

# Goldman Sachs Healthcare CEOs Unscripted: A view from the Top

January 3, 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.

# Achieving Profitable Growth in Attractive Health Care Segments

**Frankfurt listing (DAX30): FRE**  
**US ADR program (OTC): FSNUY**

Sales 2011: €16.5 bn  
 EBIT 2011: €2,563 m



100%

**Fresenius Biotech**

Oncology and Immunology Therapies  
 EBIT 2011: -€30 m

31%

**Fresenius Medical Care**

Dialysis Products,  
 Dialysis Care

Sales 2011: US\$12,795 m  
 EBIT 2011: US\$2,075 m

100%

**Fresenius Kabi**

Infusion Therapy, IV Drugs,  
 Clinical Nutrition,  
 Medical Devices/  
 Transfusion Technology

Sales 2011: €3,964 m  
 EBIT 2011: €803 m

100%

**Fresenius Helios**

Hospital Operations

Sales 2011: €2,665 m  
 EBIT 2011: €270 m

77%

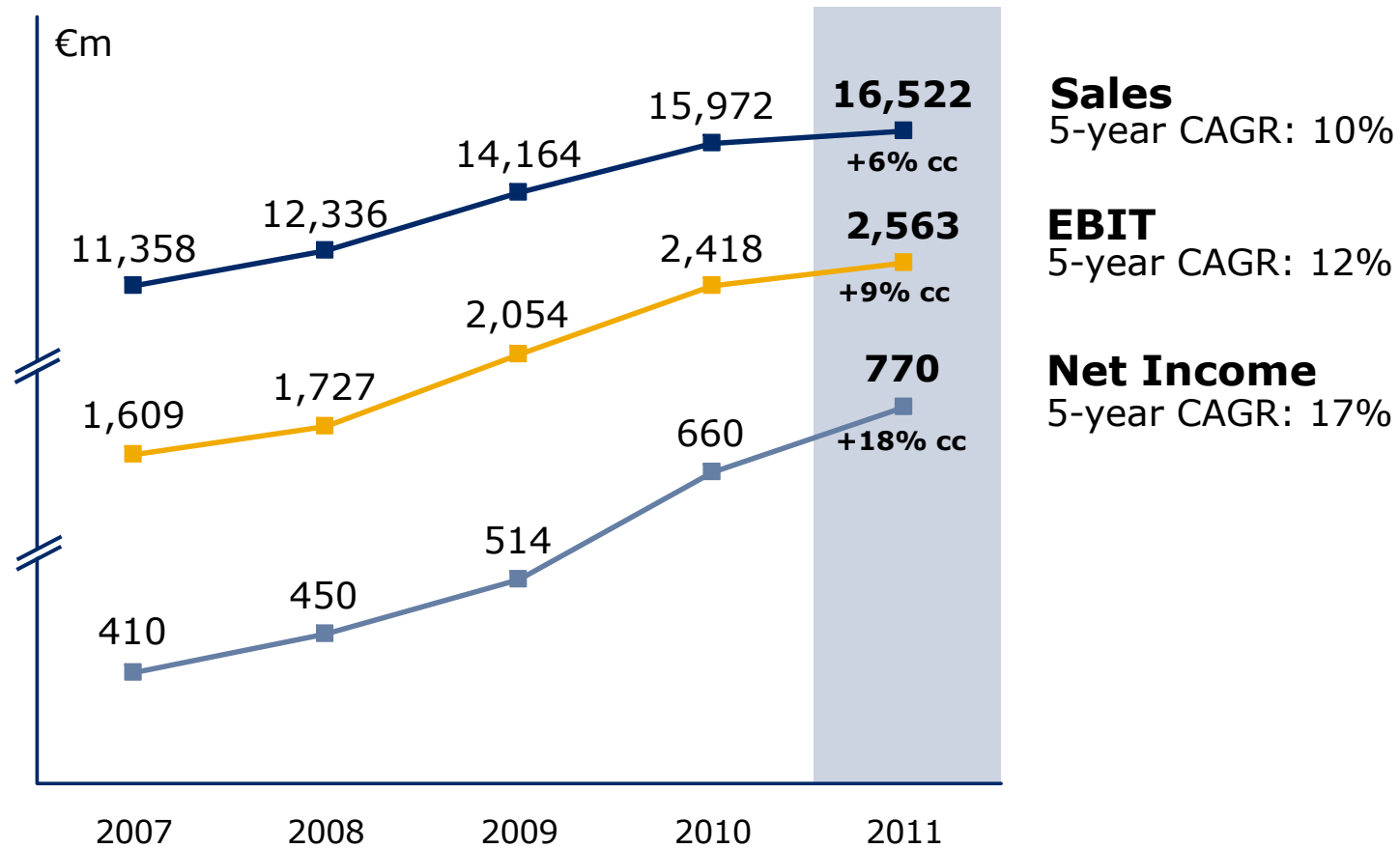
**Fresenius Vamed**

Engineering and Services  
 for Hospitals and  
 Other Health Care Facilities

Sales 2011: €737 m  
 EBIT 2011: €44 m

Fresenius Medical Care is fully consolidated in the financial statements of Fresenius SE & Co. KGaA

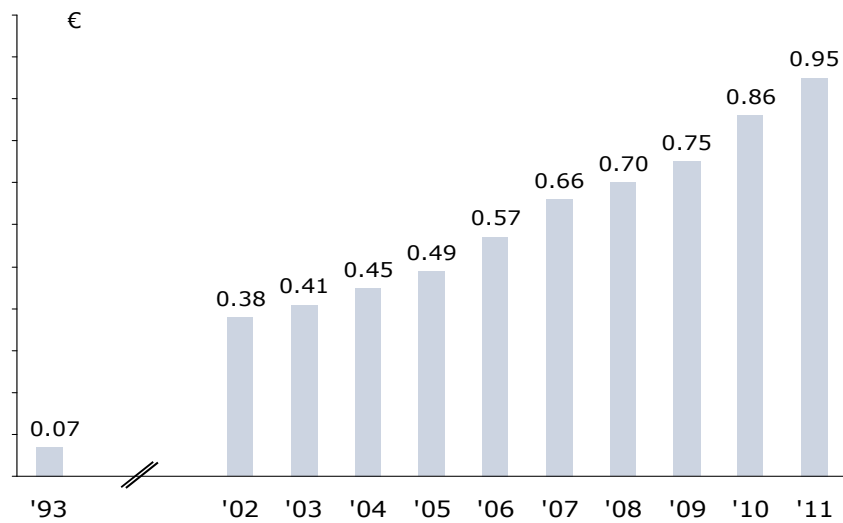
# Fresenius Group: Financial Results



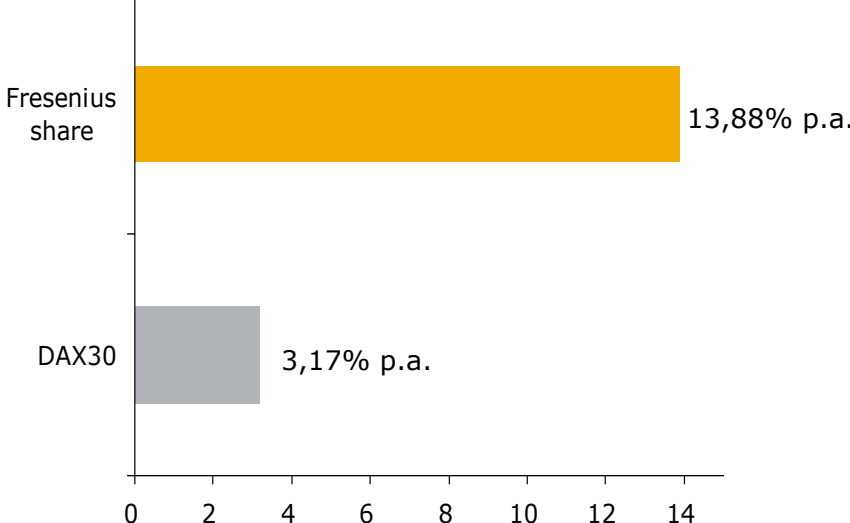
Group financial results before APP-transaction-related special items

# Fresenius Group: Attractive Long-term Shareholder Returns

## 19th consecutive dividend increase



## Compounded annual total return 31.12.2001 – 28.09.2012



Source: Bloomberg; dividends reinvested

## Fresenius Group: Financial Results

	<b>Sales<sup>1</sup></b>	<b>EBIT<sup>2</sup></b>	<b>Net income<sup>3</sup></b>
Q1-3/12	€14,100 m	€2,224 m	€682 m
Growth at constant currency rates	12%	13%	15%
Growth at actual currency rates	18%	19%	21%

<sup>1</sup> Previous year's sales were adjusted according to a U.S. GAAP accounting change at Fresenius Medical Care.

<sup>2</sup> Adjusted for one-time costs of €7 million (non-financing expenses) related to the offer to the shareholders of RHÖN-KLINIKUM AG.

<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain of €34 million at Fresenius Medical Care and for one-time costs of €31 million related to the offer to the shareholders of RHÖN-KLINIKUM AG. 2011 before special items due to MEB and CVR accounting.

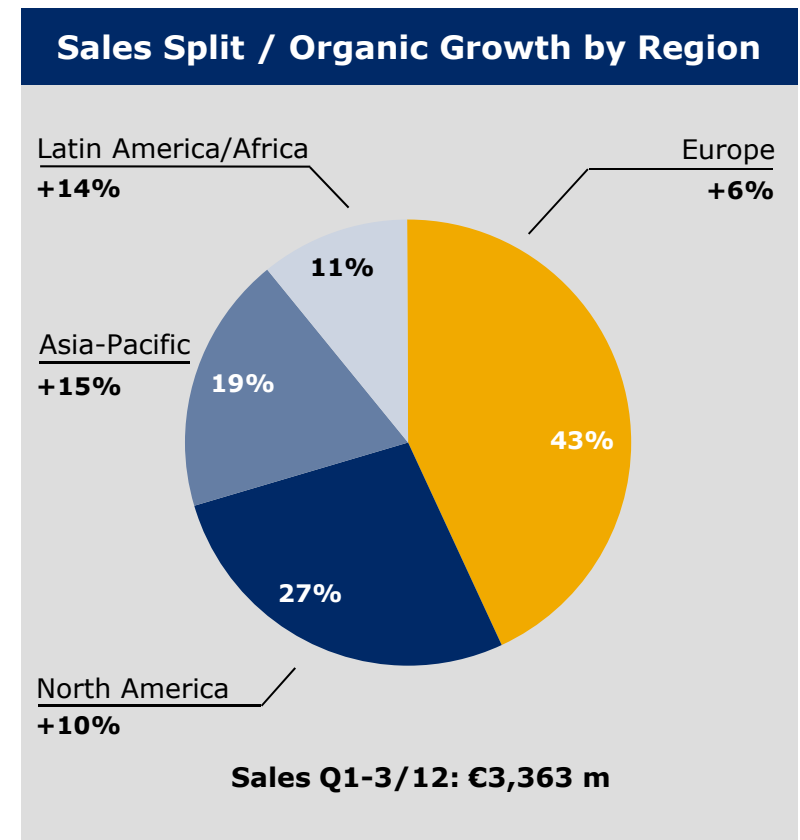
## Fresenius Group: Financial Results by Business Segment

Q1-3/12	<b>Fresenius Medical Care</b>	<b>Fresenius Kabi</b>	<b>Fresenius Helios</b>	<b>Fresenius Vamed</b>
Sales Growth	US\$10,095 m 8% <sup>1</sup>	€3,363 m 14%	€2,347 m 20%	€536 m 12%
EBIT Growth	US\$1,659 m 11%	€700 m 14%	€232 m 19%	€24 m 9%

<sup>1</sup> Previous year's sales were adjusted according to a U.S. GAAP accounting change at Fresenius Medical Care

## Fresenius Kabi: Update Q1-3/12

- 9% organic sales growth – excellent contribution from all regions
- Strong organic sales growth in Emerging Markets (e.g. China: +17%, South Korea +22%)
- U.S. I.V. drug shortage update
  - Shortage list mid-October: 84 I.V. drugs; 24 marketed by Kabi (July: 94 I.V. drugs; 31 marketed by Kabi)
- 9 product launches YTD in the U.S.
- Fenwal acquisition closed in December 2012





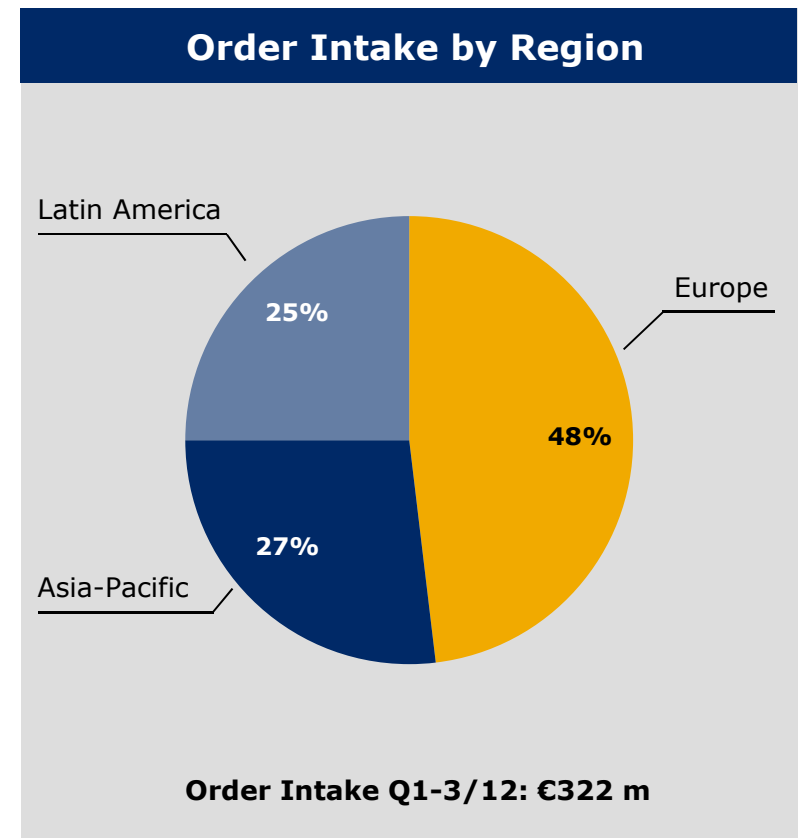
## Fresenius Helios: Update Q1-3/12

- Organic sales growth slightly above 2012 target range of 3-5%
- Stable EBIT margin of 9.9% (PY: 10.0%) including major recent acquisitions
- EBIT increase to 11.6% (+140bps) in established clinics
- 2013 DRG-Inflator of 2.0% (2012: 1.48%) – highest increase since the introduction of the DRG system in 2003
- Hospital transaction market update:
  - Acquired hospital revenue 2012 YTD: >€500 m – significantly exceeding FY/11 (~€365 m) and FY/10 (~€230 m)
  - Projects >€100 m in revenue pending



## Fresenius Vamed: Update Q1-3/12

- Improved 2012 outlook - Sales and EBIT now expected at upper end of 5-10% range
- Excellent Q3 order intake of €166 m – exceeding order intake in the first half of €156 m
- H.C. Hospital Consulting in Italy performing above expectations – gaining market share in maintenance / technical management of medical equipment
- Switzerland – new hospital service subsidiary and acquisition of HELIOS post-acute care clinic



## Fresenius Group: Financial Outlook by Business Segment

		Previous	New	
<b>Fresenius Kabi</b>	Sales growth <sup>1</sup>	~9%	confirmed	✓
	EBIT margin	~20.5%	confirmed	✓
<b>Fresenius Helios</b>	Sales growth <sup>1</sup>	3% – 5%	confirmed	✓
	EBIT	€310 m – €320 m (upper end)	confirmed	✓
<b>Fresenius Vamed</b>	Sales growth	5% – 10%	upper end	↑
	EBIT growth	5% – 10%	upper end	↑
<b>Fresenius Biotech</b>	EBIT	~-€25 m – -€30 m	~-€25 m	

<sup>1</sup> organic

## Fresenius Group: Financial Outlook Fully Confirmed

	<b>Previous</b>	<b>New</b>	
Revenue growth <sup>1</sup> at constant currency	12% – 14%	confirmed	✓
Net income growth <sup>2</sup> at constant currency	14% – 16%	confirmed	✓
Capex	~5% of Group sales	confirmed	✓

<sup>1</sup> Previous year's sales were adjusted according to a U.S. GAAP accounting change at Fresenius Medical Care.

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain (€34 million) and potential special charges (up to €17 million) at Fresenius Medical Care as well as for one-time costs (€31 million) related to the offer to the shareholders of RHÖN-KLINIKUM AG.

# Attachments



## Fresenius Group: Profit and Loss Statement

€m	Q3/12	Q1-3/12	Growth Q3/12 YoY	
			actual rates	constant rates
Sales <sup>1</sup>	4,864	14,100	20%	13%
EBIT <sup>2</sup>	784	2,224	20%	11%
Net interest	-167	-480	-34%	-25%
Income taxes	-178	-525	-9%	0%
Net income <sup>3</sup>	248	682	23%	15%

<sup>1</sup> Previous year's sales were adjusted according to a U.S. GAAP accounting change at Fresenius Medical Care.

<sup>2</sup> Adjusted for one-time costs of €7 million related to the offer to the shareholders of RHÖN-KLINIKUM AG.






<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain of €34 million at Fresenius Medical Care and for one-time costs of €31 million related to the offer to the shareholders of RHÖN-KLINIKUM AG. 2011 before special items due to MEB and CVR accounting.

## Fresenius Group: Cash Flow

€m	Q3/12	LTM Margin <sup>1</sup>	Q3/11	LTM Margin <sup>1</sup>	Growth YoY
<b>Operating Cash Flow</b>	<b>671</b>	<b>12.7%</b>	<b>506</b>	<b>10.7%</b>	<b>33%</b>
Capex (net)	-206	-4.6%	-183	-4.5%	-13%
<b>Free Cash Flow</b> (before acquisitions and dividends)	<b>465</b>	<b>8.1%</b>	<b>323</b>	<b>6.2%</b>	<b>44%</b>
Acquisitions (net)	-97		-35		-177%
Dividends	-37		-35		-6%
<b>Free Cash Flow</b> (after acquisitions and dividends)	<b>331</b>	<b>-5.6%</b>	<b>253</b>	<b>-3.4%</b>	<b>31%</b>

<sup>1</sup> Previous year's sales were adjusted according to a U.S. GAAP accounting change at Fresenius Medical Care

## Cash Flow Development LTM

€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	LTM Q1-3/12	LTM Margin	LTM Q1-3/12	LTM Margin	LTM Q1-3/12	LTM Margin <sup>3</sup>
	564	12.9%	(187)	(4.3%)	377	8.6%
	240	7.8%	(156)	(5.1%)	84	2.7% <sup>3</sup>
	36	4.5%	(8)	(1.0%)	28	3.5%
Corporate/ Other	-10	n/a	(13)	n/a	-23	n/a
 <b>FRESENIUS</b> excl. FMC	<b>830</b>	<b>10.8%</b> <sup>2</sup>	<b>(364)</b>	<b>(4.4%)</b>	<b>466</b>	<b>6.4%</b> <sup>2</sup>
 <b>FRESENIUS</b> Group	<b>2,340</b>	<b>12.7%</b>	<b>(847)</b>	<b>(4.6%)</b>	<b>1,493</b>	<b>8.1%</b>

<sup>1</sup> Before Acquisitions and Dividends

<sup>2</sup> Incl. FMC dividend

<sup>3</sup> Understated: 3.6% excluding €26 million of capex commitments from acquisitions

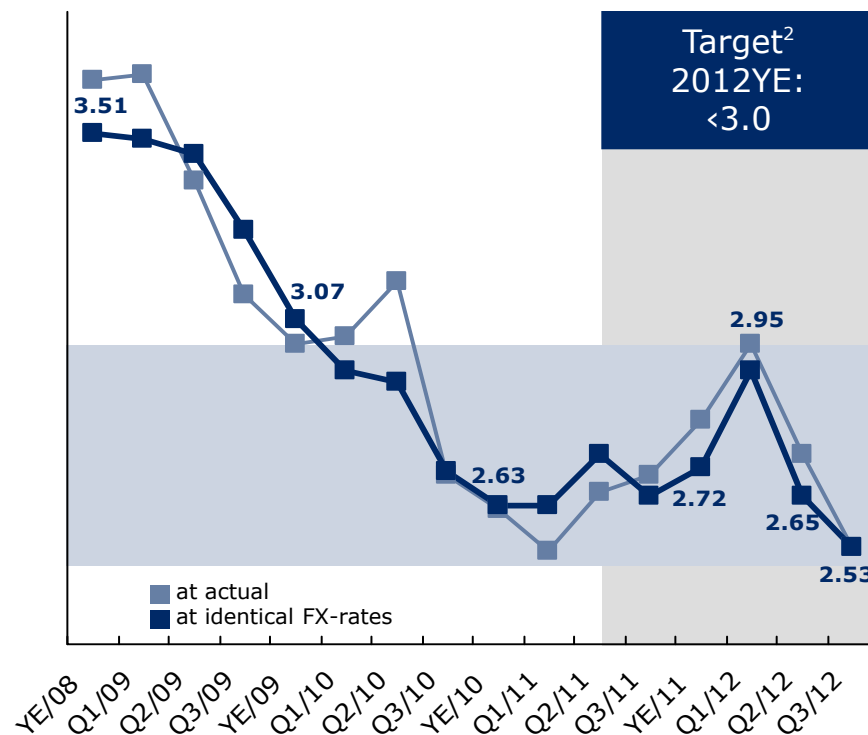
Margin = in % of sales



## Fresenius Group: Debt and Interest Ratios

	Sept 30, 2012	Dec 31, 2011
Debt (€m) thereof 52% US\$ denominated	<b>11,325</b>	<b>9,799</b>
Net debt (€m)	<b>9,556</b>	<b>9,164</b>
Net debt/EBITDA	<b>2.53<sup>1,2</sup></b>	<b>2.83</b>
EBITDA/Interest	<b>5.8</b>	<b>6.1</b>

### Net debt/EBITDA



<sup>1</sup> Pro forma Liberty Dialysis Holdings, Inc. and Damp Group

<sup>2</sup> Before one-time costs related to the offer to the shareholders of RHÖN-KLINIKUM AG

Debt excludes Mandatory Exchangeable Bonds which came to maturity on August 14, 2011

## Fresenius Kabi: Strong Organic Sales Growth

€m	Q1-3/12	Q1-3/11	Organic Growth
Infusion Therapy	754	665	10%
I.V. Drugs	1,273	1,076	11%
Clinical Nutrition	984	855	11%
Medical Devices/ Transfusion Technology	352	354	-1%
<b>Total sales</b>	<b>3,363</b>	<b>2,950</b>	<b>9%</b>

## Fresenius Kabi: Strong Organic Sales Growth

€m	Q1-3/12	Q1-3/11	Organic Growth
Europe	1,449	1,360	6%
North America	910	755	10%
Asia-Pacific	642	511	15%
Latin America/Africa	362	324	14%
<b>Total sales</b>	<b>3,363</b>	<b>2,950</b>	<b>9%</b>

## Fresenius Kabi: Excellent EBIT Improvement

€m	Q1-3/12	Q1-3/11	Growth
Europe Margin	284 19.6%	284 20.9%	0%
North America Margin	377 41.4%	288 38.1%	31%
Asia-Pacific/Latin America/Africa Margin	213 21.2%	169 20.2%	26%
Corporate and Corporate R&D	-174	-128	-36%
<b>Total EBIT</b>	<b>700</b>	<b>613</b>	<b>14%</b>
<b>Margin</b>	<b>20.8%</b>	<b>20.8%</b>	

## Fresenius Helios: Ongoing Strong Sales and EBIT Growth

€m	Q1-3/12	Q1-3/11	Growth
<b>Total sales</b>	<b>2,347</b>	<b>1,950</b>	<b>20%</b>
<b>EBIT</b>			
Established clinic portfolio	235	195	21%
Margin	11.6%	10.2%	
Acquisitions / Divestitures (consolidation / deconsolidation <1 yr)	-3	0	
<b>Total EBIT</b>	<b>232</b>	<b>195</b>	<b>19%</b>
<b>Margin</b>	<b>9.9%</b>	<b>10.0%</b>	

2012 adjusted for the transfer of a post-acute care clinic from Fresenius Helios to Fresenius Vamed

## Fresenius Helios: 2011 Clinic Development Plan

	Years in portfolio							Total
	<1	1	2	3	4	5	>5	
No. of clinics	1	1	-	6	4	7	25	43
Revenue (€m)	16	34	-	183	271	172	1,662	2,336
<b>Target</b>								
EBITDA margin (%)	-	3.0	6.0	9.0	12.0	15.0	15.0	
EBITDA (€m)	-	1.0	-	16.4	32.5	25.7	249.2	324.8
<b>Reported</b>								
EBITDA margin (%)	-	-2.6	-	2.9	13.2	11.2	16.9	14.4
EBITDA (€m)	-3.2	-0.9	-	5.3	35.7	19.2	280.3	336.4
No. of clinics > target	-	-	-	3	2	3	15	23
No. of clinics < target	-	1	-	3	2	4	10	20

IFRS

## Fresenius Helios: Performance Indicators

	Q1-3/12	Q1-3/11	Change
<b>No. of hospitals</b>	72	65 <sup>1</sup>	11%
- Acute care clinics	50	45	11%
- Post-acute care clinics	22	20	10%
<b>No. of beds</b>	23,260	20,112 <sup>1</sup>	16%
- Acute care clinics	18,689	16,690	12%
- Post-acute care clinics	4,571	3,422	34%
<b>Admissions</b>			
- Acute care (inpatient)	543,313	472,389	15%
<b>Occupancy</b>			
- Post-acute care	85%	79%	
<b>Average length of stay (days)</b>			
- Acute care	6.7	6.7	
- Post-acute care	27.2	29.6	

<sup>1</sup> Dec 31, 2011

## Fresenius Vamed: Sales Growth and EBIT in line with Expectations

€m	Q1-3/12	Q1-3/11	Growth
Project business	285	311	-8%
Service business	251	169	49%
<b>Total sales</b>	<b>536</b>	<b>480</b>	<b>12%</b>
<b>Total EBIT</b>	<b>24</b>	<b>22</b>	<b>9%</b>
<b>Margin</b>	<b>4.5%</b>	<b>4.6%</b>	
<b>Order intake<sup>1</sup></b>	<b>322</b>	<b>335</b>	<b>-4%</b>
<b>Order backlog<sup>1</sup></b>	<b>878</b>	<b>845<sup>2</sup></b>	<b>4%</b>

<sup>1</sup> Project business only

<sup>2</sup> Dec 31, 2011

2012 adjusted for the transfer of a post-acute care clinic from Fresenius Helios to Fresenius Vamed



## Share Information

### Share key facts

Number of shares <sup>1</sup>	177,944,610
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

<sup>1</sup> as of September 30, 2012

## Financial Calendar

26.02.2013	Report on Fiscal Year 2012
30.04.2013	Report on 1 <sup>st</sup> quarter 2013
17.05.2013	Annual General Meeting, Frankfurt/Main
30.07.2013	Report on 1 <sup>st</sup> half 2013
05.11.2013	Report on 1 <sup>st</sup> – 3 <sup>rd</sup> quarter 2013

### **Contact**

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