

Fiscal Year 2013

Conference Call
February 25, 2014



**FRESENIUS
MEDICAL CARE**

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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. Amounts are in US-\$ if not mentioned otherwise.

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Business Update

Q4 and Full Year 2013

Rice Powell, CEO

Achieved guidance for fiscal year 2013

	FY 2013 in \$ millions	Growth in %
Net Revenue	14,610	6
Earnings before interest and tax (EBIT)	2,256	2
Net income	1,110	(6)
Earnings per ordinary share (EPS)	3.65	(6)

- ▶ Achieved the top and bottom line guidance
- ▶ 17th consecutive dividend increase will be proposed
- ▶ Difficult year influenced by e.g. a tough comparison base in 2012, legislative overhang, sequestration impact and medical device tax, higher run-rate for investments in enhancement of quality/compliance systems
- ▶ Global dialysis environment remains difficult in 2014 dealing with unfavourable reimbursement outcome in U.S., expecting further drug price increases and continued reimbursement pressures in International

Revenue breakdown for fiscal year 2013

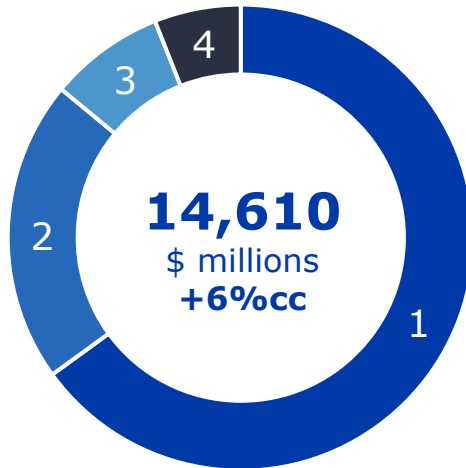
North America

Revenue	\$ 9,606 m	+ 6%
Organic growth		+ 4%

International

~ 34% of total revenue

Revenue	\$ 4,970 m	+ 6%cc
Organic growth		+ 5%
Europe	\$ 3,023 m	+ 3%cc
Asia-Pacific	\$ 1,104 m	+ 8%cc
Latin America	\$ 843 m	+ 15%cc



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

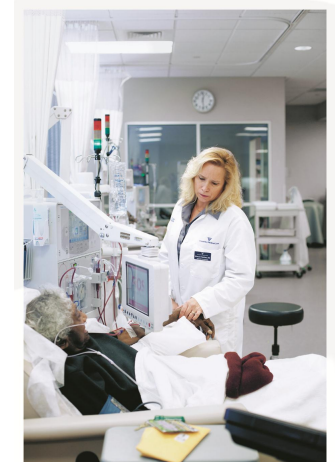
cc = constant currency

Expanded our global service franchise in 2013

	Clinics as of Dec. 31, 2013	De novo FY 2013	Acquired FY 2013
Total	3,250	80	50
Growth vs. Dec. 31, 2012	+ 3%		
North America	2,133	51	13
Growth vs. Dec. 31, 2012	+2%		
International	1,117	29	37
Growth vs. Dec. 31, 2012	+ 4%		

- ▶ Delivered more than 40 million treatments globally +5%
 - North America ~25.5 m | International ~14.5 m

- ▶ Providing care to more than 270,000 patients globally +5%
 - North America ~171,400 | International ~98,700



Revenue growth in Dialysis Services

	Q4 2012 in \$ millions	Q4 2013 in \$ millions	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
North America	2,222	2,288	3	3	1.5*	3
International	582	607	4	8	6	3
Total Dialysis Services	2,804	2,895	3	4	2	3

	FY 2012 in \$ millions	FY 2013 in \$ millions	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
North America	8,230	8,772	7	7	4	4
International	2,262	2,358	4	7	6	4
Total Dialysis Services	10,492	11,130	6	7	5	4


* Excluding the special collection efforts in Q4 2012 organic growth would have been 5.7%


cc = constant currency

Quality outcomes

% of patients	U.S.		EMEA		Asia-Pacific	
	Q3 2013	Q4 2013	Q3 2013	Q4 2013	Q3 2013	Q4 2013
Kt/V \geq 1.2	97	97	96	96	96	96
No catheter (>90 days)	84	83	82	83	93	92
Hemoglobin = 10 – 12 g/dl	76	75	60	60	59	59
Hemoglobin = 10 – 13 g/dl (International)	81	81	78	78	67	68
Albumin \geq 3.5 g/dl	85	86	88	88	91	91
Phosphate \leq 5.5 mg/dl	66	66	76	77	71	70
Calcium 8.4 – 10.2 mg/dl	84	84	77	77	75	75
Hospitalization days, per patient	9.4	9.4	9.3	9.4	4.2	4.2

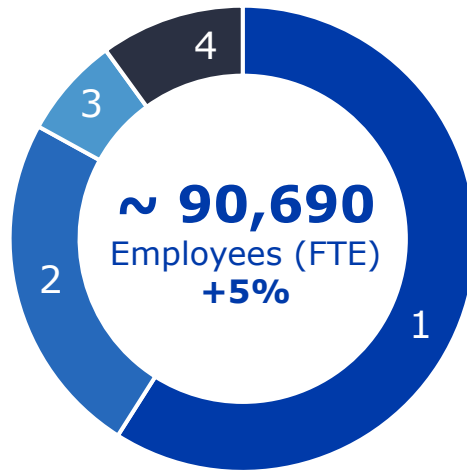
Revenue growth in Dialysis Products (external)

		Q4 2012 in \$ millions	Q4 2013 in \$ millions	Growth in %	Growth in %cc
Product Revenue		902	972	8	8
of which North America		207	219	6	6
of which International		688	744	8	8

		FY 2012 in \$ millions	FY 2013 in \$ millions	Growth in %	Growth in %cc
Product Revenue		3,308	3,480	5	5
of which North America		801	834	4	4
of which International		2,478	2,612	5	5

cc = constant currency

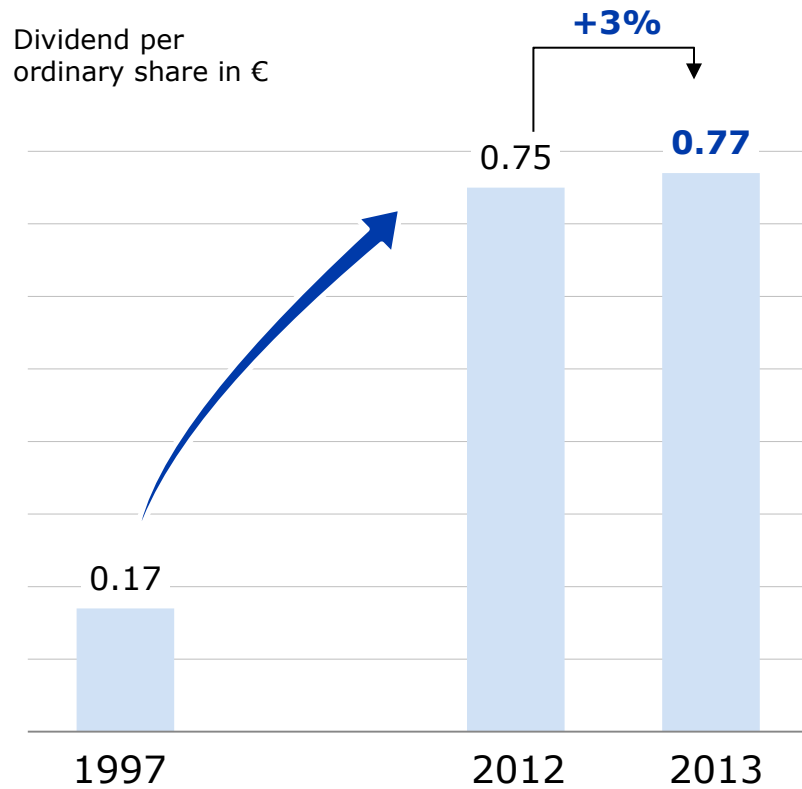
2013 Number of employees increased by 5% due to global expansion



1	North America	59%
2	Europe/Middle East/Africa	24%
3	Asia-Pacific	7%
4	Latin America	10%

- ▶ Dialysis Services ~77% and Dialysis Products ~23%
- ▶ More than doubled the number of employees over the last 10 years (2003: ~41,100)

2013 – 17th consecutive dividend increase



- ▶ 2013 Earnings after tax decline of 6% on a reported basis
- ▶ Increase in dividend despite earnings driven policy

Summary

- ▶ Focused on improving quality of life for patients
- ▶ Leader in the growing global dialysis market
- ▶ Mitigating the reimbursement cuts in U.S. and austerity measures
- ▶ The global efficiency program will enhance performance over time
- ▶ In the long run the opportunities will outweigh the challenges
- ▶ We are well positioned for future growth

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Financials & Outlook

Q4 and Full Year 2013

Mike Brosnan, CFO

Q4 Profit & Loss

	Q4 2012 in \$ millions	Q4 2013 in \$ millions	Growth in %
Net revenue	3,706	3,867	4 (5 cc)
Operating income (EBIT)	559	661	18
EBIT-margin in %	15.1	17.1	
Net income	257	349	36

- ▶ Unfavourable effects from sequestration and medical device tax in the U.S.
- ▶ Favourable underlying revenue per treatment development and very strong product business
- ▶ Gain from sale of real estate, mostly offset by higher bad debt expense
- ▶ Lower manufacturing cost
- ▶ Base effect in Q4 2013 since net effect of special items in Q4 2012 was approx. \$ -20m

FY Profit & Loss

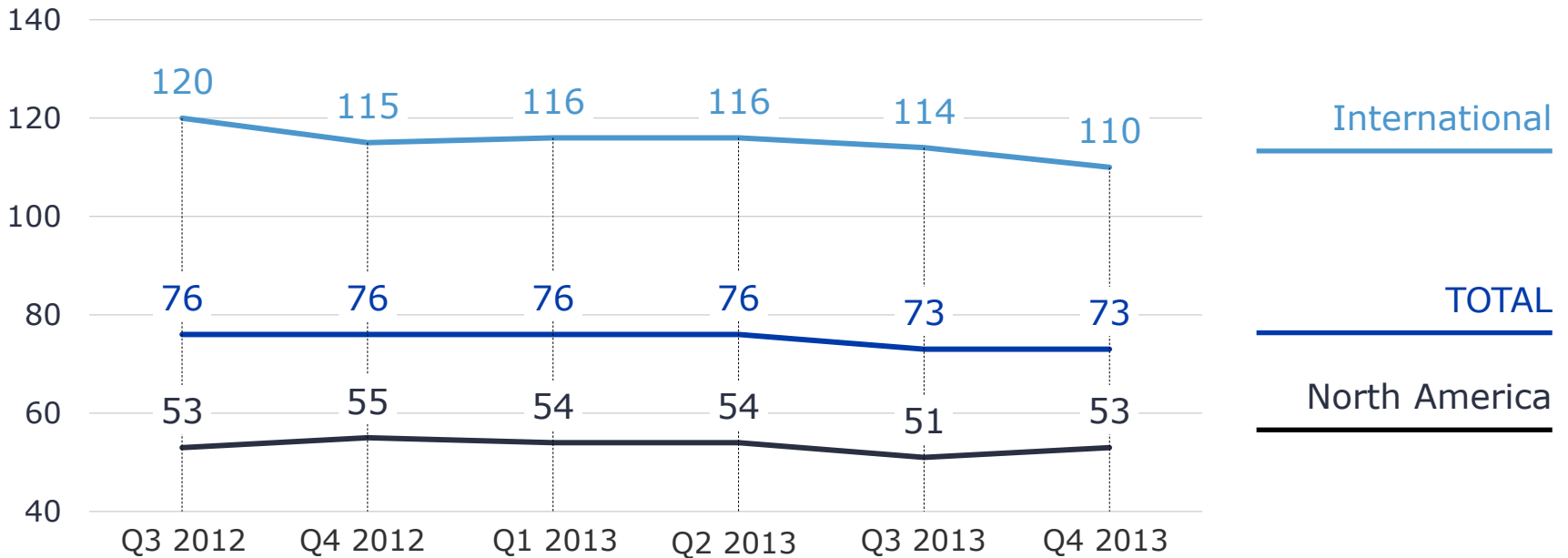
	FY 2012 in \$ millions	FY 2013 in \$ millions	Growth in %
Net revenue	13,800	14,610	6 (6 cc)
Operating income (EBIT)	2,219	2,256	2
EBIT-margin in %	16.1	15.4	
Net income	1,187	1,110	(6)
Net income, adjusted for the investment gain in 2012	1,047	1,110	6

- ▶ Ebit-margin impacted by 60bps due to sequestration and medical device tax
- ▶ Increased personnel cost

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

Day Sales Outstanding (DSO)

In days



- ▶ Very positive trend in International and benchmark level in North America
- ▶ North America down 2 days y-o-y and International down 5 days y-o-y

Strong Cash Flow

	Q4 2012 in \$ millions	Q4 2013 in \$ millions	Growth in %
Operating cash flow	572	589	3
Capital expenditures, net	(227)	(234)	
Free cash flow	345	355	3
Free cash flow, after acquisitions and investments	286	157	

	FY 2012 in \$ millions	FY 2013 in \$ millions	Growth in %
Operating cash flow	2,039	2,035	-
Capital expenditures, net	(666)	(728)	
Free cash flow	1,373	1,307	(5)
Free cash flow, after acquisitions and investments	(242)	829	

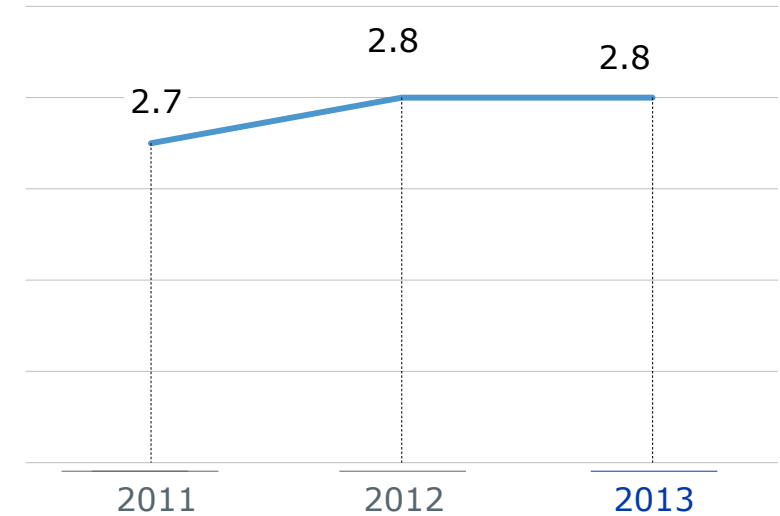
A reconciliation to the most directly comparable U.S. GAAP financial measures is provided in the attachments

Total Debt/EBITDA-ratio

Total debt in \$ millions



Total debt/EBITDA-ratio in %



Ratings	S&P	Moody's	Fitch *
Company	BB+	Ba1	BB+
Outlook	positive	Stable	Stable

* Under review

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

2014 Outlook

In \$ millions	2013	2014 E
	Reported	
Revenue	14,600	~ 15,200
EBIT	2,256	~ 2.2bn
Net income	1,110	1.0–1.05bn

- ▶ Outlook excludes potential net cost savings from the global efficiency program for 2014
- ▶ Potential acquisitions are not included
- ▶ Adequate assumptions on commercial payor mix and pricing
- ▶ Adequate assumptions on drug usage and pricing
- ▶ Investments in quality/compliance systems to continue to comply with standards

Drivers of growth beyond 2014

Positive

- ▶ Following the base effect of the reimbursement changes the growth of earnings is expected to be at least in line with revenue growth
- ▶ Global efficiency program which is designed to enhance performance of the company over a multi-year period which should lead to sustainable savings

To be considered

- ▶ To achieve savings - investments are needed. The net impact of the efficiency program is therefore not linear
- ▶ Investments in quality- and compliance-systems will also be influential beyond 2014

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Questions & Answers

Q4 and Full Year 2013

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

Thank you very much for your attention!

Exchange rates

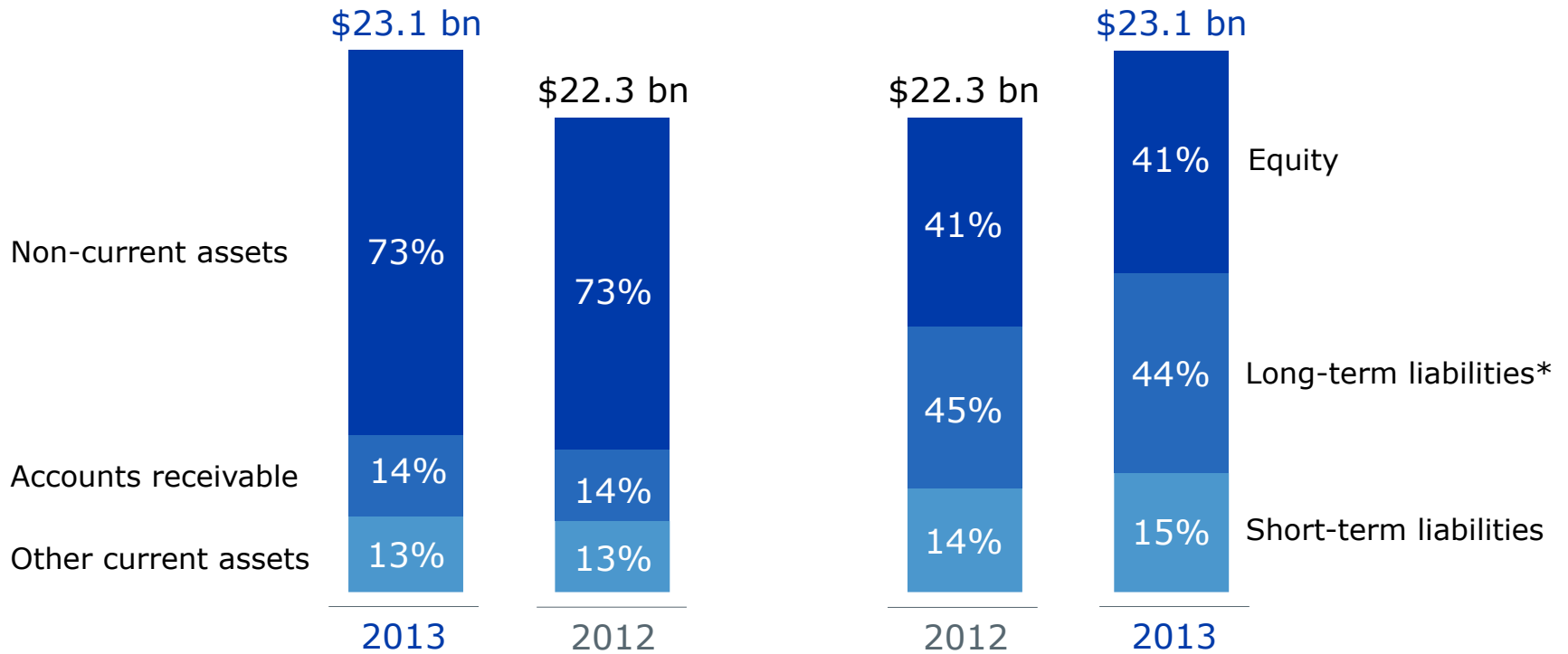
\$:€	Q4 2012	FY 2012	Q4 2013	FY 2013
Period end	1.319	1.319	1.379	1.379
Average	1.297	1.285	1.361	1.328

\$:ARS	Q4 2012	FY 2012	Q4 2013	FY 2013
Period end	4.925	4.925	6.514	6.514
Average	4.796	4.547	6.047	5.478

Dialysis days per quarter

	Q1	Q2	Q3	Q4	Full Year
2012	78	78	78	80	314
2013	76	78	79	80	313
2014	76	78	79	79	312
2015	77	78	79	79	313

Fiscal Year 2013 – Balance sheet remains strong



* Including non-controlling interests subject to put provisions

Patients, treatments, clinics – FY 2013

	Clinics	Patients	Treatments in million
North America	2,133	171,440	25.66
Growth in %	2	4	5
International	1,117	98,682	14.80
Growth in %	4	6	4
Europe	632	51,541	7.73
Latin America	231	29,272	4.42
Asia-Pacific	254	17,869	2.65
Total	3,250	270,122	40.46
Growth in %	3	5	5

EBIT – Reconciliation

	Q4 2012	Q4 2013	FY 2012	FY 2013
EBIT, reported	559	661	2,219	2,256
- excluding special items related to Liberty acq. ¹⁾	2	-	(12)	(8)
- excluding sequestration impact	-	18	-	56
EBIT, adjusted	561	679	2,207	2,304

Net income - Reconciliation

attributable to shareholders of FME AG&Co. KGaA

	Q4 2012	Q4 2013	FY 2012	FY 2013
Net income, reported	257	349	1,187	1,110
attributable to shareholders of FME AG&Co. KGaA				
- excluding special items related to Liberty acq. ²⁾	1	-	(146)	(3)
- excluding sequestration impact	-	9	-	31
Net income, adjusted	258	358	1,041	1,138
attributable to shareholders of FME AG&Co. KGaA				

¹⁾ Legal, consulting, other expenses and gain on sale of clinics

²⁾ Net of tax effects of legal, consulting, other expenses, gain on sale of clinics, gain on retirement of loan receivable and investment gain

Attachment 1

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

In \$ millions

Debt	FY 2013	FY 2012	FY 2011
Short term borrowings (incl. A/R program)	97	118	99
+ Short term borrowing from related parties	62	4	28
+ Current portion of long-term debt and capital lease obligations	511	335	1,589
+ Long-term debt and capital lease obligations less current portion	7,747	7,841	5,495
TOTAL debt	8,417	8,298	7,211

EBITDA	FY 2013	FY 2012 ¹⁾	FY 2011
Last twelve month operating income (EBIT)	2,256	2,255	2,075
+ Last twelve month depreciation and amortization	648	612	557
+ Non-cash charges	68	64	54
EBITDA (annualized)	2,972	2,931	2,686
Total Debt / EBITDA	2.8	2.8	2.7

¹⁾ EBITDA 2012: pro forma numbers incl. Liberty Dialysis Holdings Inc., after FTC mandated divestitures

Attachment 2

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

In \$ millions

Cash Flow	Q4 2012	Q4 2013	FY 2012	FY 2013
Acquisitions, investments and net purchases of intangible assets	(90)	(198)	(1,879)	(496)
+ Proceeds from divestitures	31	-	264	18
= Acquisitions and investments, net of divestitures	(59)	(198)	(1,615)	(478)

Capital Expenditure, net	Q4 2012	Q4 2013	FY 2012	FY 2013
Purchase of property, plant and equipment	(225)	(235)	(675)	(748)
- Proceeds from sale of property, plant & equipment	(2)	1	9	20
= Capital expenditure, net	(227)	(234)	(666)	(728)

Attachment 3

In \$ millions

Total Product Revenue	Q4 2012	Q4 2013	Growth in %	Growth in %cc
International product revenue	814	882	8	8
- Internal revenue	(126)	(138)	10	12
= International external revenue	688	744	8	8
North America product revenue	408	435	7	7
- Internal revenue	(201)	(216)	7	7
= North America external revenue	207	219	6	6
Total product revenue	1,229	1,326	8	8
- Internal revenue	(327)	(354)	8	9
Total external revenue	902	972	8	8
Total Product Revenue	FY 2012	FY 2013	Growth in %	Growth in %cc
International product revenue	2,926	3,110	6	6
- Internal revenue	(448)	(498)	11	13
= International external revenue	2,478	2,612	5	5
North America product revenue	1,576	1,650	5	5
- Internal revenue	(775)	(816)	5	5
= North America external revenue	801	834	4	4
Total product revenue	4,531	4,794	6	6
- Internal revenue	(1,223)	(1,314)	8	8
Total external revenue	3,308	3,480	5	5

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.

Contacts

Fresenius Medical Care

Investor Relations

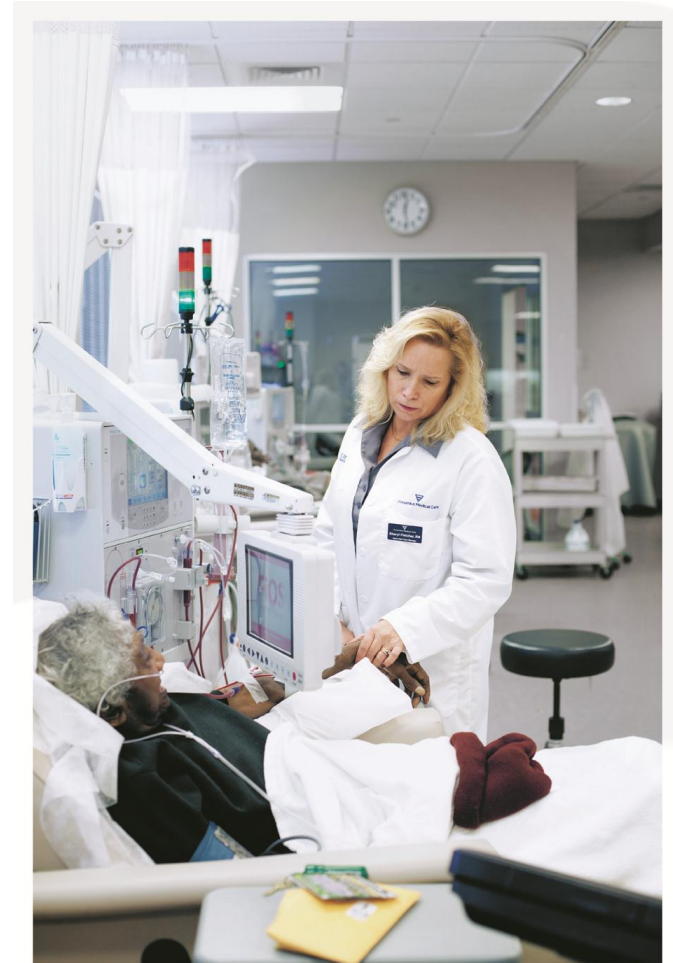
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Financial Calendar *

Feb 25, 2014	Report on Fiscal Year 2013
Apr 03, 2014	Capital Market Day, New York
May 06, 2014	Report on 1 st quarter 2014
Aug 05, 2014	Report on 1 st – 2 nd quarter 2014
Nov 05, 2014	Report on 1 st – 3 rd quarter 2014

* Please notice that these dates might be subject to change

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