



Health Care Worldwide

Bank of America Merrill Lynch - Leveraged Finance Conference
December 2, 2014 - Miami



Safe Harbor Statement

This presentation contains forward-looking statements that are subject to various risks and uncertainties. Future results could differ materially from those described in these forward-looking statements due to certain factors, e.g. changes in business, economic and competitive conditions, regulatory reforms, results of clinical trials, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, and the availability of financing. Fresenius does not undertake any responsibility to update the forward-looking statements contained in this presentation.

Agenda

- Company Overview
- Business Segments
 - Fresenius Medical Care
 - Fresenius Kabi
 - Fresenius Helios
 - Fresenius Vamed
- Summary and Outlook
- Appendix



Company Overview



A Global Leader in Health Care Products and Services

- LTM Sept 2014: Sales €22 bn, net income¹ €1.8 bn
- Strong and well-diversified portfolio
- Global presence in approx. 100 countries
- Leading market positions
- Long-term opportunities in growing markets



1 – Net income incl. attributable to non-controlling interest, before one-time items

Fresenius Group: Strong and Balanced Health Care Portfolio

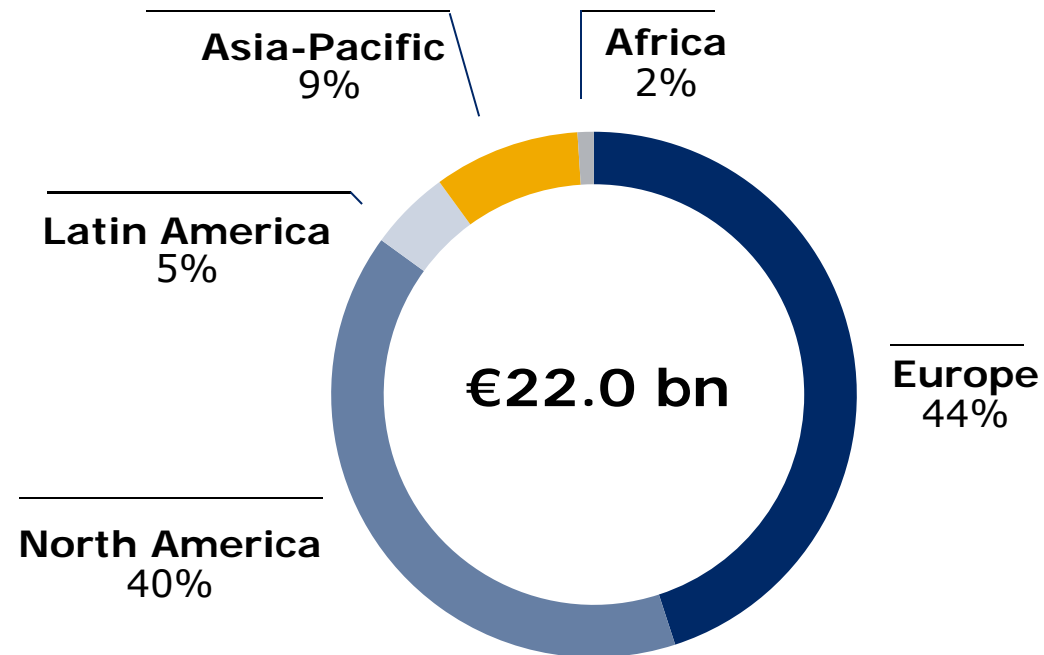


1 - LTM September 30, 2014

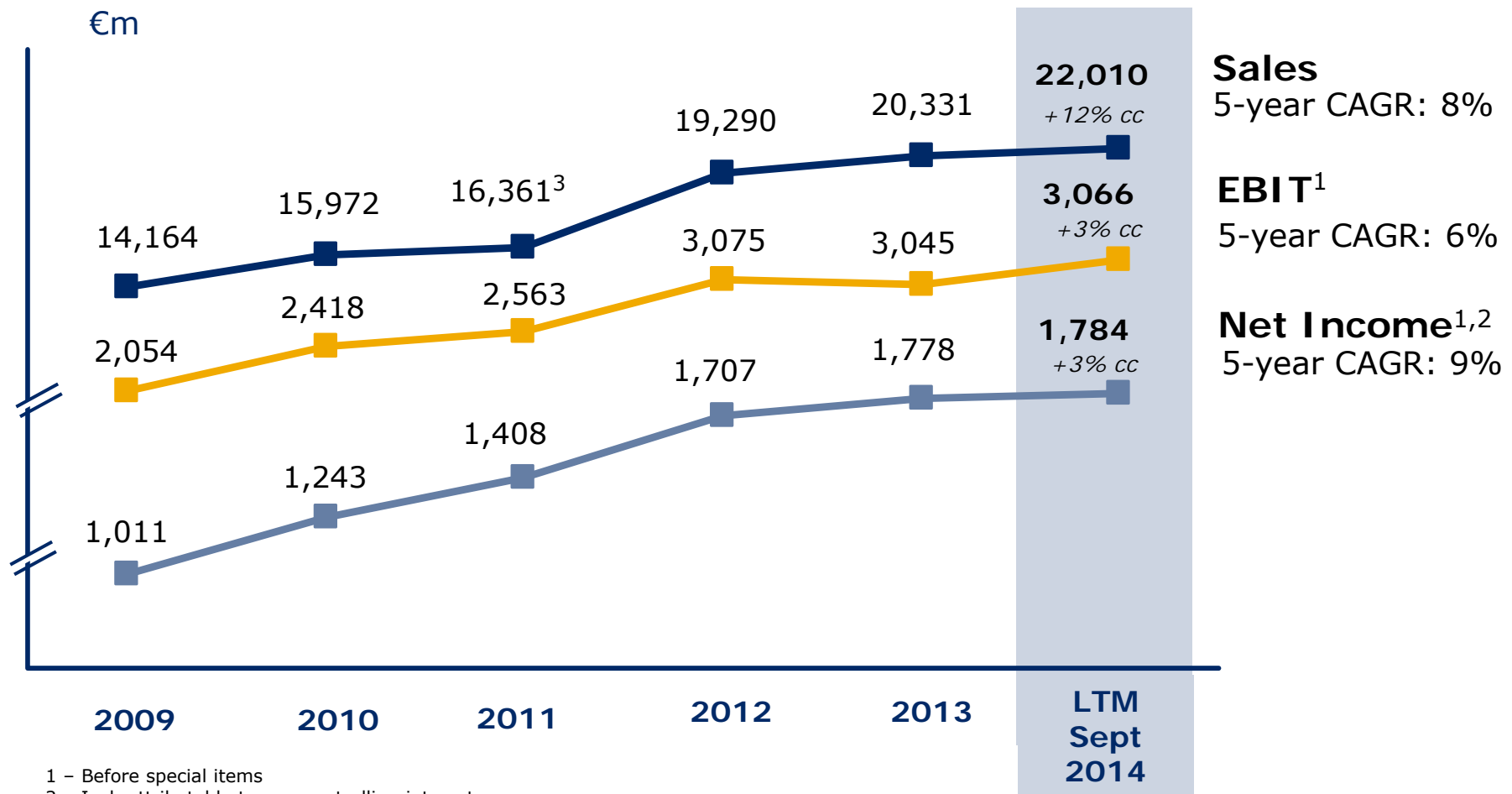
2 - Before special items

3 - Based on market cap as of November 18, 2014

Fresenius Group: Sales Distribution by Region – LTM Sept 2014



Fresenius Group: Financial Results

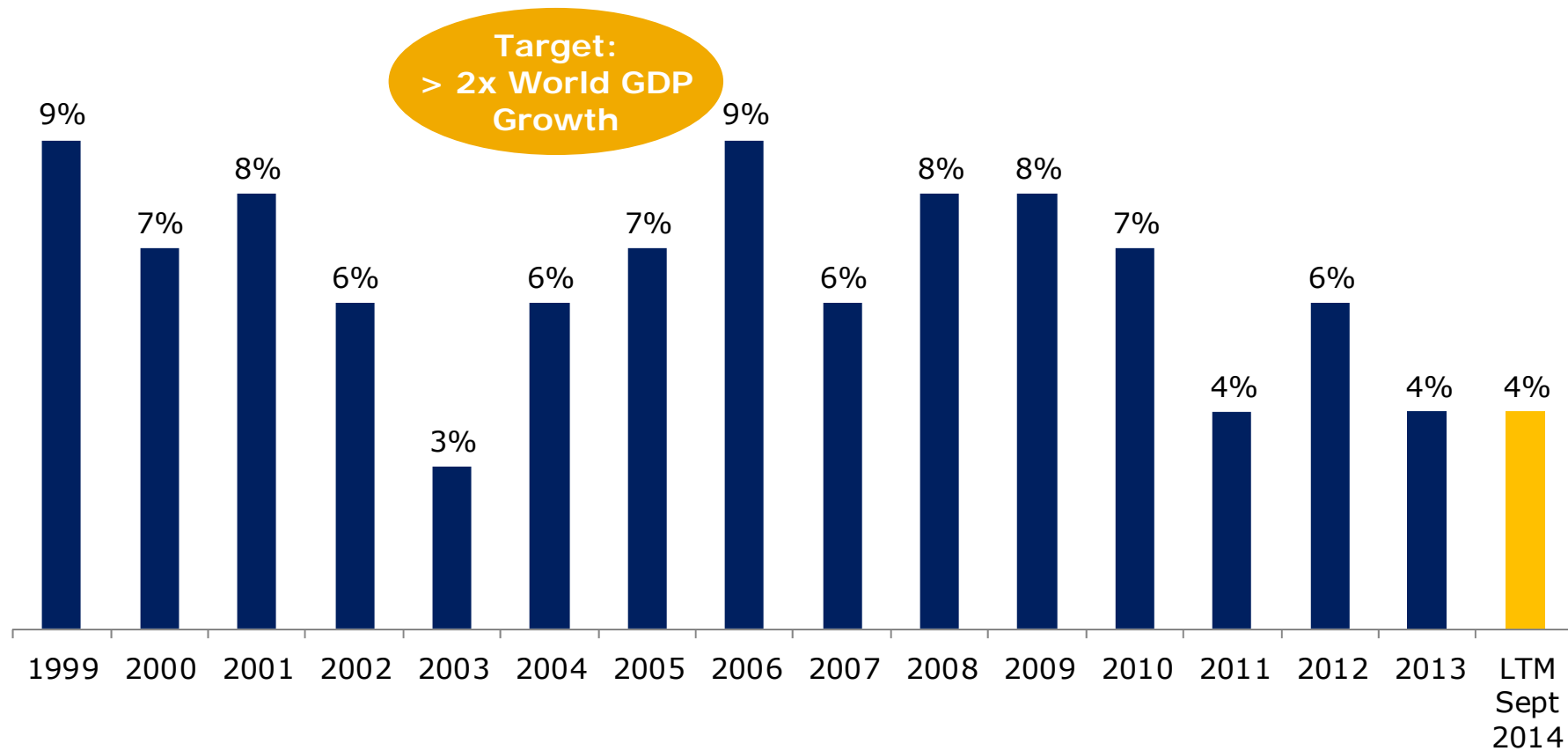


1 - Before special items

2 - Incl. attributable to non-controlling interest

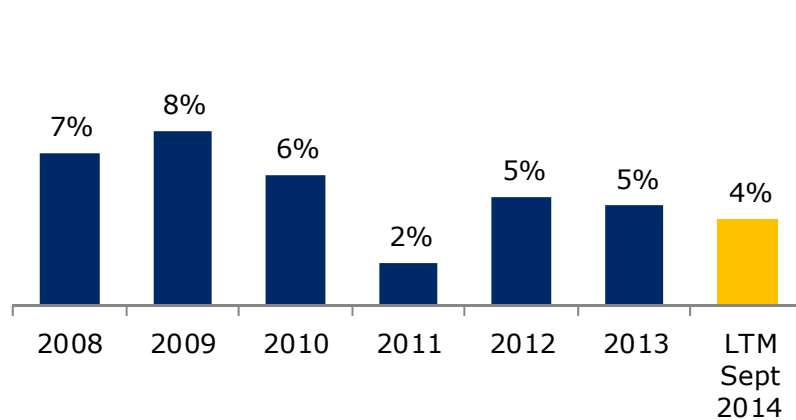
3 - 2011 sales were adjusted by -€161m according to a U.S. GAAP accounting change. This solely relates to Fresenius Medical Care North America

Fresenius Group: Organic Growth 1999 – 2014

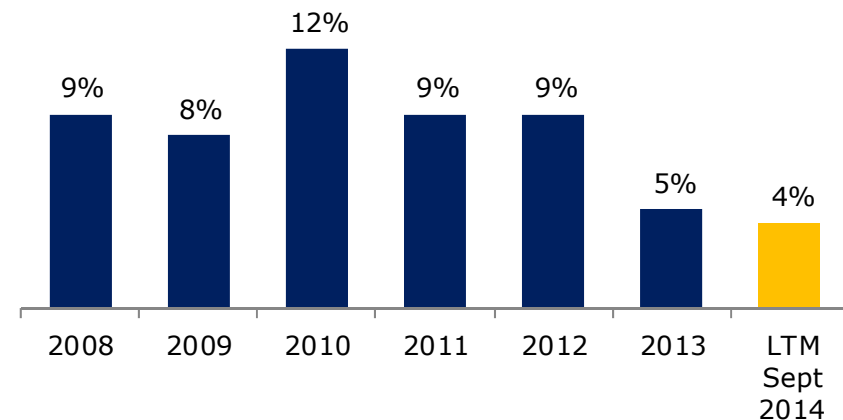


Fresenius Group: Sustainable Organic Sales Growth in all Business Segments

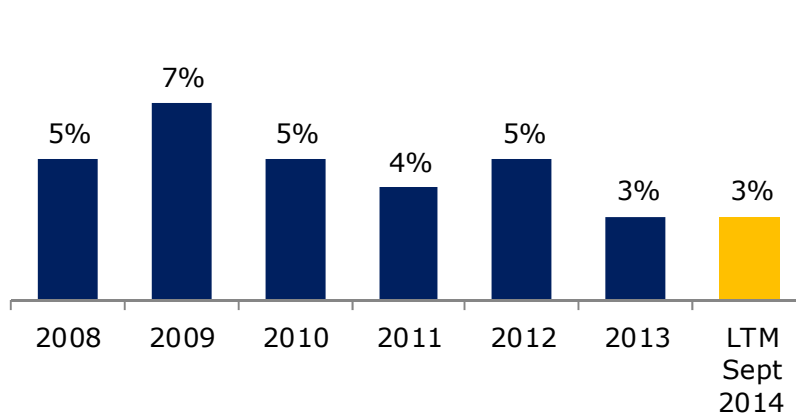
Fresenius Medical Care



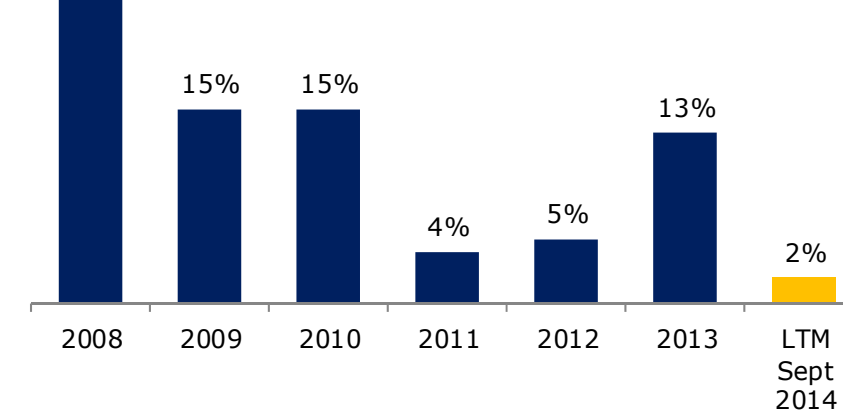
Fresenius Kabi



Fresenius Helios



Fresenius Vamed



Fresenius Group: Ideal Strategic Posture to Benefit from Major Healthcare Trends



Aging population and higher incidence of chronic diseases

World population aged 60+ will more than double by 2050 to >2 bn (OECD)



Increasing health care spending in emerging markets

Increasing health care coverage and per capita spending (e.g. India: \$59, China: \$278, vs. USA: \$8,608; WHO)



Continuing growth of generics

Approx. \$19 bn branded IV drug sales (base: 2013) go off-patent in the U.S. by 2023



Rise of private providers in health care services

*Further privatization of German hospital market
Global opportunity to provide dialysis services (e.g. China, India)*

Business Segments



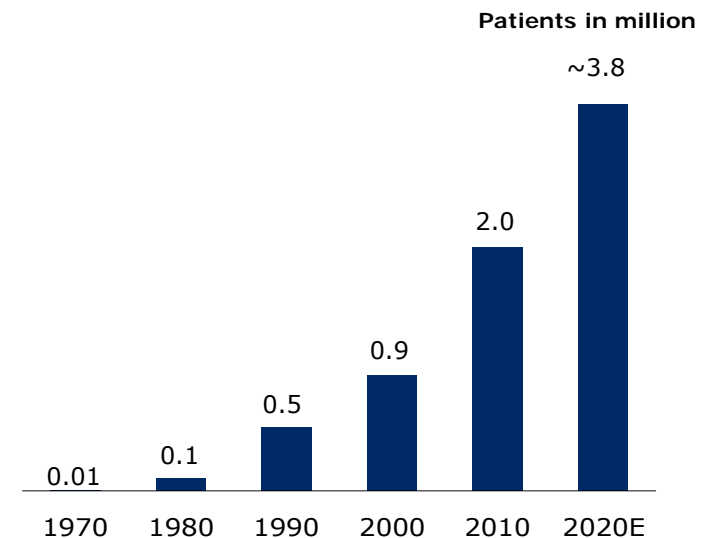
Fresenius Medical Care: Global Market Leader in Dialysis

- World leader in dialysis products and services treating 283,135 patients in 3,349 clinics worldwide¹
- Provide highest standard of patient care
 - Vertical integration
 - High quality products & services
 - Complete therapy offerings
- Leader in growing market
 - Dialysis market growing 4% cc and estimated to reach around \$100 bn by 2020
 - Patient growth driven by age, life style and mortality reduction

1 – As of Sept 30, 2014

Industry Dynamics

~6% global patient growth p.a.
~3.8 million patients by 2020 expected



Fresenius Medical Care: Key Figures Q1-Q3/2014

<i>\$ million</i>	Q1-Q3/2014	Q1-Q3/2013	Growth
Total Sales	11,511	10,743	+7%¹
EBITDA	2,105	2,074	+1%
<i>EBITDA margin</i>	<i>18.3%</i>	<i>19.3%</i>	
EBIT	1,591	1,595	0%
<i>EBIT margin</i>	<i>13.8%</i>	<i>14.8%</i>	
Net income	710²	761	-7%³

1 - +5% organic growth, +4% acquisitions, -1% currency effect

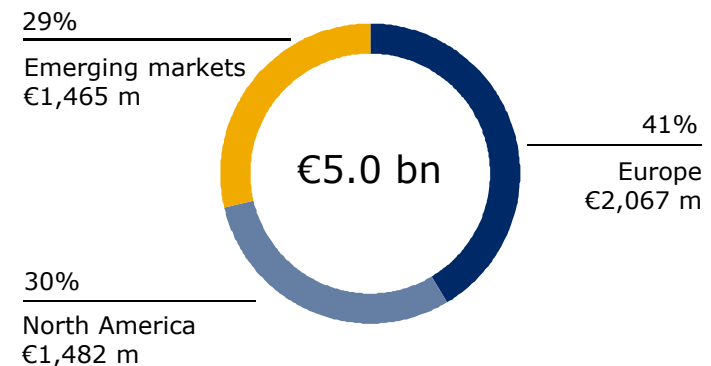
2 - \$728 before a one-time special tax effect of \$18m

3 - -4% before a one-time special tax effect of \$18m

Fresenius Kabi: A Worldwide Leading Hospital Supplier

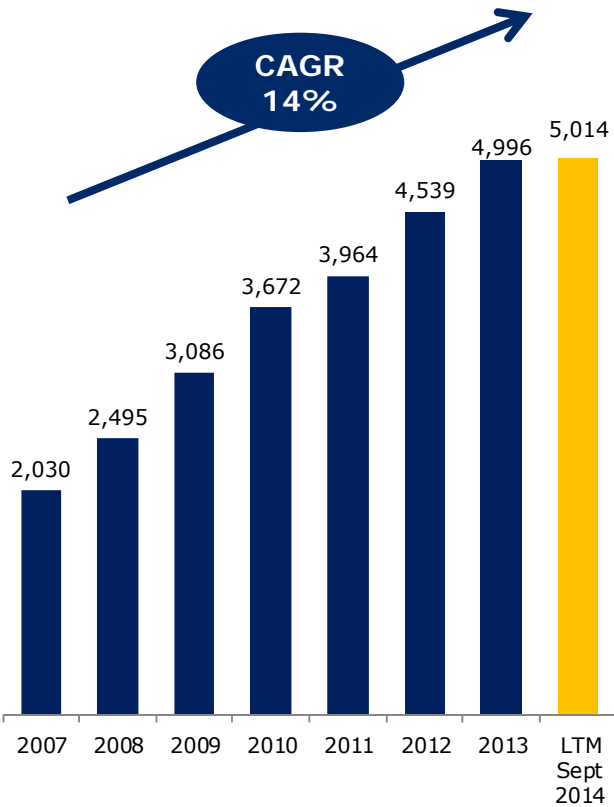
- Comprehensive product portfolio for critically and chronically ill patients
 - IV Drugs
 - Clinical Nutrition
 - Infusion Therapy
 - Medical Devices / Transfusion Technology
- Global addressable market: >€25 bn
- Leading market positions
- Focus on organic growth driven by geographic product rollout and robust product pipeline
- Aim to expand the business through selective acquisitions

LTM Sept 2014 Sales by Region

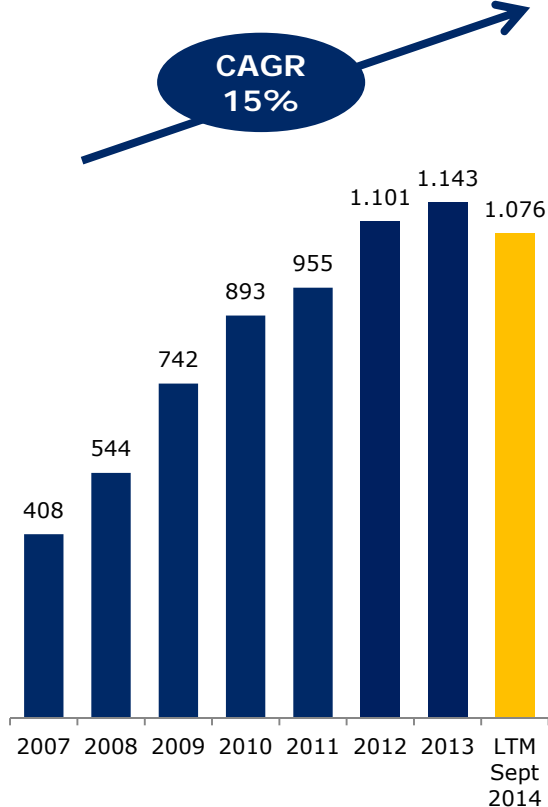


Fresenius Kabi: Strong Growth Track Record & High Profitability

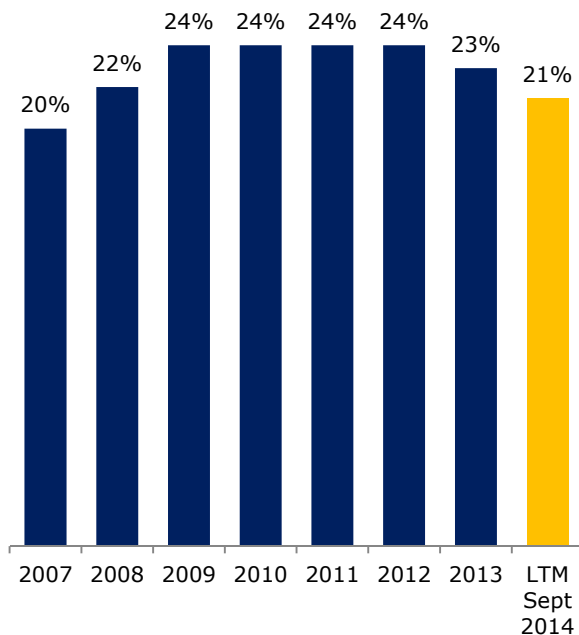
Sales in € m



EBITDA¹ in € m



EBITDA Margin (in %)



1 - Before special items

Fresenius Kabi: Key Figures Q1-Q3/2014

<i>€ million</i>	Q1-Q3/2014	Q1-Q3/2013	Growth
Sales	3,760	3,742	0% ²
- Infusion Therapy	724	741	-2%
- I.V. Drugs	1,312	1,308	0%
- Clinical Nutrition	1,020	995	3%
- Medical Devices/ Transfusion Technology	704	698	1%
EBITDA ¹	785	852	-8%
<i>EBITDA margin</i>	<i>20.9%</i>	<i>22.8%</i>	
EBIT ¹	634	695	-9%
<i>EBIT margin</i>	<i>16.9%</i>	<i>18.6%</i>	
Net income ¹	337	367	-8%

1 - Before special items

2 - +3% organic growth, -4% currency effect, +1% acquisitions

Fresenius Helios: Leading Private Hospital Operator in Germany

- Acute and post-acute care in 110 proprietary hospitals¹
- High-quality medical care (e.g., mortality rate for heart failure and pneumonia >30% below German average)
- Strong track record in hospital operations and acquisitions: targeting 12 – 15% EBIT margin within 6 years per individual clinic location
- Landmark acquisition of 40 hospitals from Rhoen-Klinikum provides excellent long-term growth opportunities

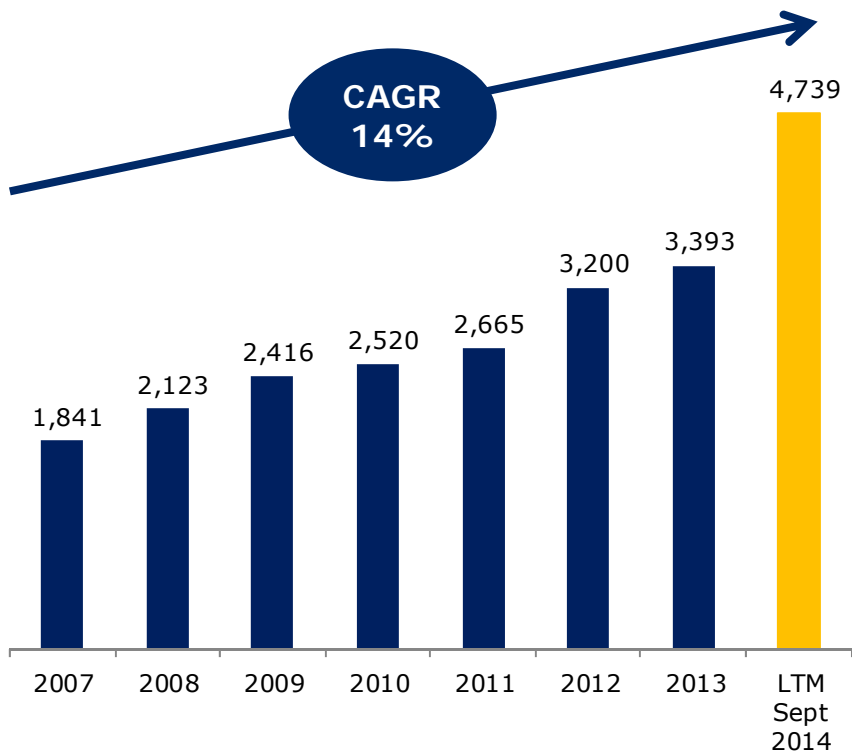
Majority of population has access to a HELIOS hospital within one hour's drive



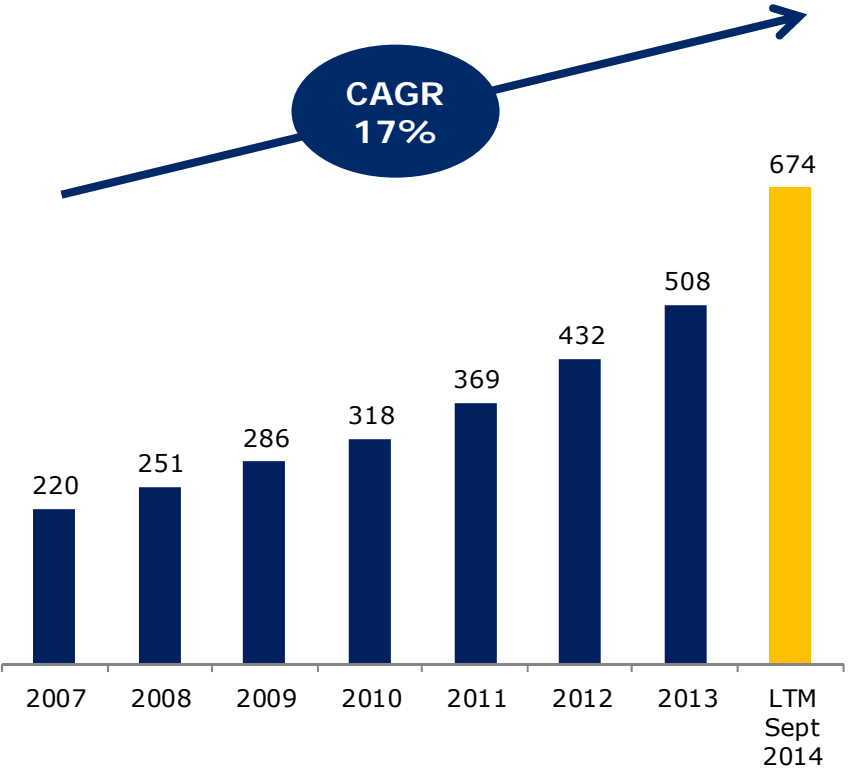
1 – As of Sept 30, 2014

Fresenius Helios: Strong Growth Track Record & Increased Profitability

Sales in € m



EBITDA in € m



Fresenius Helios: Key Figures Q1-Q3/2014

<i>€ million</i>	Q1-Q3/2014	Q1-Q3/2013	Growth
Sales	3,883	2,537	+53%³
EBITDA¹	534	368	+45%
<i>EBITDA margin</i>	<i>13.8%</i>	<i>14.5%</i>	
EBIT¹	397	282	+41%
<i>EBIT margin</i>	<i>10.2%</i>	<i>11.1%</i>	
Net income¹	286	194	+47%

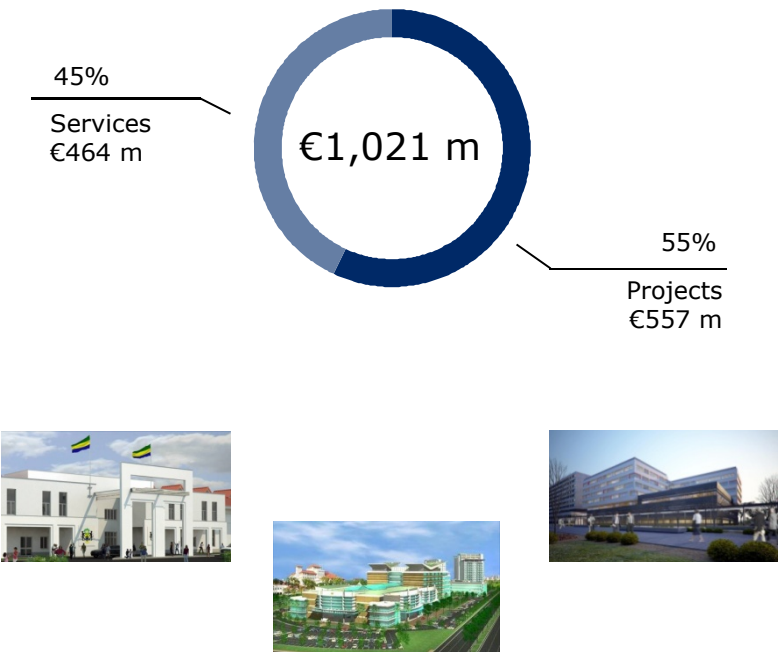
1 - Before special items

3 - +4% organic growth, +51% acquisitions, -2% divestitures

Fresenius Vamed: A Leading Global Specialist in Hospital Projects and Services

- Specialized in project development building hospital infrastructure and providing hospital services (technical services and operational management)
- Track record:
 - >650 health care projects in 72 countries successfully completed
 - Services provided to 140 hospitals and 50,000 beds globally
- Continuous demand for hospital infrastructure and operating efficiency; key markets Europe, Asia-Pacific, Africa

LTM Sept 2014 Sales by Business



Fresenius Vamed: Key Figures Q1-Q3/2014

€m	Q3/14	Growth Q3 YoY	Q1-3/14	Growth Q1-3 YoY
Project business	133	7%	306	-8%
Service business	124	14%	349	8%
<hr/> Total sales	257	10%	655	0%
Total EBIT	12	20%	27	8%
Margin	4.7%	40 bps	4.1%	30 bps
Order intake ¹	378	n.a.	678	78%
Order backlog ¹			1,504	32% ²

1- Project business only

2- December 31, 2013

Investment Highlights

Leading market positions

Diversified revenue base with four strong business segments

Global presence in growing, non-cyclical markets

Proven ability to integrate acquisitions

Clear track record of and commitment to de-leveraging

Strong financial performance and cash flow generation

Summary and Outlook



Fresenius Medical Care: Financial Outlook

	Reported 2013	Guidance 2014
Sales	\$14,610 m	~ \$15,200 m
Net Income	\$1,110 m	\$1.0-1.05 bn

- Outlook excludes potential net costs savings of up to \$60 million before taxes for 2014
- Outlook excludes revenue contribution from acquisitions of ~ \$500 million
- Investments in quality/compliance systems and legal cost to continue to comply with standards

Fresenius Group: 2014 Financial Outlook by Business Segment

		Old	New
Fresenius Kabi	Sales growth organic	4% – 6%	✓
	EBIT margin	16.5% – 18%	~17%
Fresenius Helios¹	Sales growth organic	3% – 5%	✓
	Sales contribution acquired hospitals	~€1.8 bn	✓
	Sales growth acquired hospitals organic	3% – 5%	✓
	EBIT Helios+Rhoen hospitals	€540 – 560 m	✓
Fresenius Vamed	Sales growth organic	5% – 10%	~0%
	EBIT growth	5% – 10%	✓

1- Before integration costs for acquired hospitals and disposal gains (two HELIOS hospitals; Rhoen stake)

Fresenius Group: 2014 Financial Outlook

	Old	Confirmed
Revenue growth at constant currency	14% – 16%	✓
Net income growth ¹ at constant currency	2% – 5%	✓

1- Net income attributable to shareholders of Fresenius SE & Co. KGaA before integration costs (Fenwal; acquired Rhoen hospitals) and disposal gains (two HELIOS hospitals; Rhoen stake)

Note: Guidance includes acquired Rhoen hospitals and acquisitions at Fresenius Medical Care

Fresenius Group: Attractive Mid-Term Growth Prospects

New Stretch Target
> €30 billion sales
€1.4 to €1.5 billion net income¹
by 2017



Strong and Balanced Health Care Portfolio

1 – excl. attributable non-controlling interest

Appendix



Fresenius Group: Financial Results

	Sales	EBIT ¹	Net income ^{1,2}
Q1-Q3/2014	€16,711m	€2,223 m	€1,263 m
Growth at constant currency rates	14%	3%	2%
Growth at actual currency rates	11%	1%	0%

1 - Before special items

2 - incl. attributable to non-controlling interest

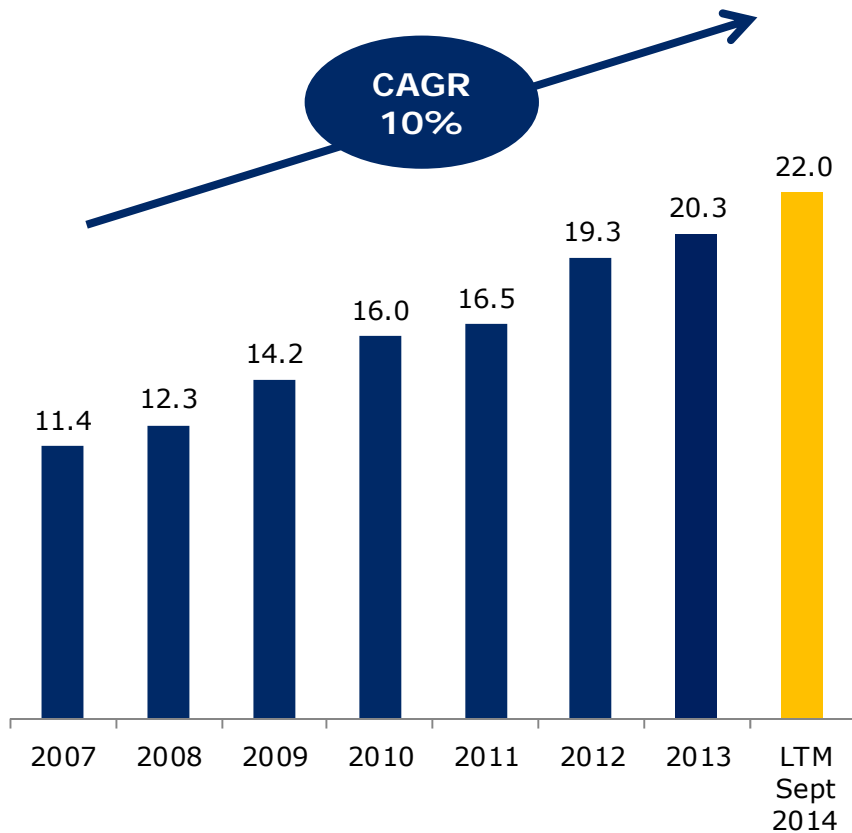
Fresenius Group: Financial Results by Business Segment

Q1-Q3/2014	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed
Sales Growth	\$11,511 m 7%	€3,760 m 0%	€3,883 m 53%	€655 m 0%
EBIT Growth	\$1,591 m 0%	€634 m ¹ -9%	€397 m ¹ 41%	€27m 8%

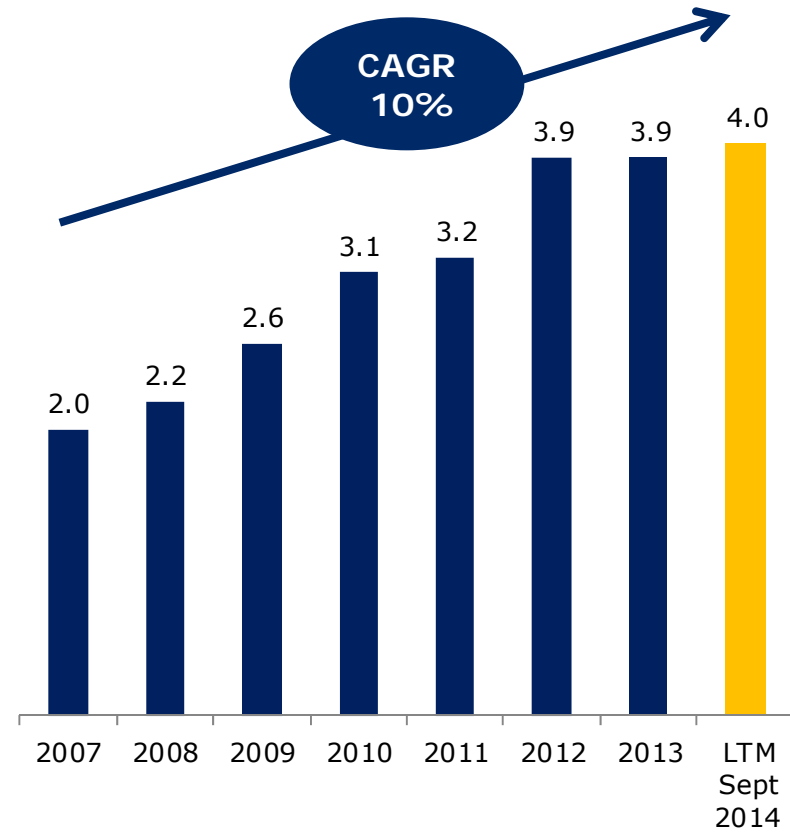
1 - Before special items

Fresenius Group: Demonstrated Strong Sales and EBITDA Growth

Sales in € bn



EBITDA in € bn¹



1 - Before special items

Fresenius Group: Key Figures Q1-Q3/2014

<i>€ million</i>	Q1-Q3/2014	Q1-Q3/2013	Change actual rates	Change constant rates
Sales	16,711	15,032	+11%	+14%¹
EBITDA²	2,905	2,824	+3%	+5%
EBIT²	2,223	2,202	+1%	+3%
Interest, net	-431	-449	+4%	+1%
EBT²	1,792	1,753	+2%	+5%
Taxes	-529	-496	-7%	-10%
Net income^{2,3}	1,263	1,257	0%	+2%
Employees	214,401	175,249⁴		






1 – +4% organic growth, +11% acquisitions, -1% divestitures

2 – Before special items

4 – Incl. attributable to non-controlling interest

5 – As of Sept 30, 2013

Cash Flow Development

€m	Operating CF		Capex (net)		Free Cash Flow ¹	
	LTM Sept 14	LTM Margin	LTM Sept 14	LTM Margin	LTM Sept 14	LTM Margin
	617	12.3%	-345	-6.9%	272	5.4%
	476	10.0%	-229	-4.8%	247	5.2% ³
	0	0%	-9	-0.9%	-9	-0.9%
Corporate/ Other	-18	n.a.	-9	n.a.	-27	n.a.
 excl. FMC	1,075	10.7%²	-592	-5.5%	483	5.2%²
 Group	2,449	11.1%	-1,236	-5.6%	1,213	5.5%

1 - Before acquisitions and dividends

2 - Margin incl. FMC dividend

3 - Understated: 6.6% excluding €66 million of capex commitments from acquisitions

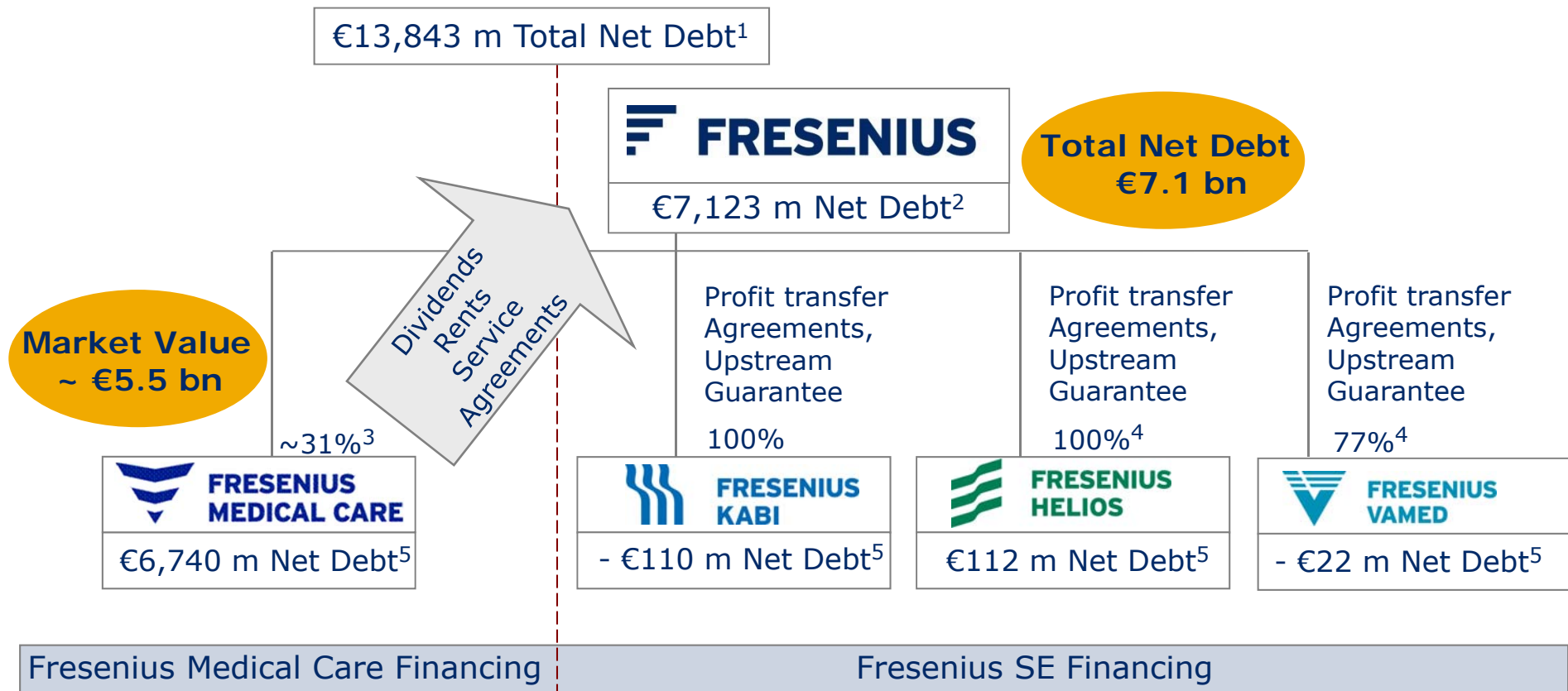
Margin = in % of sales



Financing Facilities and Debt Structure



Fresenius Group: Current Debt and Cash Flow Structure as of Sept 30, 2014

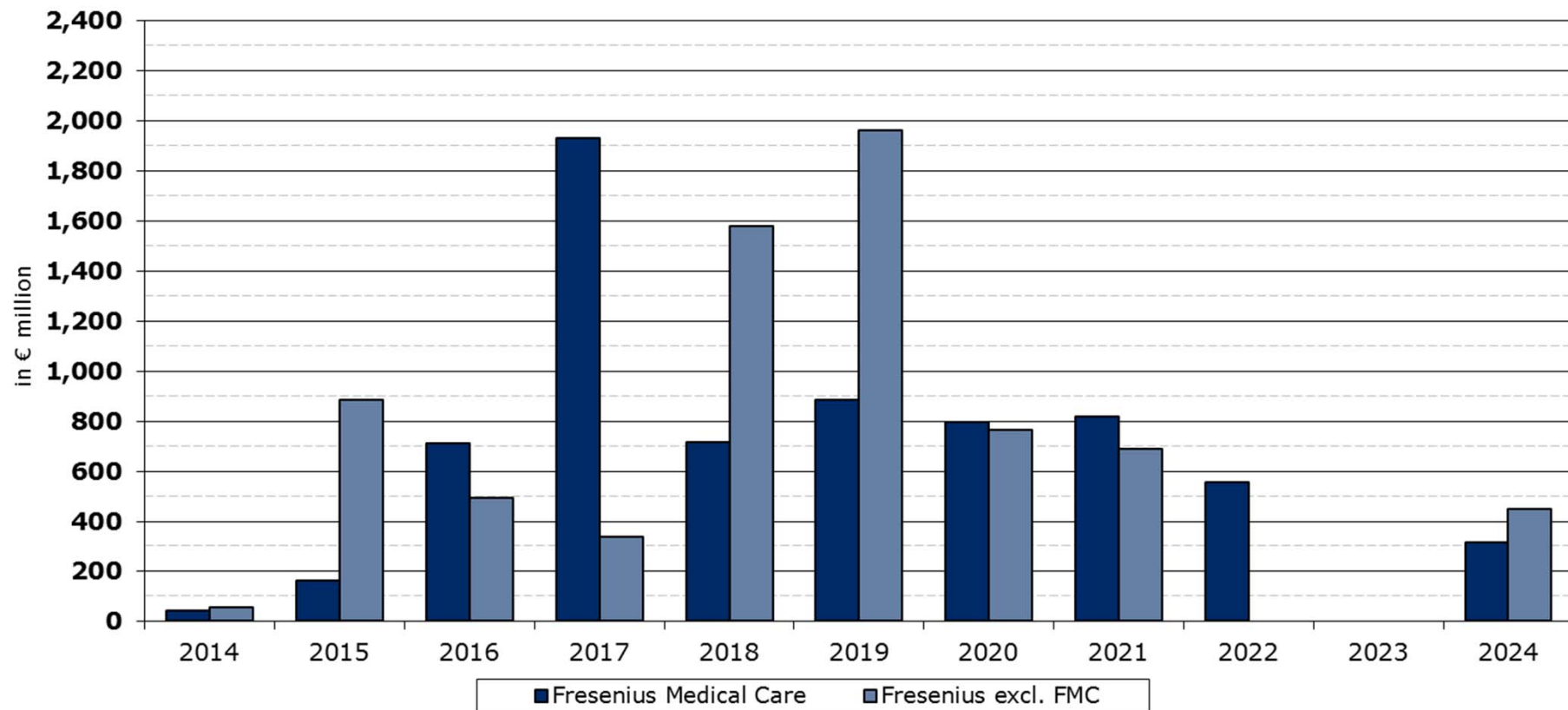


1 – External debt as of September 30, 2014
2 – Incl. Fresenius Finance B.V. and other financing subsidiaries
3 – Controlling stake

4 – As held by Fresenius ProServe GmbH, a wholly owned subsidiary of Fresenius SE & Co. KGaA, which provides the guarantees
5 – Incl. subsidiaries

Fresenius Group: Debt Maturity Profile ¹

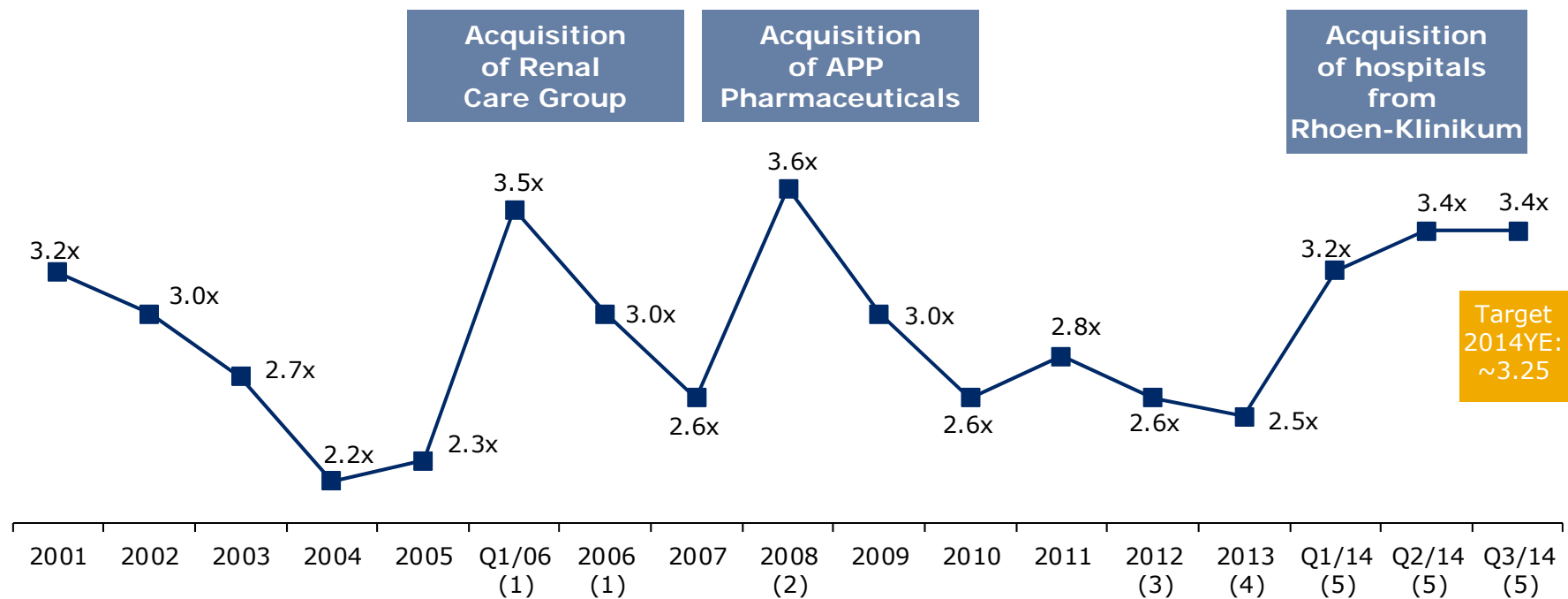
September 30, 2014 – Pro Forma new FMC Senior Notes ²



1 – Based on utilization of major long-term financing instruments

2 – Pro forma \$900 million new Senior Notes at FMC, thereof \$600 million replacing Term Loan A2.

Fresenius Group: Proven Track Record of Deleveraging



1 – Pro forma incl. Renal Care Group

2 – Pro forma incl. APP Pharmaceuticals Inc., before APP-transaction related special items

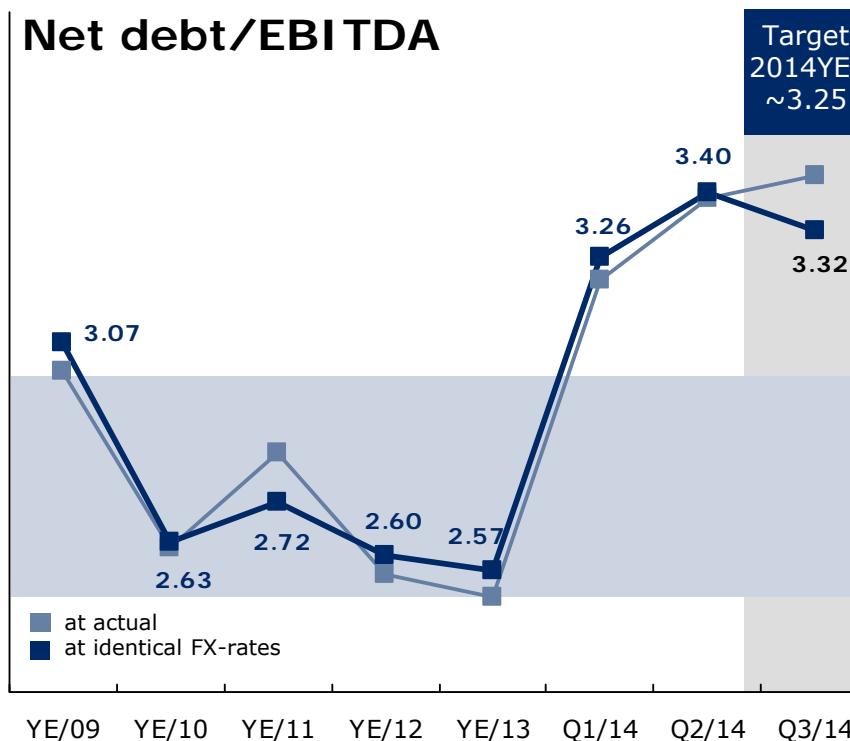
3 – Pro forma incl. Damp Group, Liberty Dialysis Holdings, Inc. and Fenwal, adjusted for €6 million one-time costs related to the 2012 takeover offer to Rhoen-Klinikum AG shareholders as well as for €86 million other one-time costs at FME

4 – Pro forma excluding advances made for the acquisition of hospitals and outpatient facilities of Rhoen-Klinikum AG; before Fenwal integration costs

5 – Pro forma including acquired hospitals from Rhoen-Klinikum, Sound Inpatient Physicians, Inc. and excluding two HELIOS hospitals; before integration costs (Fenwal; acquired Rhoen hospitals) and disposal gains (two HELIOS hospitals; Rhoen stake)

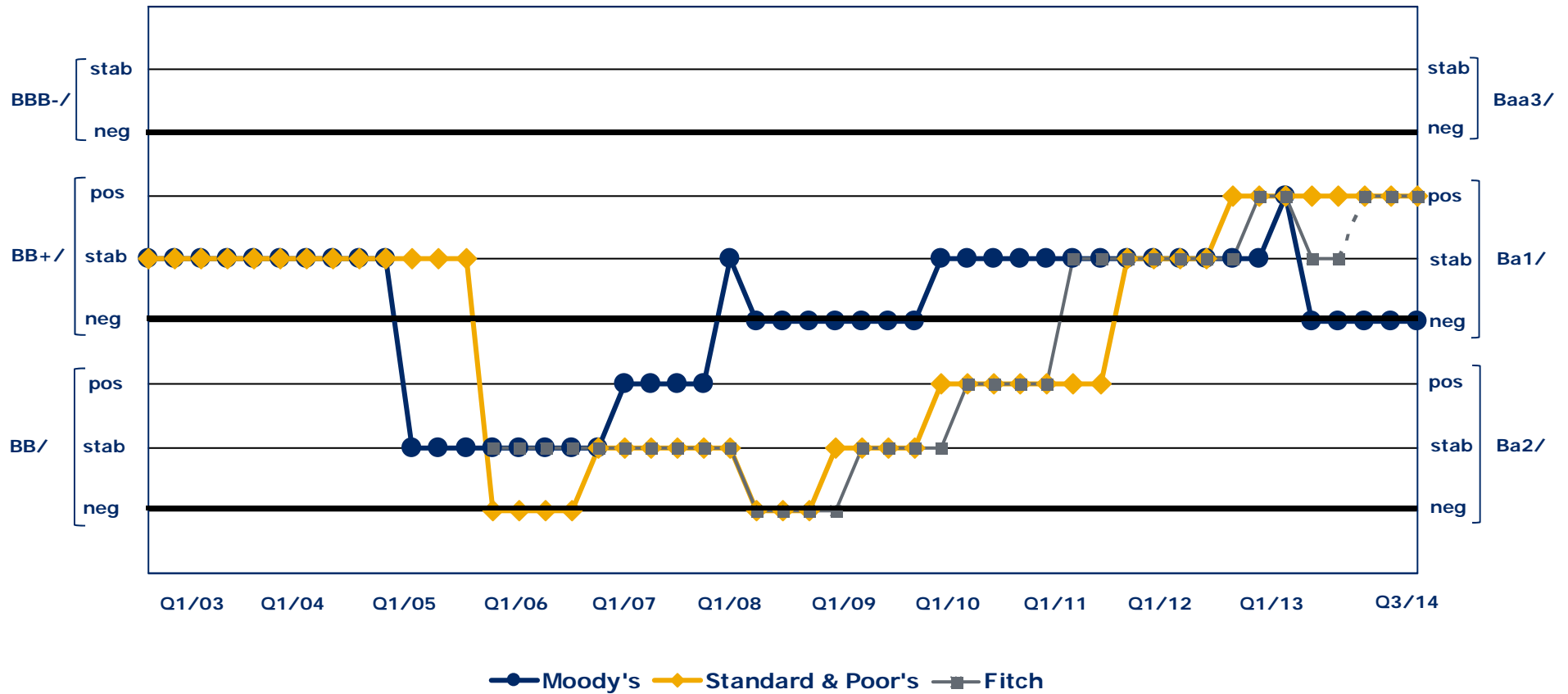
Fresenius Group: Debt and Interest Ratios

	Sep 30, 2014	Dec 31, 2013
Debt (€m) thereof 46% US\$ denominated	14,878	12,804
Net debt (€m)	13,843	11,940
Net debt/EBITDA	3.44 ^{1,2}	2.51 ³
EBITDA/Interest ⁴	6.7	6.7



- 1 - Before integration costs (Fenwal; acquired Rhoen hospitals) and disposal gains (two HELIOS hospitals; Rhoen stake)
- 2 - Pro forma including Rhoen hospitals, Sound Inpatient Physicians, Inc. and excluding two HELIOS hospitals
- 3 - 2013 before integration costs (Fenwal: €54 million); pro forma excluding advances made for the acquisition of hospitals from Rhoen-Klinikum AG (€2.18 bn)
- 4 - Before integration costs (Fenwal: €6 million; acquired Rhoen hospitals: €12 million) and disposal gains (two HELIOS hospitals: €22 million; Rhoen stake: €35 million); 2013 before integration costs (Fenwal: €54 million)

Fresenius SE & Co. KGaA Rating Development over time





Health Care Worldwide

