

Sanford C. Bernstein's 10th Annual Pan-European Strategic Decisions Conference

October 1, 2013



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.

Strong and Balanced Health Care Portfolio



Ownership: 31%

Dialysis products and services



Ownership: 100%

Hospital supply



Ownership: 100%

Hospital operations



Ownership: 77%

Hospital projects and services

2012 Group Net Income Contribution

29%

47%

22%

3%

Corporate: -1%

Acquiring 43 Hospitals from Rhön-Klinikum AG Compelling Strategic Rationale

Unique opportunity
to acquire highly
attractive clinic
portfolio

- 43 hospitals, approx. 11,800 beds, 15 outpatient facilities
- €2 bn sales and ~€250 m EBITDA in 2013 expected

Perfect strategic
and geographic fit

- Establish largest countrywide network with 117 hospitals and ~€5.5 bn sales (2013e pro forma)
- Majority of the German population will have access to a HELIOS hospital within one hour's drive

Significant value
creation

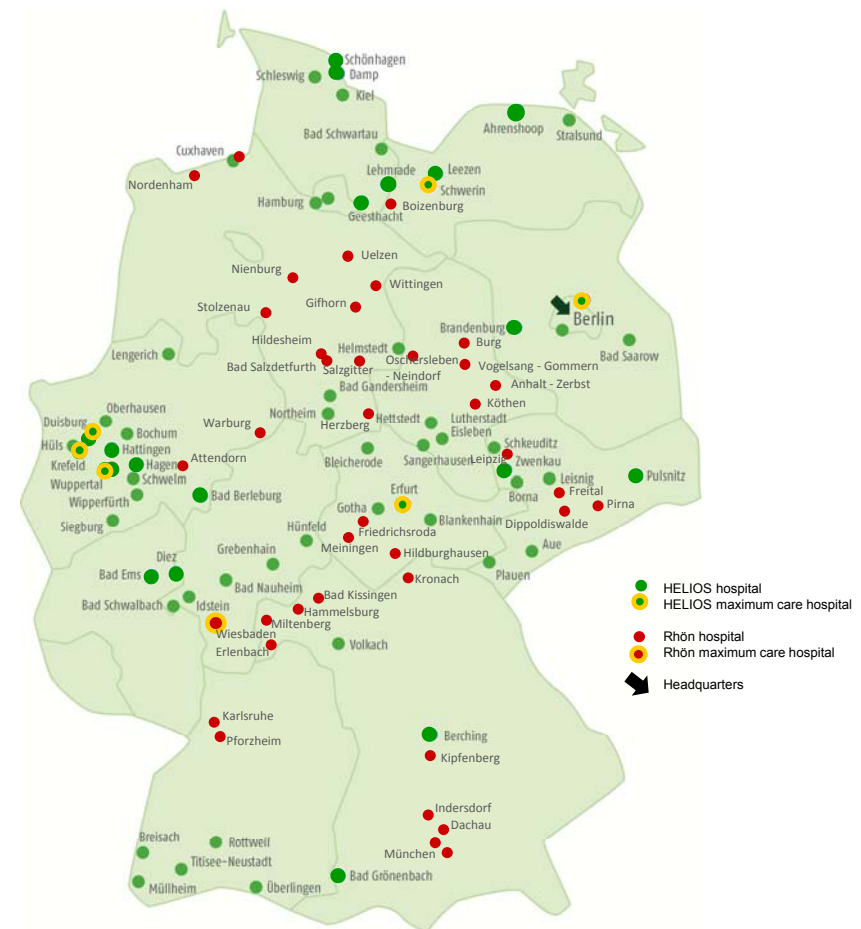
- Build on HELIOS' successful integration track record
- Enhance operating efficiencies
- Establish integrated care structures

Financially sound
acquisition

- Expected to be EPS accretive in the first year (excl. one-time costs)
- Fully debt-financed

Perfect Geographic Fit – HELIOS Hospital Network Pro Forma

- Creating Europe's largest hospital operator with ~€5.5¹ bn sales and >€750 m¹ EBITDA
- Majority of the German population have access to a HELIOS hospital within one hour's drive
- 7 maximum-care hospitals
- 84 advanced-care / basic-care hospitals
- 26 rehabilitation clinics
- 50 outpatient facilities
- University hospital Giessen/Marburg, and hospitals in Bad Neustadt, Bad Berka, Frankfurt/Oder not part of the acquisition



¹ Pro forma 2013e

Substantial Synergies and Operating Efficiencies

Time	Effect
Short-term	<p>Approx. €85 m synergies p.a. before tax by 2015 (e.g. 50% increase in procurement volumes; economies of scale)</p> <ul style="list-style-type: none"> - frontloads hospital development plan - detailed plan lowers execution risk <p>One-time costs of approx. €80 m before tax; P&L effect mostly in 2014</p>
Mid-term	<p>Newly acquired hospital portfolio is expected to reach upper half of 12–15% EBIT margin target in line with HELIOS' hospital development plan</p>



Perfect Strategic Fit – Sources for Future Growth

German-wide Hospital Presence as a Key Prerequisite

	Time	Effect
Privatization Opportunities		Selective approach due to broad regional presence; revenue target of ~€150 million p.a. (multi-year-average)
Revenue Synergies	Yr 2 onwards	<p>Increase admissions, e.g. combined acute/post-acute care offering</p> <p>Develop integrated care structures to support organic growth momentum – 1st step: HELIOS CLUB concept launched</p>

Additional growth opportunities – not included in financial model

Fresenius Group: Financial Results H1/13

	Sales	EBIT ¹	Net income ¹
H1/13	€9,987 m	€1,448 m	€482 m
Growth at constant currency rates	9%	2%	12%
Growth at actual currency rates	8%	1%	11%

¹ Before one-time items

Q2 Business Update

Operations & Markets



FDA inspections

- Significant remediation efforts ongoing; Kalyani plant start-up underway
- Confirm previous estimate of up to €50 million net one-time charges¹ to remediate manufacturing issues

U.S. drug shortages / Propofol

- Shortage list mid-July: 101 I.V. drugs; 31 marketed by Kabi (end of April: 98 I.V. drugs; 28 marketed by Kabi)
- Propofol: June shipments 20% above May volumes; expect July shipments similar to June

Fenwal integration on track

- European operations fully integrated into Kabi organization
- APP und Fenwal U.S. headquarters combined



¹ After Calea investment gain

Q2 Business Update

Operations & Markets



Additional funding for German hospitals

- Expect ~€10 – 15 million earnings upside for 2013 and ~€20 million upside for 2014

Clinic development plan – new, ambitious target

- 12 – 15% EBIT margin vs. 15% EBITDA previously; FY 2012 D&A was 3.4%
- Acute care and post-acute care clinics included
- Implementation period: 6 yrs vs. 5 yrs



€173 million turnkey hospital project in Austria

- Largest single order in VAMED history



Q2 Business Update

Strategic Initiatives



Emerging markets expansion

- Acquisition of JYM infusion and nutrition pump business in China – platform for future medical device growth in Asia
- Acquisition of two compounding centers in Colombia – grow clinical nutrition business in Latin America
- Promising acquisition pipeline to expand presence in fast-growing markets

U.S. product approvals/launches

- 510(k) clearance for AGILIA infusion system
- Regulatory discretion to import injectable nutrition products
- 2 I.V. drugs



Sale of Fresenius Biotech

- Positive effect on 2013 Group earnings, forecast H2/13 EBIT loss of ~€10 million will not materialize





Fresenius Group: Financial Outlook by Business Segment Raised or Fully Confirmed

		Previous	New	
Fresenius Kabi	Sales growth cc	12% – 14%		✓
	Sales growth organic	3% – 5%		✓
	EBIT margin excl. Fenwal	19% – 20%		✓
	EBIT margin incl. Fenwal	18% – 19%		✓
Fresenius Helios	Sales growth organic	3% – 5%		✓
	EBIT	€360 – €380 m	€370 – €395 m	↑
Fresenius Vamed	Sales growth	8% – 12%		✓
	EBIT growth	5% – 10%		✓

2013 Fresenius Kabi EBIT guidance excluding Fenwal integration costs (~€50 million).

Fresenius Group: Earnings Outlook Raised

	Previous	New
Revenue growth at constant currency	7% – 10%	
Net income growth ¹ at constant currency	7% – 12%	11% – 14% 

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2013 adjusted for Fenwal integration costs (~€50 million pre-tax); 2012 adjusted for a non-taxable investment gain of €34 million and other one-time costs of €17 million at Fresenius Medical Care and for one-time costs of €29 million related to the offer to RHÖN-KLINIKUM AG shareholders.

Attachments



Fresenius Group: Profit and Loss Statement

€m	Q2/13	H1/13	Growth Q2/13 YoY	
			actual rates	constant rates
Sales	5,097	9,987	6%	7%
EBIT ¹	752	1,448	-3%	-2%
Net interest	-150	-313	10%	8%
Income taxes	-168	-323	12%	10%
Net income ²	258	482	10%	11%

¹ 2013 adjusted for Fenwal integration costs (Q2: €20 million; H1: €27 million)

² Net income attributable to shareholders of Fresenius SE & Co. KGaA, 2013 adjusted for Fenwal integration costs (Q2: €15 million; H1: €20 million)

2012 adjusted for investment gain of €34 million at Fresenius Medical Care (Q2: €4 million; H1: €34 million) and for one-time costs related to the offer to RHÖN-KLINIKUM AG shareholders (Q2: €26 million).

Fresenius Group: Financial Results by Business Segment

H1/13

	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed
Sales Growth	US\$7,076 m 6%	€2,519 m 13%	€1,695 m 11%	€421 m 21%
EBIT Growth	US\$1,038 m -5%	€469 m 4%	€179 m 19%	€15 m 7%

Fresenius Kabi: Organic Sales Growth Fully in Line with Guidance

€m	H1/13	H1/12	Organic Growth
Europe	1,030	974	2%
North America	784	609	6%
Asia-Pacific	456	415	6%
Latin America/Africa	249	236	9%
Total sales	2,519	2,234	4%

Fresenius Kabi: Organic Sales Growth Fully in Line with Guidance

€m	H1/13	H1/12	Organic Growth
Infusion Therapy	500	500	4%
I.V. Drugs	893	847	7%
Clinical Nutrition	663	648	4%
Medical Devices/ Transfusion Technology	463	239	0%
Total sales	2,519	2,234	4%

Fresenius Kabi: EBIT Margin Fully in Line with Guidance

€m	H1/13	H1/12	Growth
Europe Margin	178 17.3%	192 19.7%	-7%
North America Margin	291 37.1%	250 41.1%	16%
Asia-Pacific/Latin America/Africa Margin	120 17.0%	131 20.1%	-8%
Corporate and Corporate R&D	-120	-121	1%
Total EBIT (incl. Fenwal) Margin	469 18.6%	452 20.2%	4%
Total EBIT (excl. Fenwal) Margin	451 19.8%	452 20.2%	0%

H1/13 EBIT excluding Fenwal integration costs of €27 million.

Fresenius Helios: Excellent Sales and EBIT Growth

€m	H1/13	H1/12	Growth
Total sales	1,695	1,525	11%
EBIT			
Established clinic portfolio	175	152	15%
Margin	11.0%	10.0%	
Acquisitions / Divestitures (consolidation / deconsolidation <1 yr)	4	-2	
Total EBIT	179	150	19%
Margin	10.6%	9.8%	

2012 adjusted for post-acute care clinic Zihlschlacht – transferred to Fresenius Vamed as per January 1, 2013.

Fresenius Vamed: Excellent Sales and EBIT Growth

€m	H1/13	H1/12	Growth
Project business	208	184	13%
Service business	213	164	30%
Total sales	421	348	21%
Total EBIT	15	14	7%
Margin	3.6%	4.0%	
Order intake¹	311	156	99%
Order backlog¹	1,089	987²	10%

¹ Project business only






² December 31, 2012

2012 adjusted for post-acute care clinic Zihlschlacht

Fresenius Group: Cash Flow

€m	Q2/13	LTM Margin	Q2/12	LTM Margin	Growth YoY
Operating Cash Flow	503	11.2%	598	12.3%	-16%
Capex (net)	-228	-5.0%	-206	-4.7%	-11%
Free Cash Flow (before acquisitions and dividends)	275	6.2%	392	7.6%	-30%
Acquisitions (net)	-16		-100		84%
Dividends	-396		-350		-13%
Free Cash Flow (after acquisitions and dividends)	-137	-0,1%	-58	-6.3%	-136%

Cash Flow Development LTM

€m	Operating CF		Capex (net)		Free Cash Flow ¹	
	LTM H1/13	LTM Margin	LTM H1/13	LTM Margin	LTM H1/13	LTM Margin
	546	11.3%	-268	-5.5%	278	5.8%
	241	7.2%	-169	-5.1%	72	2.1% ³
	-20	-2.2%	-12	-1.3%	-32	-3.5%
Corporate/ Other	-26	n/a	-11	n/a	-37	n/a
 FRESENIUS excl. FMC	741	8.9%²	-460	-5.0%	281	3.9%²
 FRESENIUS Group	2,249	11.2%	-1,010	-5.0%	1,239	6.2%

¹ Before Acquisitions and Dividends

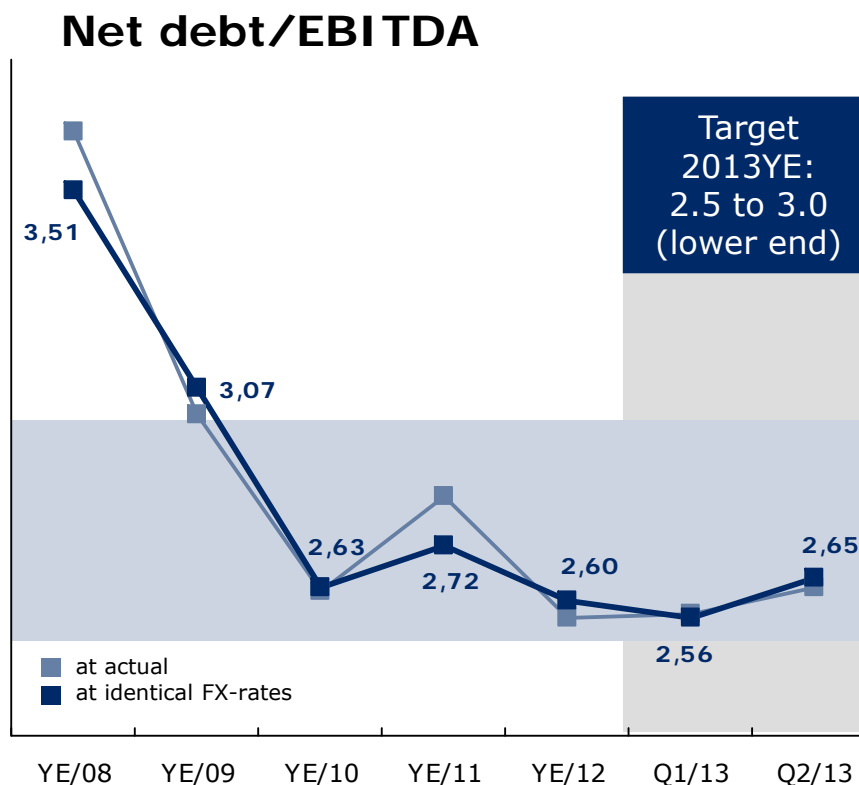
² Incl. FMC dividend

³ Understated: 3.0% excluding €28 million of capex commitments from acquisitions

Margin = in % of sales

Fresenius Group: Debt and Interest Ratios

	Jun 30, 2013	Dec 31, 2012
Debt (€m) thereof 52% US\$ denominated	11,204	11,028
Net debt (€m)	10,362	10,143
Net debt/EBITDA	2.63^{1,2}	2.56^{3,4}
EBITDA/Interest	5.9	5.8



¹ Pro forma Fenwal

² Adjusted for one-time costs (-€1 million) related to the offer to the shareholders of RHÖN-KLINIKUM AG, for other one-time costs (€86 million) at Fresenius Medical Care as well as one-time integration costs (€27 million) at Fenwal

³ Pro forma including Liberty Dialysis Holdings, Inc., Damp Group, and Fenwal

⁴ Adjusted for one-time costs (€6 million) related to the offer to the shareholders of RHÖN-KLINIKUM AG and for other one-time costs (€86 million) at Fresenius Medical Care.

Acquiring 43 Hospitals from Rhön-Klinikum AG Financially Sound Acquisition

Total consideration

- €3,070 m (debt-free)
- Approx. 12x EBITDA 2013e

Financing

- 100% debt-financing
- No financing through capital increase or FMC shares

Net debt/EBITDA

- 2013: pro forma: 3.0-3.5x
- 2014: upper end of 2.5-3.0x range

Earnings per Share

- Acquisition expected to be EPS accretive in the first year (excl. one-time costs) and clearly accretive from the second year onwards (incl. one-time costs)

Share Information

Share key facts

Number of shares ¹	178,432,957
WKN / ISIN	578560 / DE0005785604
Ticker symbol	FRE
Bloomberg symbol	FRE GR
Reuters symbol	FREG.de

ADR key facts

Ratio	8 ADRs = 1 ordinary share
ADR CUSIP / ISIN	35804M105 / US35804M1053
Ticker symbol	FSNUY
Exchange	OTC-market
Structure	Sponsored Level I ADR
Depository bank	Deutsche Bank

¹ As of June 30, 2013

Financial Calendar 2013

05.11.2013 Report on 1st – 3rd quarter 2013

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