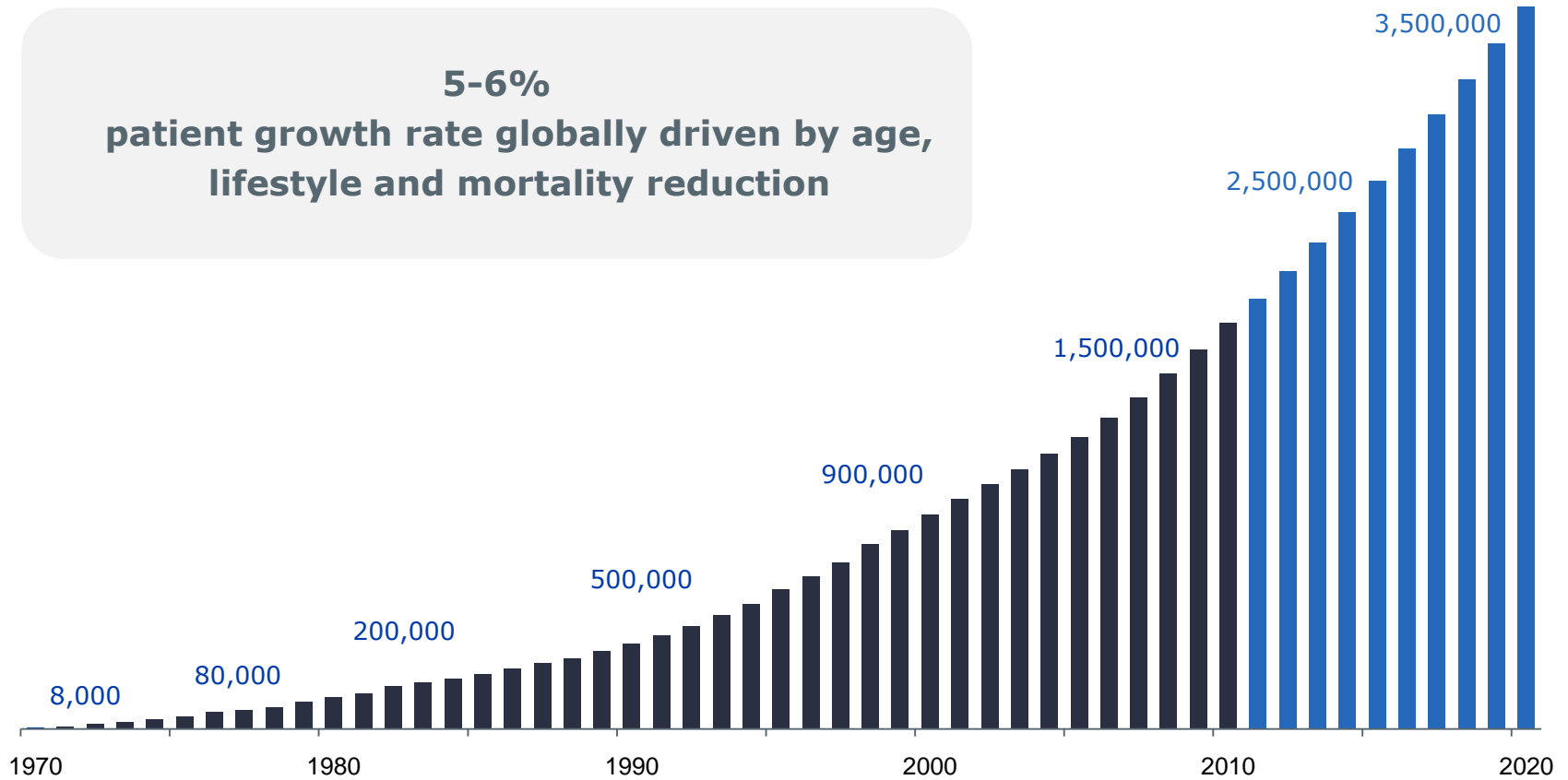
# 3

## GROWTH STRATEGY

# Development of Dialysis Patient Population Worldwide

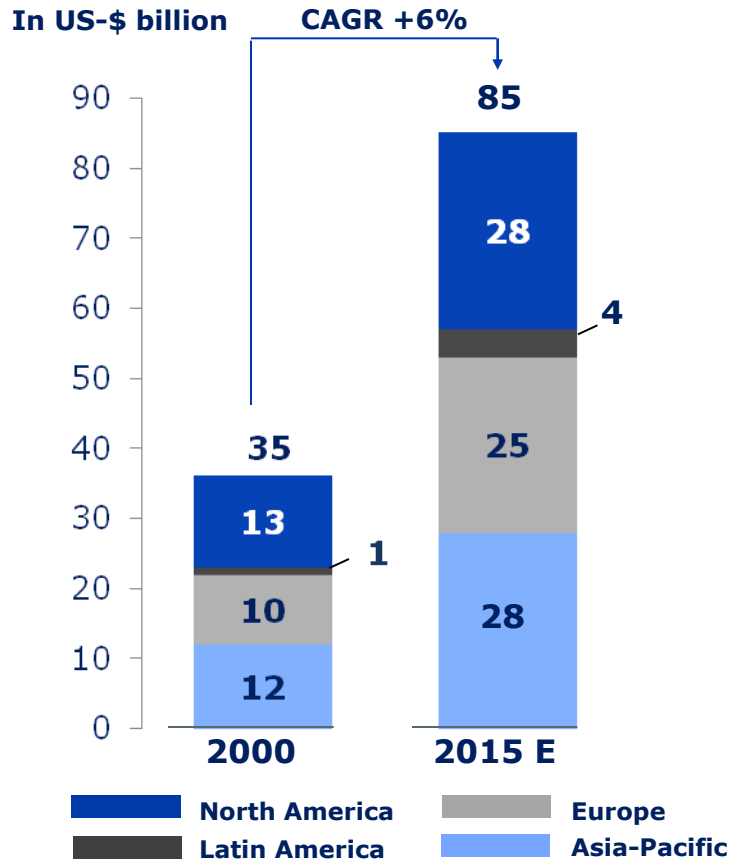
Estimates suggest an increase to nearly 4 million dialysis patients in 2020

**5-6%**  
patient growth rate globally driven by age,  
lifestyle and mortality reduction

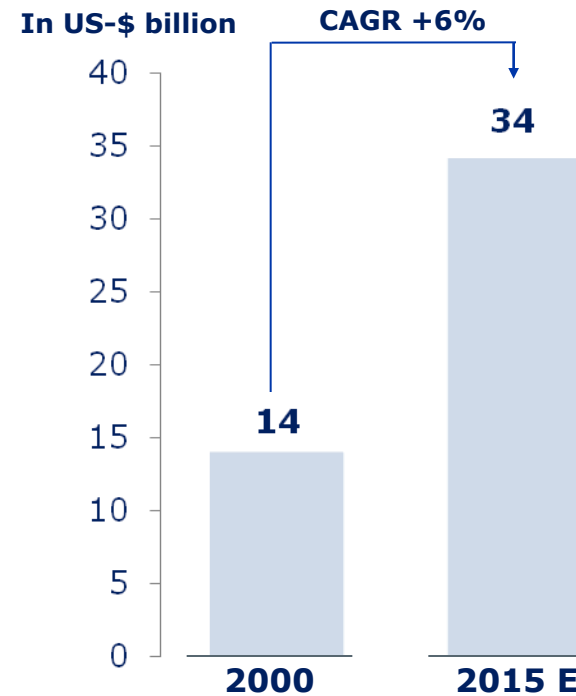


# Global Market Opportunity

## Dialysis Market by Region

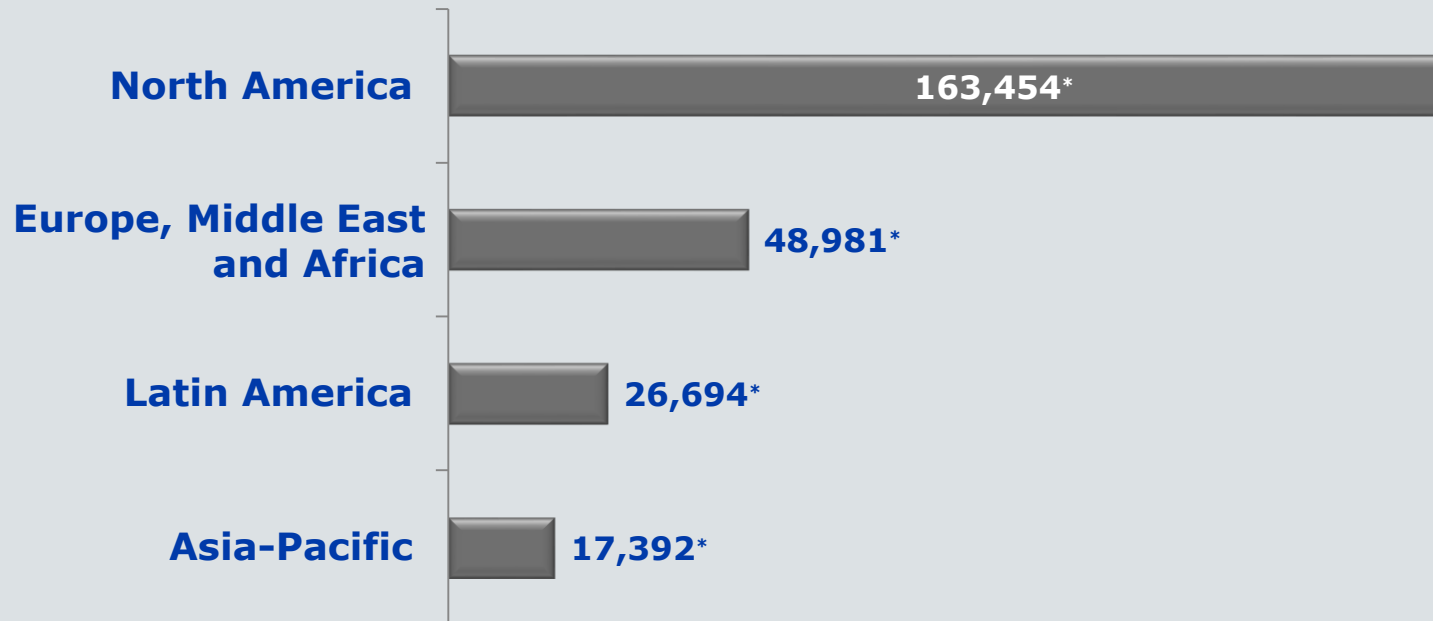


## Global Reimbursement for Dialysis Services



# Continued Global Leader in Dialysis Services

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

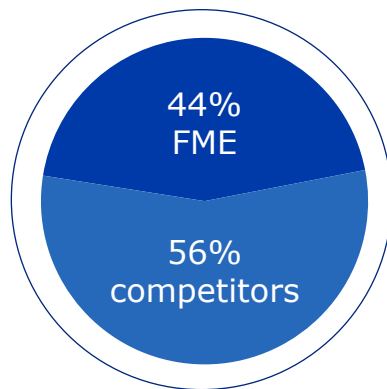


\* Number of Patients as of Q3 2012

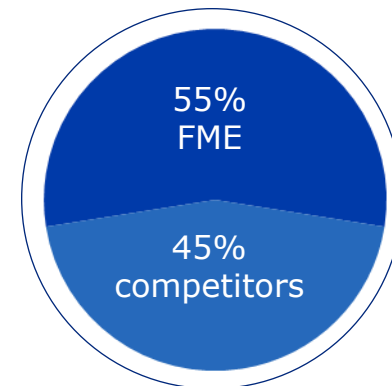
# Market position by major product groups 2011

	<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**



# Major Production Sites

## Dialysis clinics

- ▶ North America: 2,056 clinics
- ▶ Europe: 609 clinics
- ▶ Asia-Pacific: 245 clinics
- ▶ Latin America: 225 clinics

● Major Production Sites



# Product Launches

## USA



2008T with Critline®



2008T with Venofer pump



2008@Home™

## International



4008S  
classic



5008S

## New Dialyzers



Optiflux  
Ultra

## Peritoneal Dialysis



Neutral pH  
solution - pd

## Future Technology



Portable  
Artificial Kidney

# Clinic Centric – Renal Services Center

## HD

### Home Hemo

- Dialysis 3x / Week



## Dialysis Clinic

3x / Week + Nocturnal



## PD

- CAPD
- APD
- Wearable Kidney



## Assisted Self Care Dialysis

3 – 5 x / Week

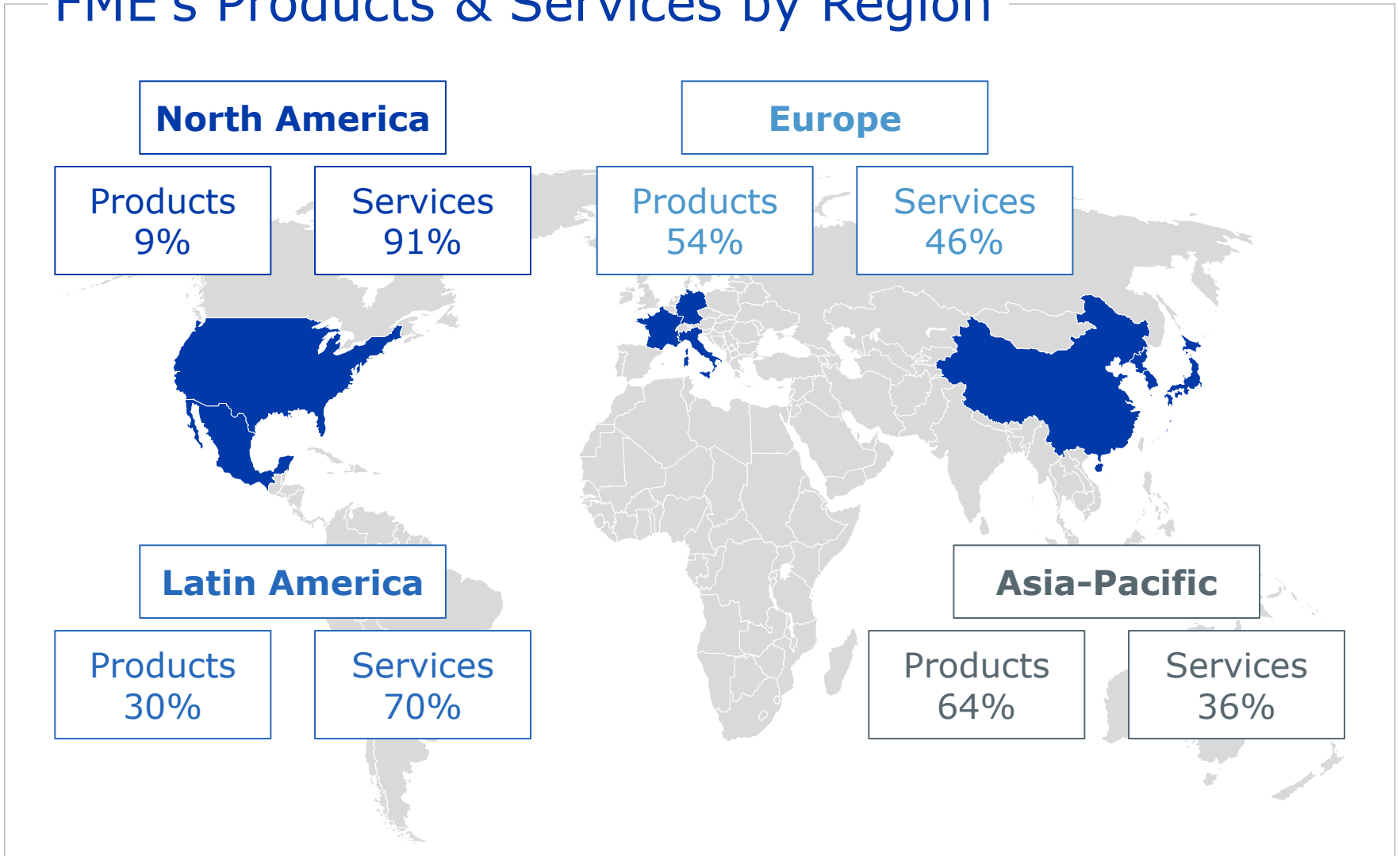
Just like Home



Portable Artificial Kidney (PAK)

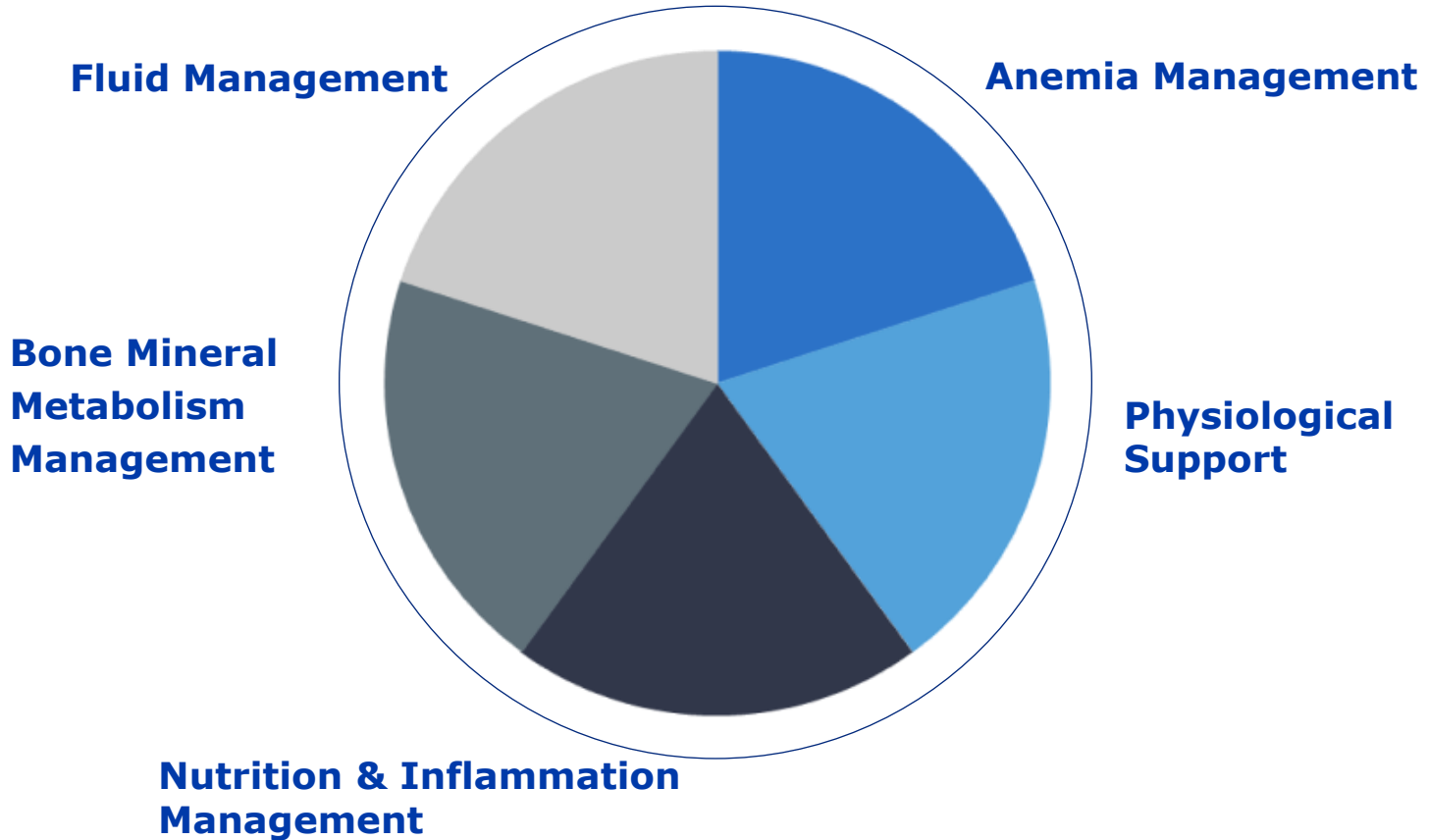


# FME's Products & Services by Region

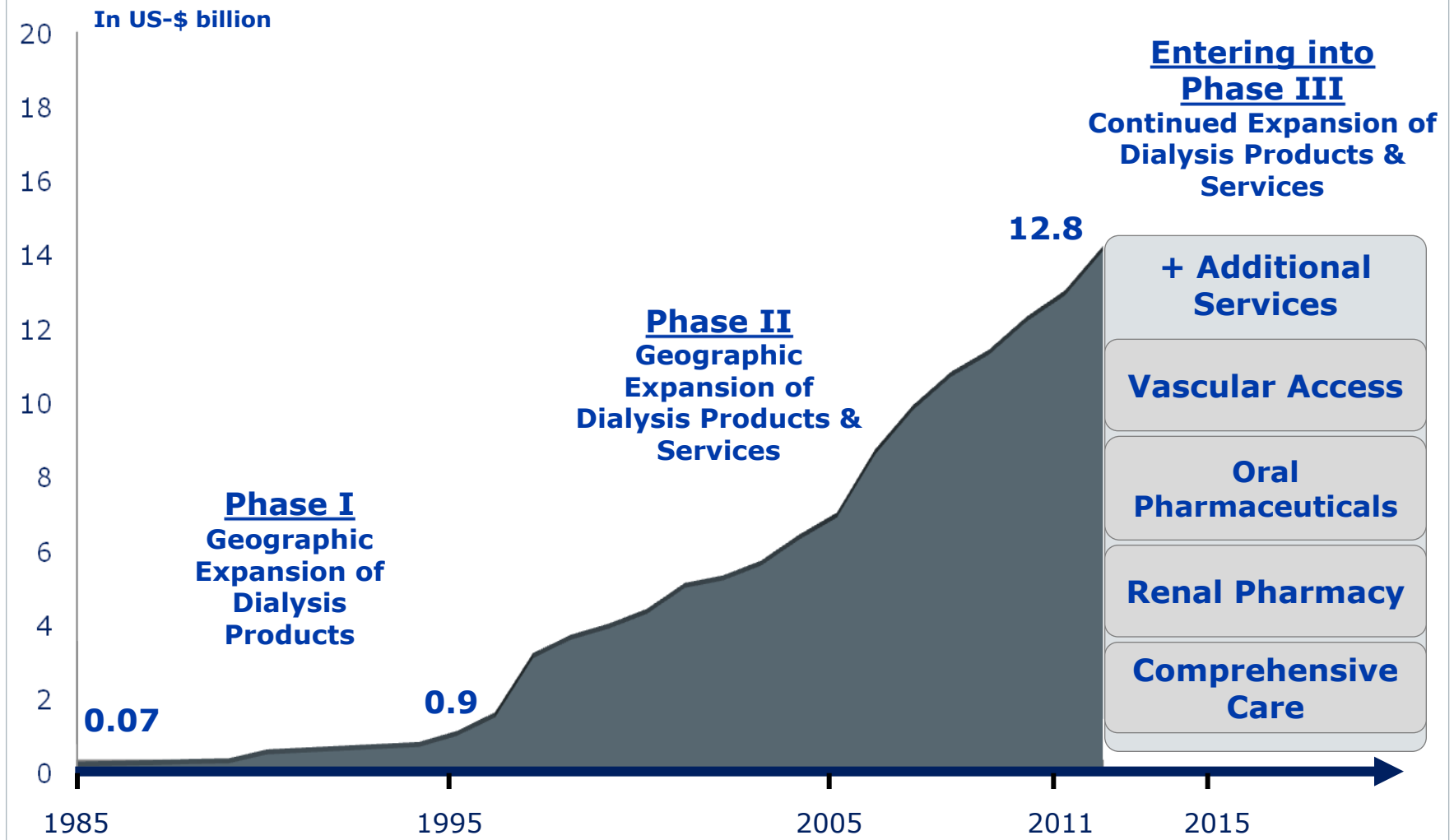


# Global Strategy

Services – Areas to improve dialysis outcomes



# Market Opportunities for Fresenius Medical Care



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

Thank you very much for your attention!

# 4

## ATTACHMENTS



# Attachment 1

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

All numbers are in US\$ m

<b>External revenue Q3 (excl. Corporate)</b>	Q3 2011	Q3 2012	Growth in %	Growth in % cc
International product revenue	723	717	(1)	9
- Internal revenue	(115)	(112)		
= International external revenue	608	605	(1)	9
North America product revenue	401	398	(1)	(1)
- Internal revenue	(197)	(196)		
= North America external revenue	204	202	(1)	(1)
<b>Total product revenue</b>	<b>1,129</b>	<b>1,121</b>	<b>(1)</b>	<b>6</b>
- Internal revenue	(312)	(308)		
<b>▶ Total external revenue</b>	<b>817</b>	<b>813</b>	<b>(1)</b>	<b>7</b>
<b>Capital expenditure, net</b>	Q3 2011	Q3 2012		
Purchase of property, plant and equipment	(158)	(173)		
- Proceeds from sale of property, plant and equipment	8	9		
= Capital expenditure, net	(150)	(164)		

## Attachment 2

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

All numbers are in US\$ m

<b>External revenue 9M (excl. Corporate)</b>	9M 2011	9M 2012	Growth in %	Growth in % cc
International product revenue	2,095	2,111	1	9
- Internal revenue	(306)	(321)		
= International external revenue	1,789	1,790	0	8
North America product revenue	1,173	1,169	0	0
- Internal revenue	(574)	(574)		
= North America external revenue	599	595	(1)	(1)
<b>Total product revenue</b>	<b>3,281</b>	<b>3,302</b>	<b>1</b>	<b>6</b>
- Internal revenue	(880)	(895)		
<b>► Total external revenue</b>	<b>2,401</b>	<b>2,407</b>	<b>0</b>	<b>6</b>

<b>Capital expenditure, net</b>	9M 2011	9M 2012
Purchase of property, plant and equipment	(397)	(450)
- Proceeds from sale of property, plant and equipment	17	12
= Capital expenditure, net	(380)	(438)

# Attachment 3

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

All numbers are in US\$ m

<b>Cash Flow</b>	9M 2011	9M 2012	Q3 2011	Q3 2012
Acquisitions, investments and net purchases of intangible assets	(1,171)	(1,789)	(49)	(41)
+ Proceeds from divestitures	-	232	-	4
= Acquisitions and investments, net of divestitures	(1,171)	(1,557)	(49)	(37)

<b>Patients, treatments, clinics – Q3 2012</b>	Clinics	Patients	Treatments in million
North America	2,056	163,454	18.07
Growth in %	12	16	12
International	1,079	93,067	10.54
Growth in %	4	6	13
Europe	609	48,981	5.57
Latin America	225	26,694	3.04
Asia-Pacific	245	17,392	1.93
<b>► TOTAL</b>	<b>3,135</b>	<b>256,521</b>	<b>28.60</b>
Growth in %	9	12	12

# Attachment 4

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

All numbers are in US\$ m

<b>Debt</b>	<b>Q3 2012</b>	<b>FY2011</b>	<b>FY 2010</b>	<b>FY 2009</b>	<b>FY 2008</b>
Short term borrowings (incl. A/R program <sup>1</sup> )	114	99	671	316	684
+ Short term borrowing from related parties	95	28	10	10	1
+ Current portion of long-term debt and capital lease obligations	499	1,589	264	158	455
+ Current portion of trust preferred securities	-	-	625	-	-
+ Long-term debt and capital lease obligations less current portion	7,733	5,495	4,310	4,428	3,957
+ Trust preferred securities less current portion	-	-	-	656	641
<b>▶ TOTAL debt</b>	<b>8,441</b>	<b>7,211</b>	<b>5,880</b>	<b>5,568</b>	<b>5,738</b>
<b>EBITDA</b>	<b>Q3 2012</b>	<b>FY2011</b>	<b>FY 2010</b>	<b>FY 2009</b>	<b>FY 2008</b>
Last twelve months operating income (EBIT)	2,329	2,075	1,924	1,756	1,672
+ Last twelve months depreciation and amortization	614	557	503	457	416
+ Non-cash charges	61	54	45	50	44
<b>▶ EBITDA (annualized)</b>	<b>3,004</b>	<b>2,686</b>	<b>2,472</b>	<b>2,263</b>	<b>2,132</b>
<b>▶ Total Debt / EBITDA</b>	<b>2.81</b>	<b>2.69</b>	<b>2.38</b>	<b>2.46</b>	<b>2.69</b>

<sup>1</sup> 2006 - 2010

# Contacts



## Investor Relations

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# Financial Calendar\*

Feb 26, 2013      Report on Fiscal Year 2012

April 30, 2013      Report on 1<sup>st</sup> quarter 2013

May 16, 2013      Annual General Meeting

\* Please note 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.



**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).