



# Health Care Worldwide

Goldman Sachs - Leveraged Finance Healthcare Conference  
March 6, 2013 – New York



## 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

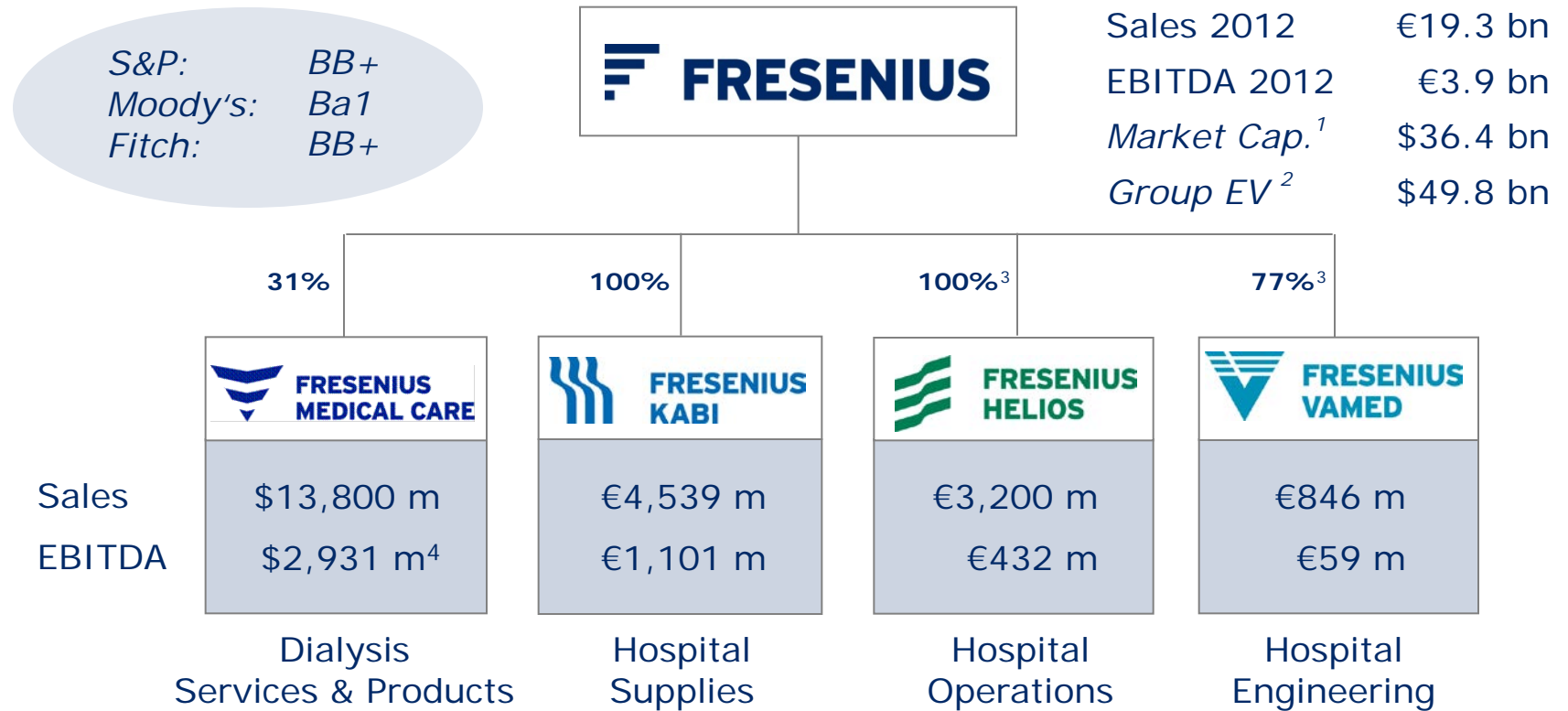
- Company Overview
- Business Segments
  - Fresenius Medical Care
  - Fresenius Kabi
  - Fresenius Helios
  - Fresenius Vamed
- Back-Up

# Company Overview



# Fresenius Group: Diversified and Large

As of December 31, 2012



1 – Based on market capitalization of FSE as of February 27, 2013.

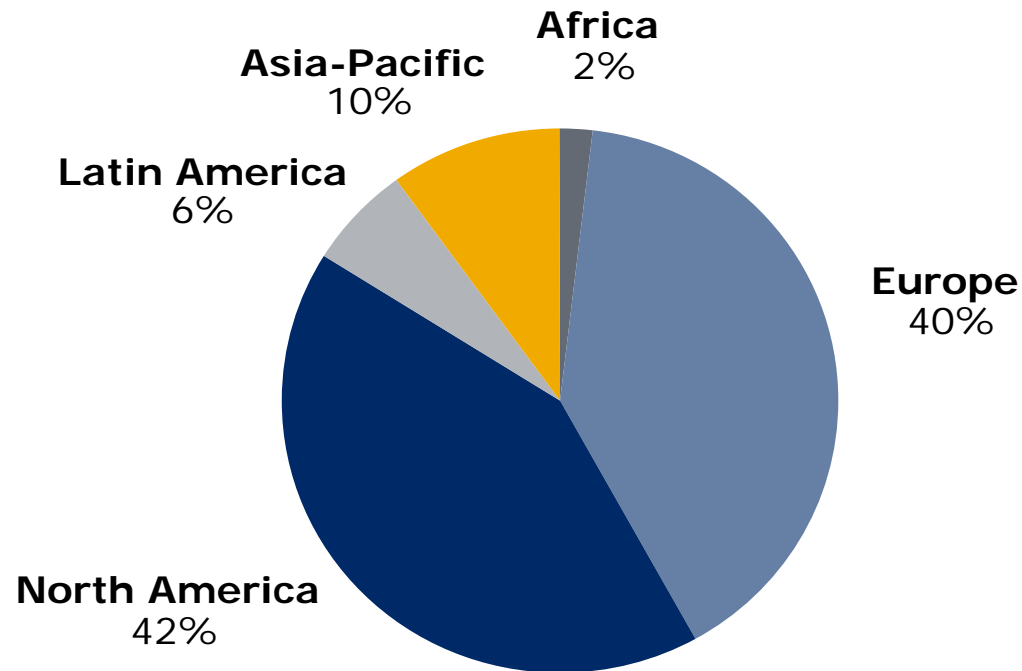
2 – Based on consolidated market capitalization of FSE and Fresenius Medical Care as of February 27, 2013 and consolidated net debt as of December 31, 2012.

3 – As held by Fresenius ProServe GmbH, a wholly owned subsidiary of Fresenius SE & Co. KGaA.

4 – Adjusted for other one-time costs of \$110 million related to the amendment of the agreement for Venofer and a donation to the American Society of Nephrology.

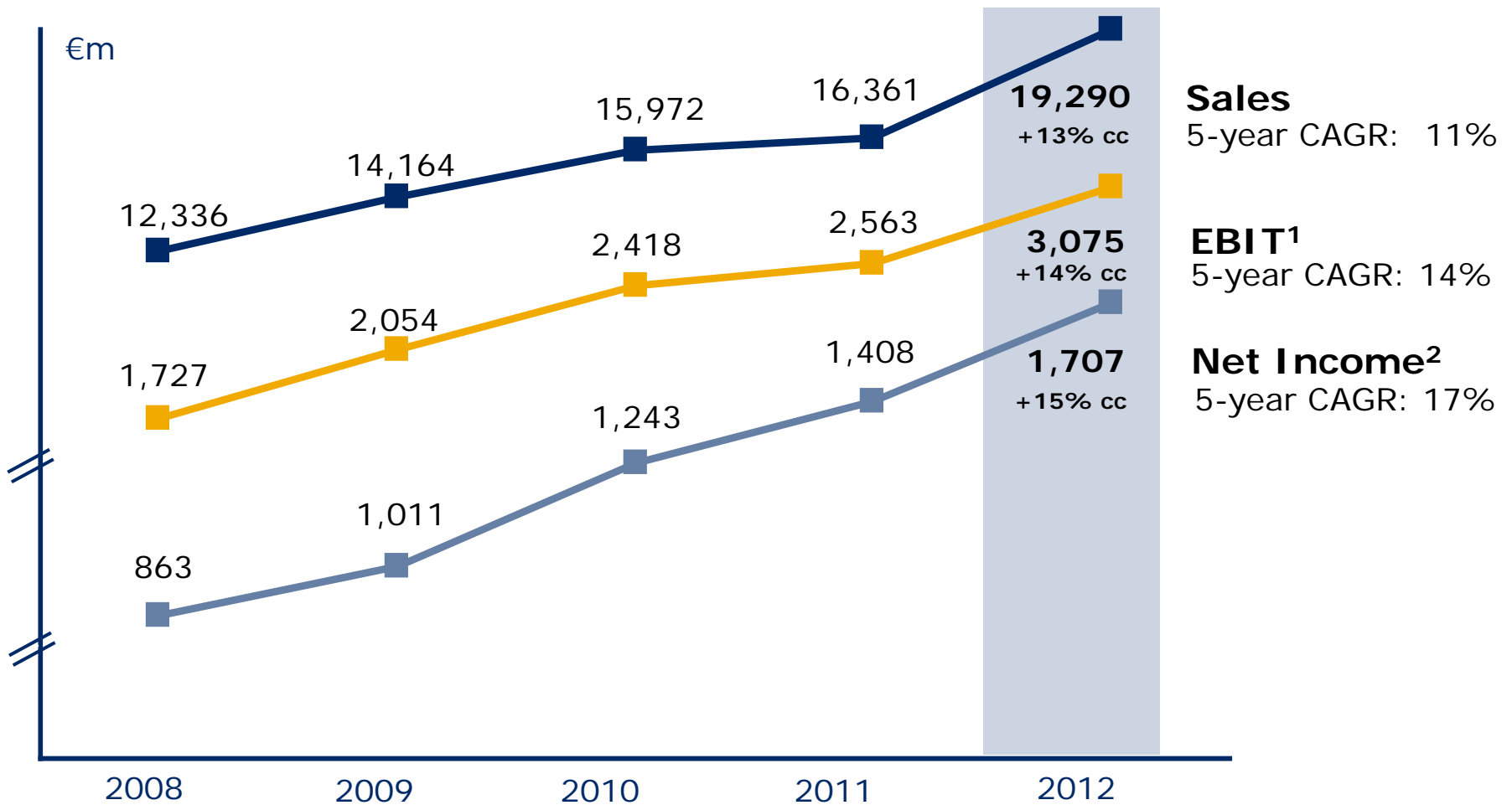
# Fresenius Group: Sales Distribution by Region

**Sales 2012: €19.3 bn**



1 – 2011 sales adjusted by -€161 million according to a U.S. GAAP accounting change. This solely relates to Fresenius Medical Care North America.

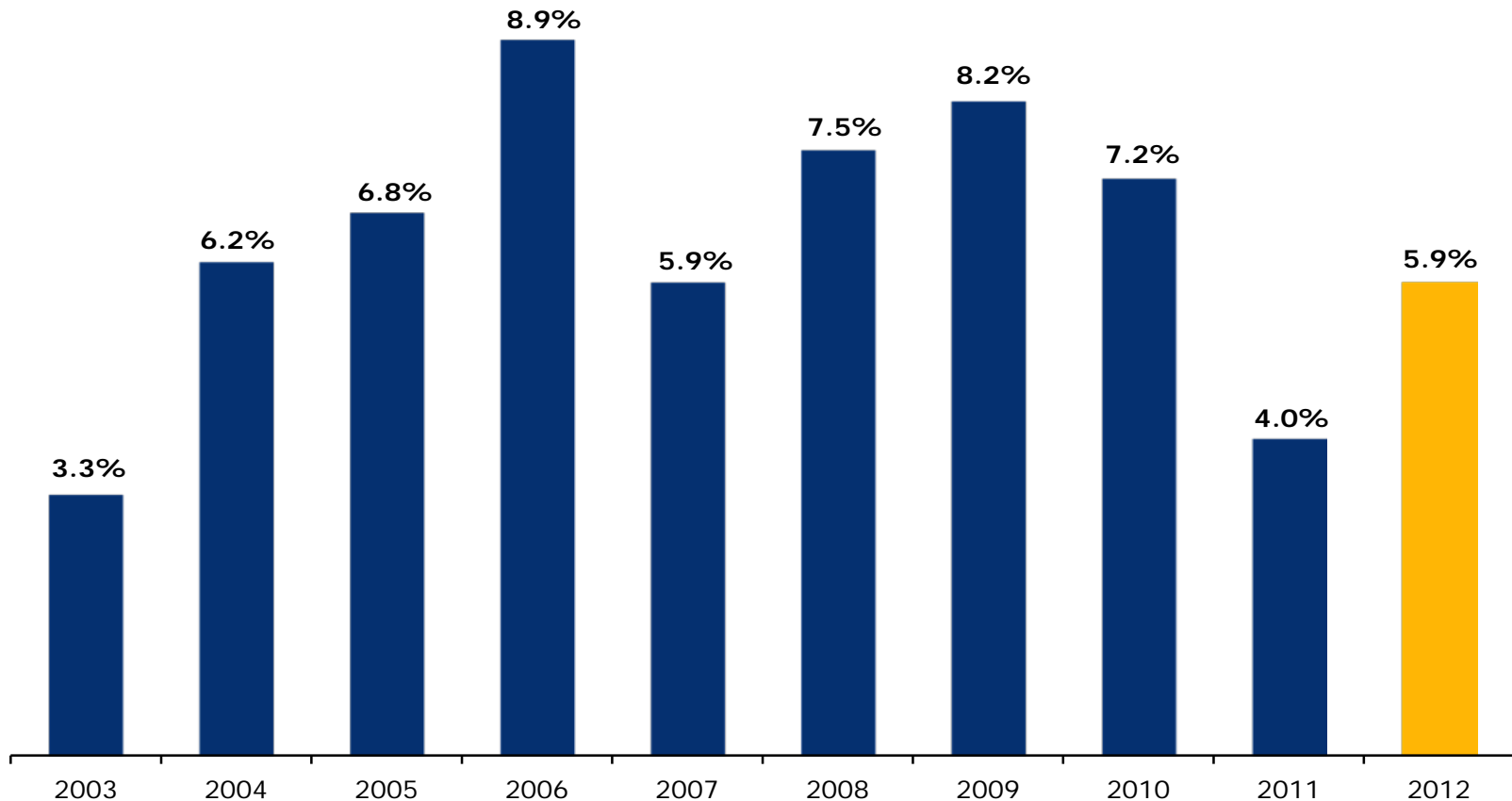
# Fresenius Group: Financial Results



1 – before special items

2 – incl. attributable to non-controlling interest, financial results before special items

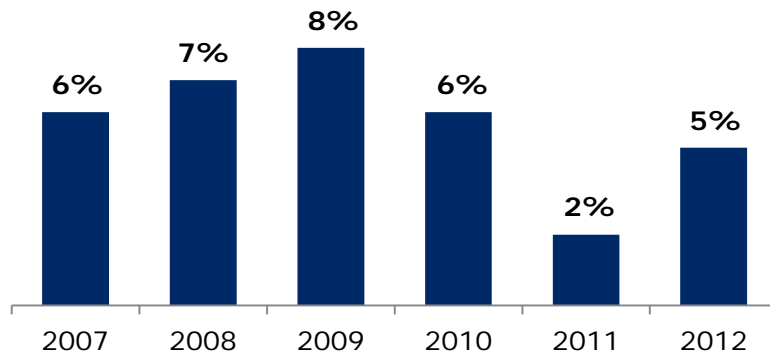
## Fresenius Group: Organic Growth 2003 – 2012



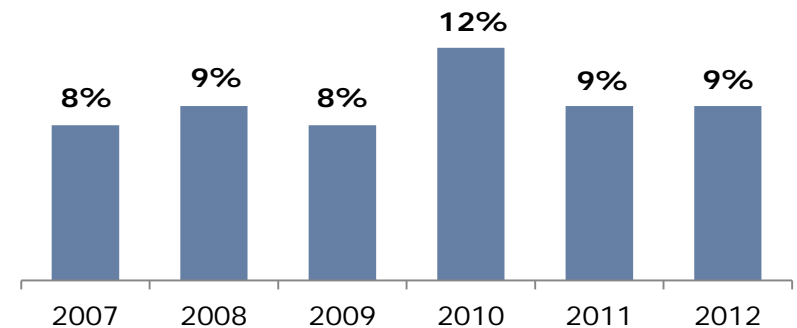


# Fresenius Group: Sustainable Organic Sales Growth in all Business Segments

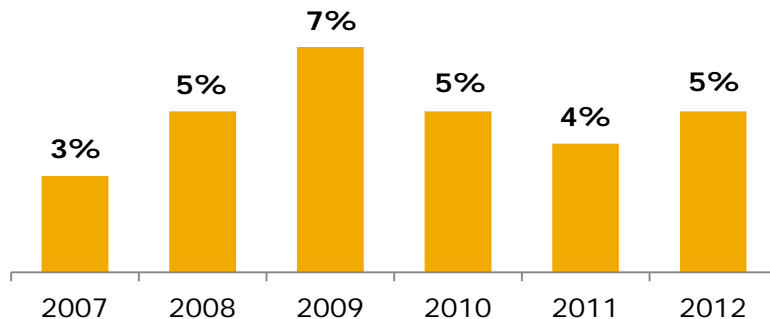
Fresenius Medical Care



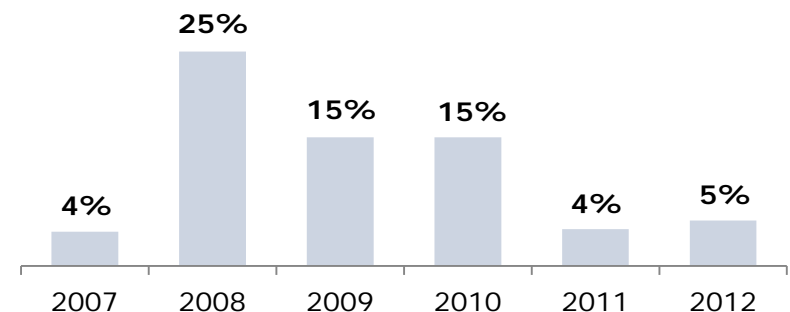
Fresenius Kabi



Fresenius Helios



Fresenius Vamed

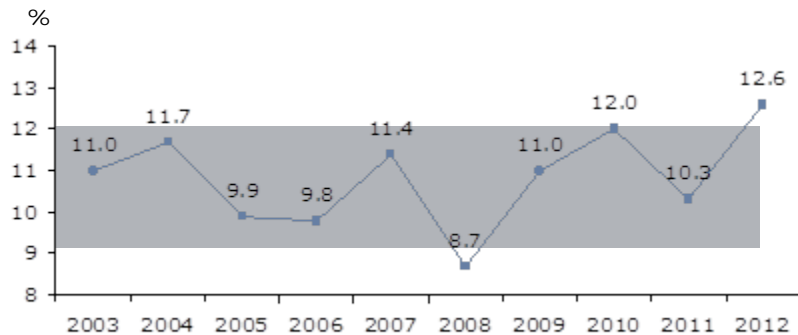


## Fresenius Group: Ideal Strategic Posture to Benefit from Major Healthcare Trends

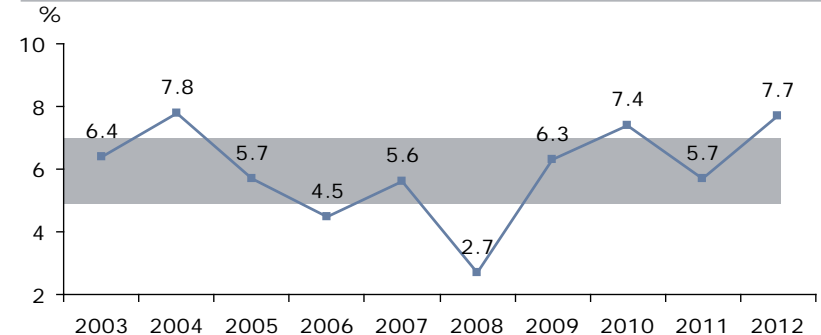
- **Aging population and increasing demand for health care**  
World population age 60+ will more than double by 2050 to >2 bn (OECD)
- **Dynamic emerging market growth**  
Increasing healthcare coverage and per capita spending  
(e.g. India: US\$44, China: US\$191, vs. USA: US\$7,960; WHO)
- **Continuing growth of generics**  
Approx. US\$20 bn branded IV drugs (base: 2010 sales) go off-patent in the U.S. by 2020
- **Rise of private providers in healthcare services**  
Further privatization of German hospital market  
Global opportunity to provide dialysis services (e.g. China, India)

# Fresenius Group: Consistent Cash Generation and Proven Track Record of Deleveraging

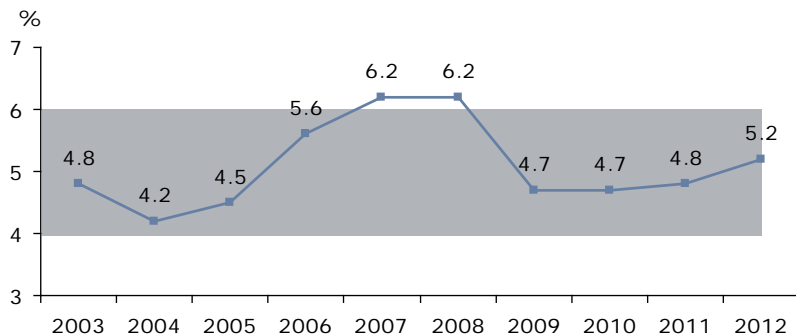
### CFFO Margin



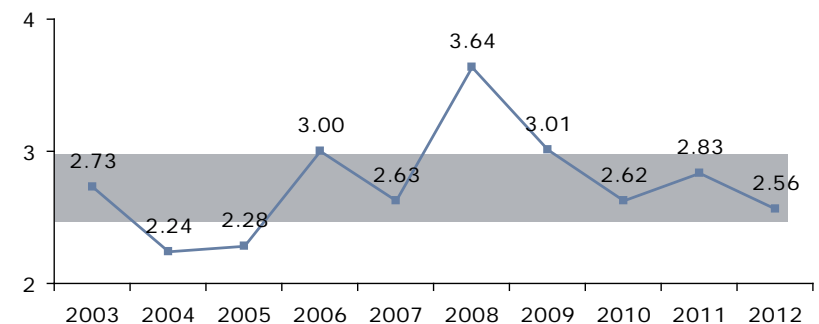
### FCF Margin<sup>1</sup>



### Capex in % of Sales



### Net Debt / EBITDA



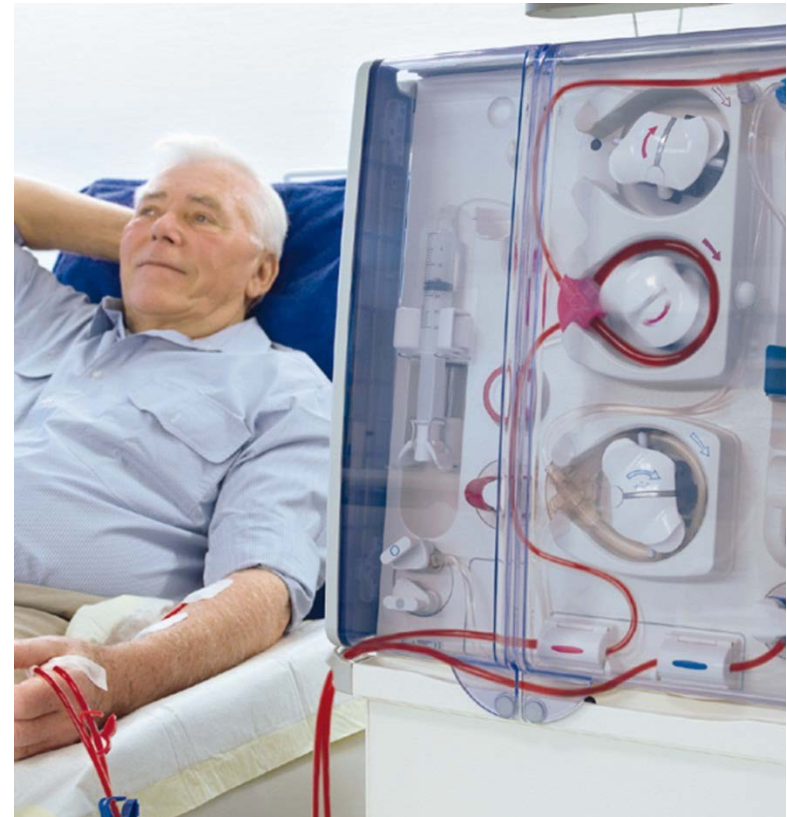
1 – before acquisitions & dividends

# Business Segments



## Fresenius Medical Care: Overview

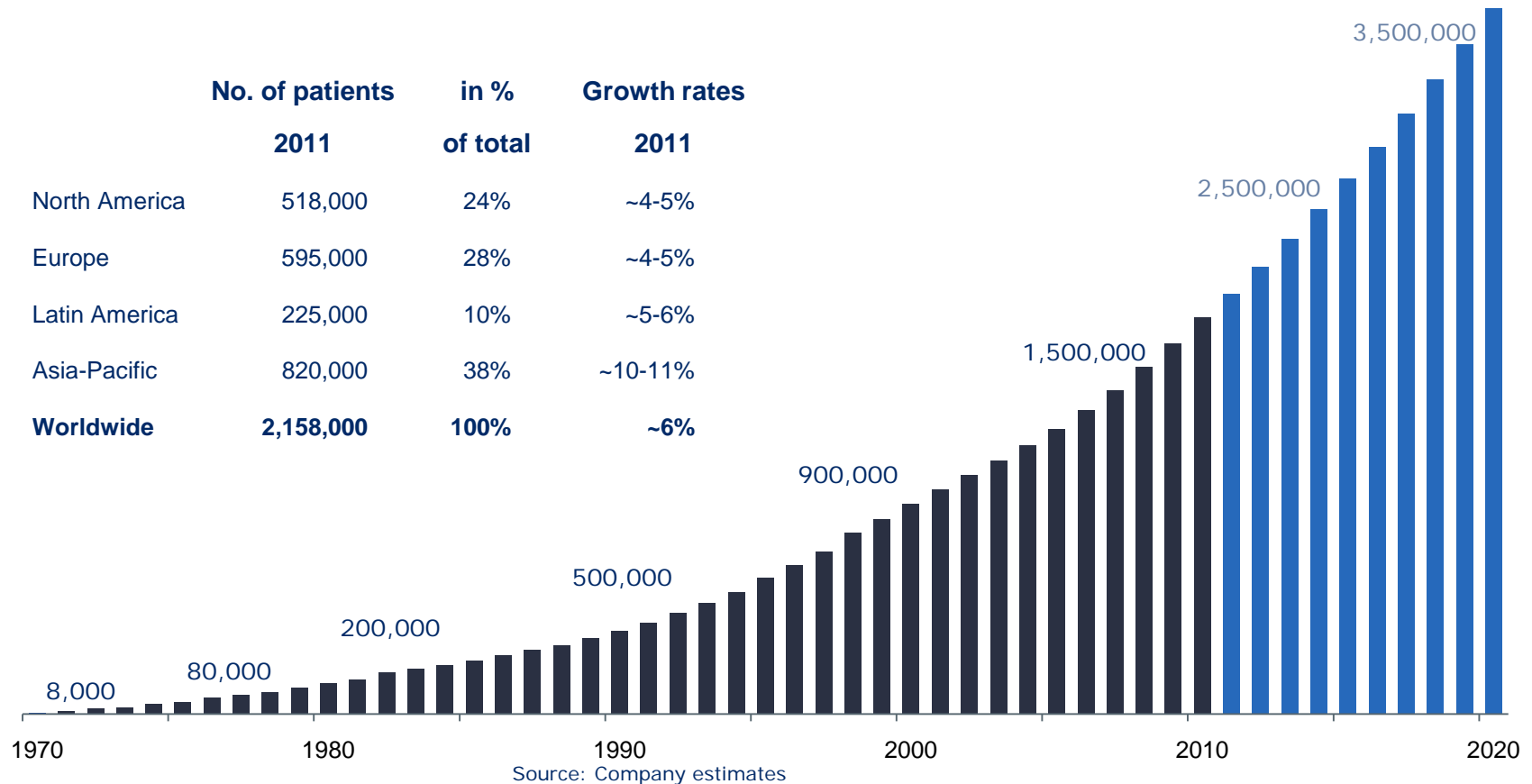
- World leader in dialysis products and services treating 260,282 patients in 3,192 clinics worldwide<sup>1</sup>
- Provide highest standard of patient care
  - Vertical integration
  - High quality products & services
  - Complete therapy offerings
- Leader in growing market
  - Dialysis market growing 4%cc and estimated to reach \$100 bn by 2020
  - Patient growth driven by age, life style and mortality reduction



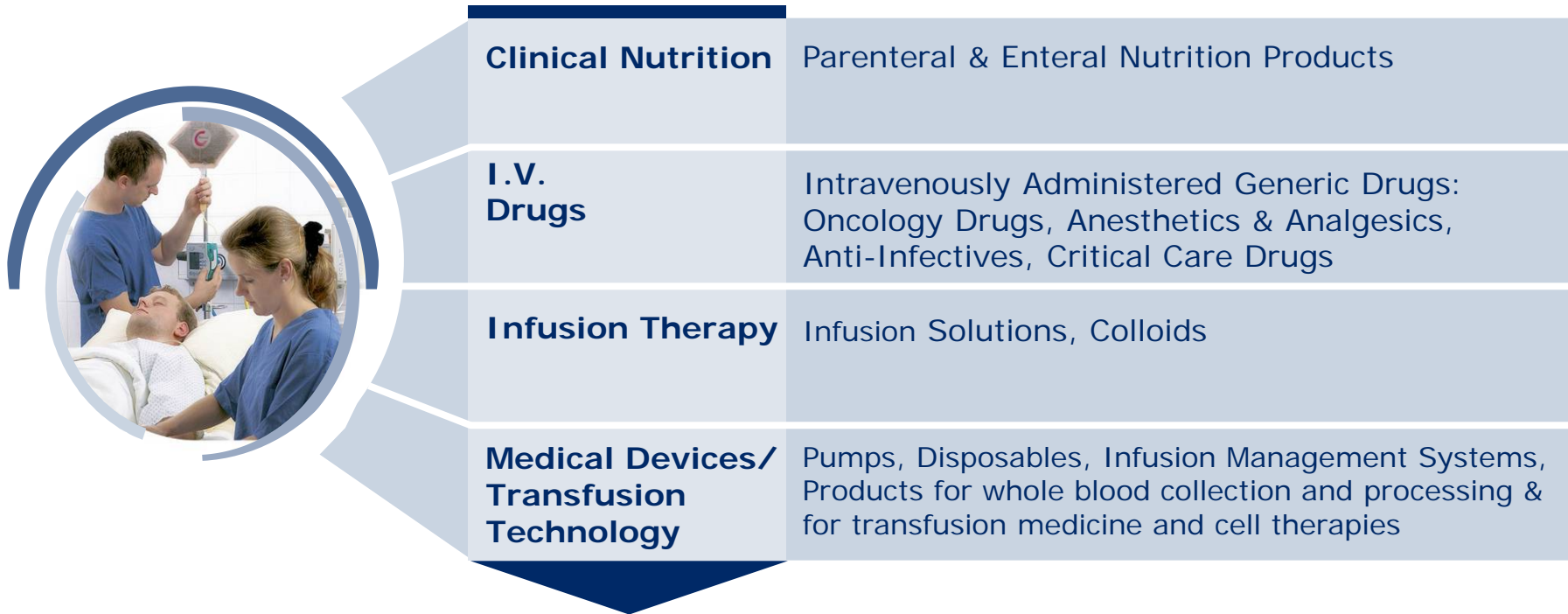
1 – as of December 31, 2012, including clinics managed by Fresenius Medical Care North America

# Development of Dialysis Patient Population Worldwide

**2020: Estimates suggest an increase to 3.8 million dialysis patients**

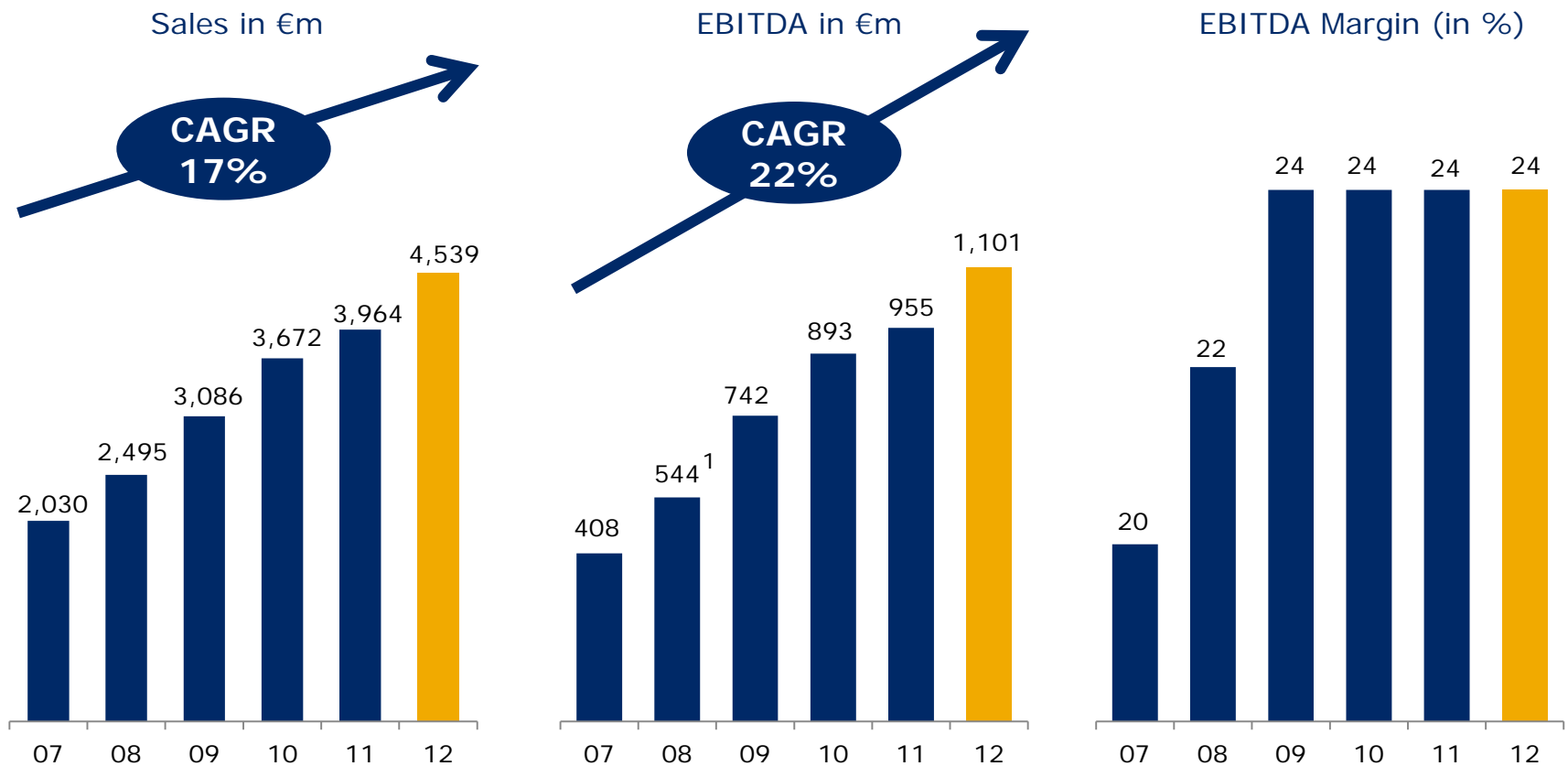


# Fresenius Kabi: Overview



High quality and affordable products for the therapy and care of critically and chronically ill patients in hospital and outpatient care

# Fresenius Kabi: Profitability Improvement



1 – Before APP-transaction related special items

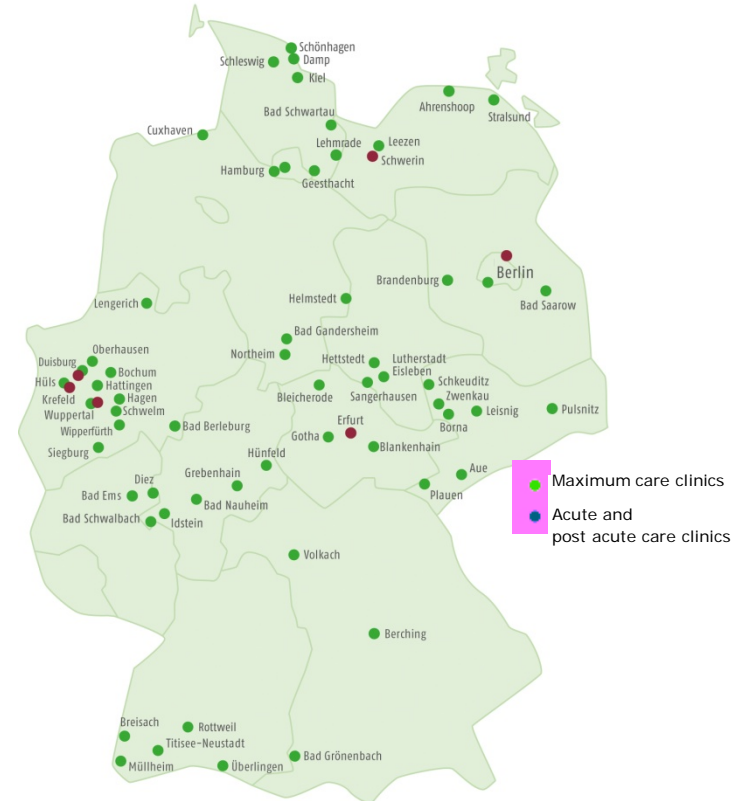


# Fresenius Helios: Achievements 2012

- Excellent organic sales growth of 5%; admissions ~3%, price/mix ~2%
- EBIT margin increase to 11.7% (+140bps) in established clinics; acquired clinics Duisburg and Damp Group on track
- Further quality improvement – 91% of quality targets met or exceeded (2011: 85%); data transparency increased – new hospital hygiene report<sup>1</sup>
- Hospital transaction market update: acquired hospital revenue reached €660 million in 2012

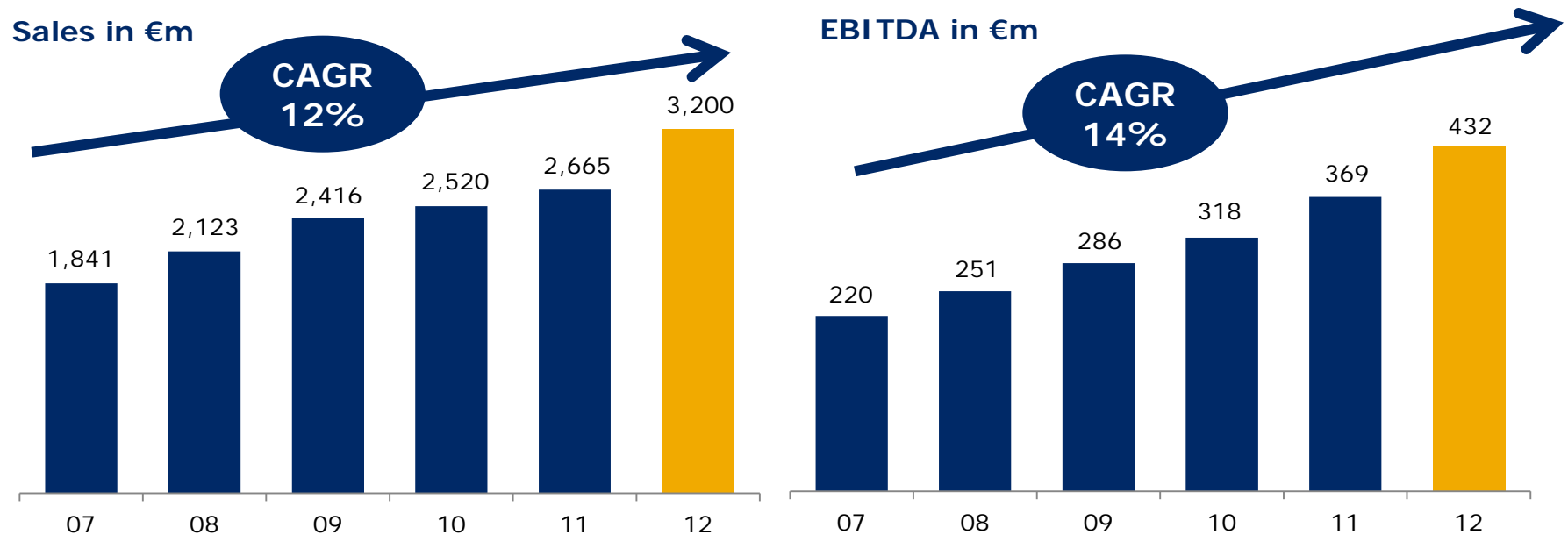
1 – [www.helios-kliniken.de/hygiene](http://www.helios-kliniken.de/hygiene)

## HELIOS Hospital Network 72 hospitals, >23,000 beds



## Fresenius Helios: Overview (continued)

- Strong track record in hospital acquisitions: 15% EBITDA margin target within 5 years. HELIOS acquired 25 hospitals over the past 6 years (LTM<sup>1</sup>)



1 – Period from 31 December 2006 to 31 December 2012

## Fresenius Vamed: Overview

- Project and service business in health care facilities worldwide
- Realization of approximately 600 health care projects in more than 60 countries since its foundation in 1982
- Project business accounts for 67% of 2011 sales, service business for 33%



- Project development
- Planning
- Project management



- Turnkey hospital projects
- Complete medical equipment
- Service and maintenance of medical-technical installations

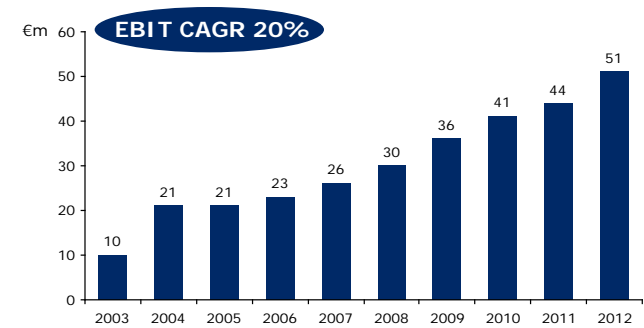
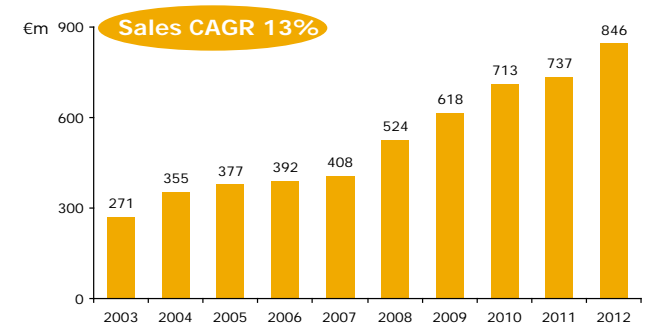


- Facility management
- Technical management
- General management

## Fresenius Vamed: Achievements 2012

- 15% sales and 16% EBIT growth – significantly exceeding guidance
- Service business contributes 40% to total sales (2011: 33%) leading to a more balanced and stable business
- Expanded geographic presence – entry into four new local markets – contributing 13% to 2012 sales
- A decade of consistent growth – well on track for €1 bn sales target by 2014

### Consistent Sales and EBIT Growth



## 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

## Fresenius Takes Growth Momentum into 2013

Kabi expects double-digit sales increase driven by solid organic growth and acquisition growth

Damp hospital margin upside and new integrated care offerings at Helios

Double-digit emerging market growth continues – 2013 target of >€3 bn reached ahead of schedule

Earnings upside from Biotech decision and refinancing activities

Promising pipeline of small to mid-sized accretive M&A targets

# Back-Up

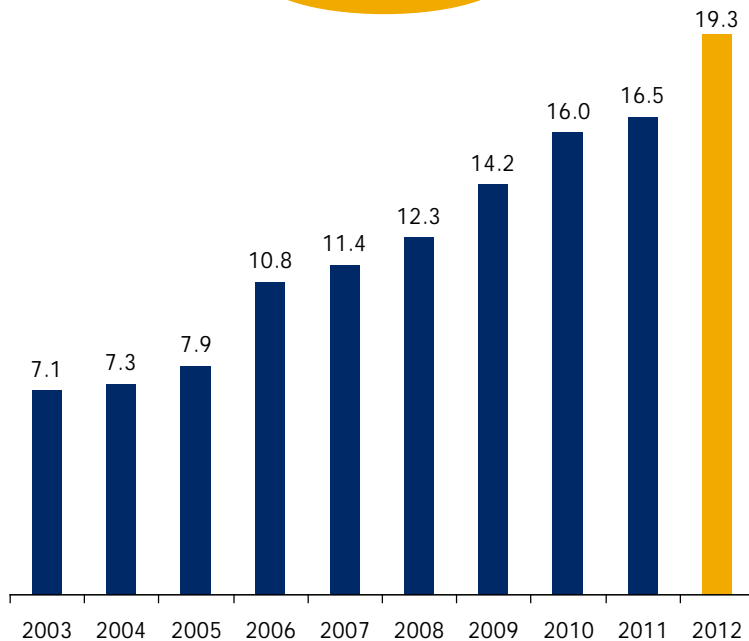


# Fresenius Group: A Decade of Consistent Growth

## Sales

€bn

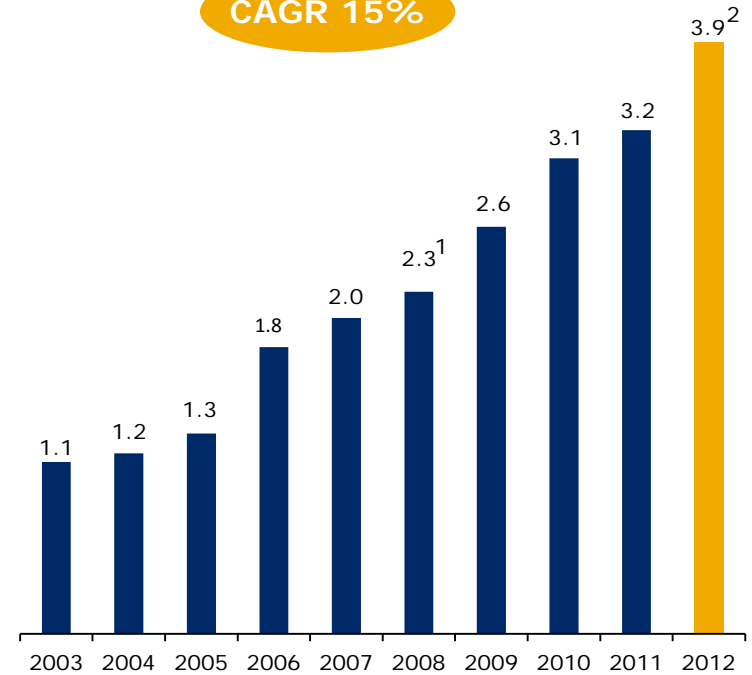
CAGR 12%



## EBITDA

€bn

CAGR 15%



1 – after APP-transaction related special items

2 – after special items



## Fresenius Group: Key Figures 2012

€m	2012	2011	Change actual FX rates	Change constant FX rates
<b>Sales</b>	<b>19,290</b>	<b>16,361<sup>1</sup></b>	<b>+ 18%</b>	<b>+ 13%<sup>2</sup></b>
<b>EBITDA</b>	<b>3,851</b>	<b>3,237</b>	<b>+ 19%</b>	<b>+ 13%</b>
<b>EBIT</b>	<b>3,075<sup>3</sup></b>	<b>2,563</b>	<b>+ 20%</b>	<b>+ 14%</b>
Interest, net	- 666	- 531 <sup>4</sup>	-25%	-19%
<b>EBT</b>	<b>2,409</b>	<b>2,032<sup>4</sup></b>	<b>+19%</b>	<b>+13%</b>
Taxes	- 702	- 624 <sup>4</sup>	-13%	-7%
<b>Net income<sup>5</sup></b>	<b>1,707</b>	<b>1,408<sup>4</sup></b>	<b>+ 21%</b>	<b>+ 15%</b>
<b>Employees<sup>6</sup></b>	<b>169,324</b>	<b>149,351</b>		

1 – restated

3 – excl. one-time costs related to the offer to the shareholders of RHÖN-KLINIKUM AG as well as other one-time costs at Fresenius Medical Care

6 – as of December 31

2 – 6% organic growth, 8% acquisitions, -1% divestitures

4 – before special items due to MEB and CVR accounting






5 – incl. attributable to non-controlling interest

## Fresenius Group: Cash Flow 2012

€m	2012	Margin <sup>1</sup>	2011	Margin <sup>1</sup>	Growth YoY
<b>Operating Cash Flow</b>	<b>2,438</b>	<b>12.6%</b>	<b>1,689</b>	<b>10.3%</b>	<b>44%</b>
Capex (net)	-952	-4.9%	-758	-4.6%	-26%
<b>Free Cash Flow</b> (before acquisitions and dividends)	<b>1,486</b>	<b>7.7%</b>	<b>931</b>	<b>5.7%</b>	<b>60%</b>
Acquisitions (net)	-2,299		-1,314		-75%
Dividends	-446		-365		-22%
<b>Free Cash Flow</b> (after acquisitions and dividends)	<b>-1,259</b>	<b>-6.5%</b>	<b>-748</b>	<b>-4.6%</b>	<b>-68%</b>

1 – previous year's sales were adjusted according to a U.S. GAAP accounting change at Fresenius Medical Care

## Cash Flow Development 2012

€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	2012	Margin	2012	Margin	2012	Margin
	596	13.1%	(239)	(5.2%)	357	7.9%
	240	7.5%	(171)	(5.3%)	69	2.2% <sup>3</sup>
	35	4.1%	(11)	(1.3%)	24	2.8%
Corporate/ Other	-20	n/a	(13)	n/a	-33	n/a
	<b>851</b>	<b>10.6%<sup>2</sup></b>	<b>(434)</b>	<b>(5.1%)</b>	<b>417</b>	<b>5.5%<sup>2</sup></b>
	<b>2,438</b>	<b>12.6%</b>	<b>(952)</b>	<b>(4.9%)</b>	<b>1,486</b>	<b>7.7%</b>

1 – before Acquisitions and Dividends

2 – incl. FMC dividend

3 – understated: 2.9% excluding €25 million of capex commitments from acquisitions

Margin = in % of sales

# Fresenius Group: Financial Outlook

	<b>Guidance 2013</b>
Revenue growth at constant currency	7% – 10%
Net income growth <sup>1</sup> at constant currency	7% – 12%

2013 guidance reflects

- one-time costs of €14 million due to early redemption of 2016 bond – included
- U.S. sequestration Medicare reimbursement cut – approx. 1% effect on Group net income
- Fenwal integration costs of ~€50 million (pre-tax) – excluded

**2014 net income target of >€1 billion to be reached already in 2013<sup>1</sup>**

<sup>1</sup> – Net income attributable to shareholders of Fresenius SE & Co. KGaA adjusted for one-time integration costs of Fenwal (~€50 million pre-tax)

## Fresenius Medical Care: Key Figures 2012

<i>\$ million</i>	<b>2012</b>	<b>2011</b>	<b>Growth</b>
<b>Sales</b>	<b>13,800</b>	<b>12,571<sup>1</sup></b>	<b>+ 10%<sup>2</sup></b>
<b>EBITDA</b>	<b>2,931<sup>3</sup></b>	<b>2,632</b>	<b>+ 11%</b>
<i>EBITDA margin</i>	<i>20.4%</i>	<i>20.9%<sup>1</sup></i>	
<b>EBIT</b>	<b>2,329</b>	<b>2,075</b>	<b>+ 12%</b>
<i>EBIT margin</i>	<i>16.1%</i>	<i>16.5%<sup>1</sup></i>	
<b>Net income<sup>4</sup></b>	<b>1,118<sup>5</sup></b>	<b>1,071</b>	<b>+ 4%</b>

1 – previous years' figures were adjusted according to a U.S. GAAP accounting change at Fresenius Medical Care

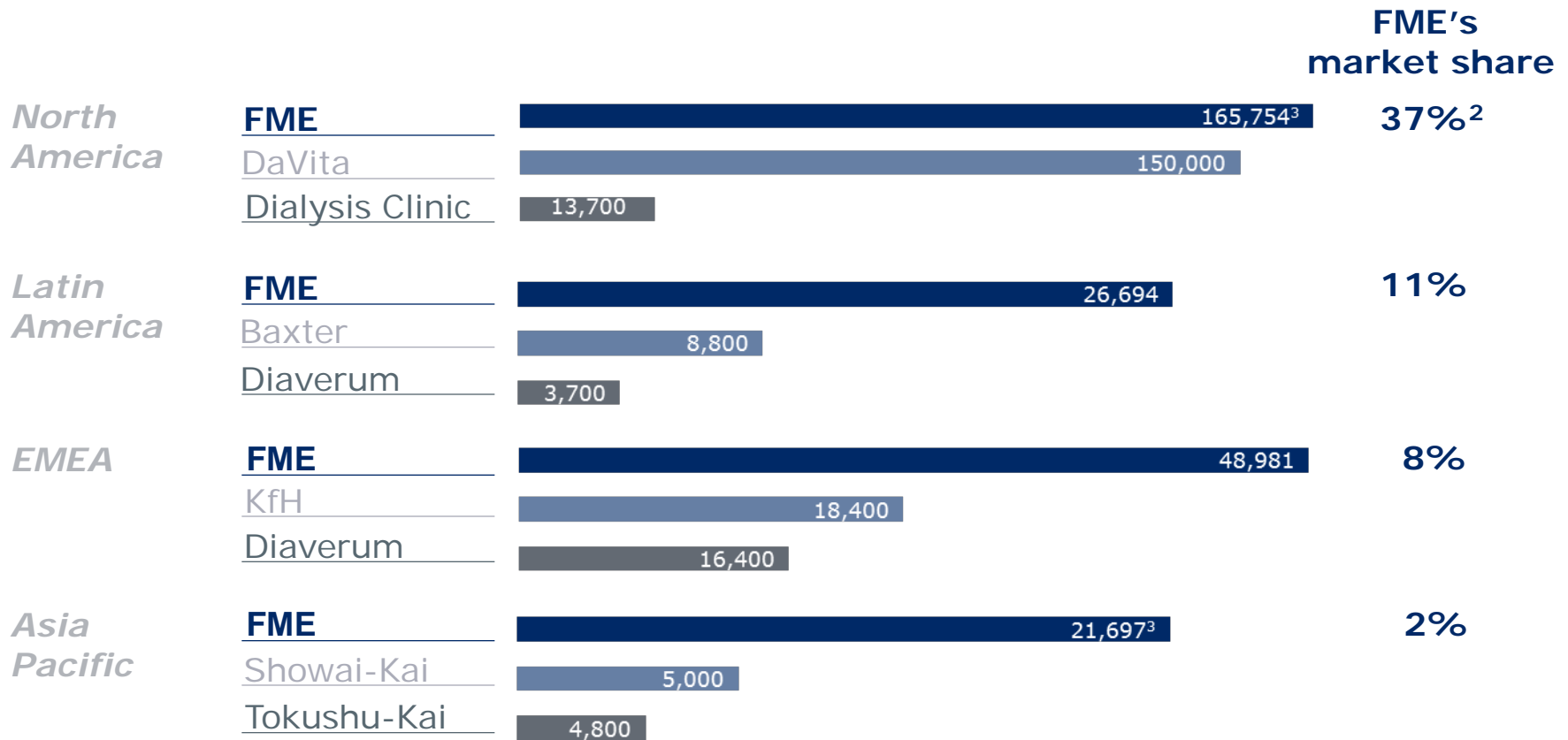
2 – 12% at constant currency, 5% organic growth, 8% acquisitions, -2% currency effects, -1% divestitures

3 – adjusted for charges of \$110 million related to amendment of the agreement for Venofer and donation to the American Society of Nephrology

4 – attributable to Fresenius Medical Care AG & Co. KGaA

5 – adjusted for non-taxable investment gain of \$140 million as well as charges of \$71 million after tax

# Fresenius Medical Care: Global Leader in Dialysis Care<sup>1</sup> – ~263,000 Patients Worldwide as of September 30, 2012



1 – Based on company statements and estimates

2 – US market share only

3 – Including managed clinics (U.S. and Asia Pacific)

## Fresenius Kabi: Key Figures 2012

<i>€ million</i>	<b>2012</b>	<b>2011</b>	<b>Growth</b>
<b>Sales</b>	<b>4,539</b>	<b>3,964</b>	<b>+ 15%</b> <sup>1</sup>
- Infusion Therapy	1,010	895	+ 10% <sup>2</sup>
- I.V. Drugs	1,701	1,438	+ 12% <sup>2</sup>
- Clinical Nutrition	1,314	1,154	+ 10% <sup>2</sup>
- Medical Devices/ Transfusion Technology	514	477	- 1% <sup>2</sup>
<b>EBITDA</b>	<b>1,101</b>	<b>955</b>	<b>+ 15%</b>
<i>EBITDA margin</i>	24.3%	24.1%	
<b>EBIT</b>	<b>934</b>	<b>803</b>	<b>+ 16%</b>
<i>EBIT margin</i>	20.6%	20.3%	
<b>Net income</b>	<b>444</b>	<b>354</b> <sup>3</sup>	<b>+ 25%</b>

1 – 9 % organic growth, 1% acquisitions, 5 % currency effects

2 – organic growth

3 – before special items due to CVR accounting

## Fresenius Kabi: Excellent EBIT Improvement

€m	Q4/12	2012	2011	Growth 2012
Europe	106	390	385	1%
Margin	21.0%	20.0%	21.1%	
North America	123	500	368	36%
Margin	37.7%	40.5%	36.7%	
Asia-Pacific/Latin America/Africa	73	286	232	23%
Margin	21.1%	21.2%	20.4%	
Corporate and Corporate R&D	-68	-242	-182	-33%
<b>Total EBIT</b>	<b>234</b>	<b>934</b>	<b>803</b>	<b>16%</b>
<b>Margin</b>	<b>19.9%</b>	<b>20.6%</b>	<b>20.3%</b>	



## Fresenius Kabi: Significant Future Growth Prospects

### Dynamic Emerging Market Growth

- Continued double-digit organic growth; revenue share increasing from 30% (2012) to ~35% (2015)

### Robust Pipeline

- >110 I.V. drug development projects worldwide
- 32 ANDAs pending at the FDA for the U.S. market

### Geographic Product Roll-out

- Asia-Pacific – focus on infusion solutions, I.V. drugs and Medical Devices
- Latin America – focus on I.V. drugs and Medical Devices

### Medical Devices Expansion (incl. Fenwal)

- €1.5 billion sales target by 2017 through new product launches, geographic expansion, acquisitions and partnering

Well on track for ~€6 bn sales and >€1.1 bn EBIT by 2015

## Fresenius Kabi: Financial Outlook

		Guidance 2013	3-yr CAGR <sup>1</sup>	Midterm Outlook
<b>Sales</b>	Growth cc	12 – 14%	10% – 11%	7% – 10%
	Growth organic	3% – 5%	7% – 8%	
<b>EBIT</b>	Margin excl. Fenwal	19% – 20%		18% – 21%
	Margin incl. Fenwal	18% – 19%		

Sales guidance reflects

- Fenwal acquisition and divestitures of non-core businesses

EBIT guidance reflects

- Fenwal margin below par and intangible amortization charge of \$33 million p.a.
- ~€50 million Fenwal integration costs (pre-tax) excluded

<sup>1</sup> – 2010-2013

## Fresenius Helios: Key Figures 2012

<i>€ million</i>	<b>2012</b>	<b>2011</b>	<b>Growth</b>
<b>Sales</b>	<b>3,200</b>	<b>2,665</b>	<b>+ 20%<sup>1</sup></b>
<b>EBITDA</b>	<b>432</b>	<b>369</b>	<b>+ 17%</b>
<i>EBITDA margin</i>	<i>13.5%</i>	<i>13.8%</i>	
<b>EBIT</b>	<b>322</b>	<b>270</b>	<b>+ 19%</b>
<i>EBIT margin</i>	<i>10.1%</i>	<i>10.1%</i>	
<b>Net income</b>	<b>203</b>	<b>163</b>	<b>+ 25%</b>

1 – 5% organic growth, 15% acquisitions

## Fresenius Helios: Performance Indicators

	2012	2011	Change
<b>No. of hospitals</b>	72	65	11%
- Acute care clinics	50	45	11%
- Post-acute care clinics	22	20	10%
<b>No. of beds</b>	23,286	20,112	16%
- Acute care clinics	18,701	16,690	12%
- Post-acute care clinics	4,585	3,422	34%
<b>Admissions</b>			
- Acute care (inpatient)	729,673	632,778	15%
<b>Occupancy</b>			
- Post-acute care	85%	78%	
<b>Average length of stay (days)</b>			
- Acute care	6.7	6.7	
- Post-acute care	27.0	29.6	
<b>Bad debt in % of sales</b>	0.4%	0.2%	

## Fresenius Helios: 2012 Clinic Development Plan

	Years in portfolio							Total
	<1	1	2	3	4	5	>5	
No. of clinics	6	2	1	-	6	4	31	50
Revenue (€m)	227	155	36	-	192	294	1,910	2,814
<b>Target</b>								
EBITDA margin (%)	-	3.0	6.0	9.0	12.0	15.0	15.0	
EBITDA (€m)	-	4.7	2.2	-	23.0	44.1	286.5	360.5
<b>Reported</b>								
EBITDA margin (%)	-	-3.3	7.4	-	11.0	15.4	17.5	14.1
EBITDA (€m)	-1.1	-5.2	2.7	-	21.2	45.1	334.8	397.5
No. of clinics > target	-	1	1	-	3	3	19	27
No. of clinics < target	-	1	-	-	3	1	12	17

IFRS

## Fresenius Helios: Financial Outlook

		Guidance 2013	3-yr CAGR <sup>1</sup>	Midterm Outlook
<b>Sales</b>	Organic growth	3% – 5%	4% – 5%	€4 bn – €4.25 bn Sales by 2015
<b>EBIT</b>		€360 m – €380 m		

## Fresenius Vamed : Financial Outlook

		Guidance 2013	3-yr CAGR <sup>1</sup>	Midterm Outlook
<b>Sales</b>	growth	8% – 12%	9% – 10%	€1 bn Sales by 2014
<b>EBIT</b>	growth	5% – 10%		

2013 guidance reflects

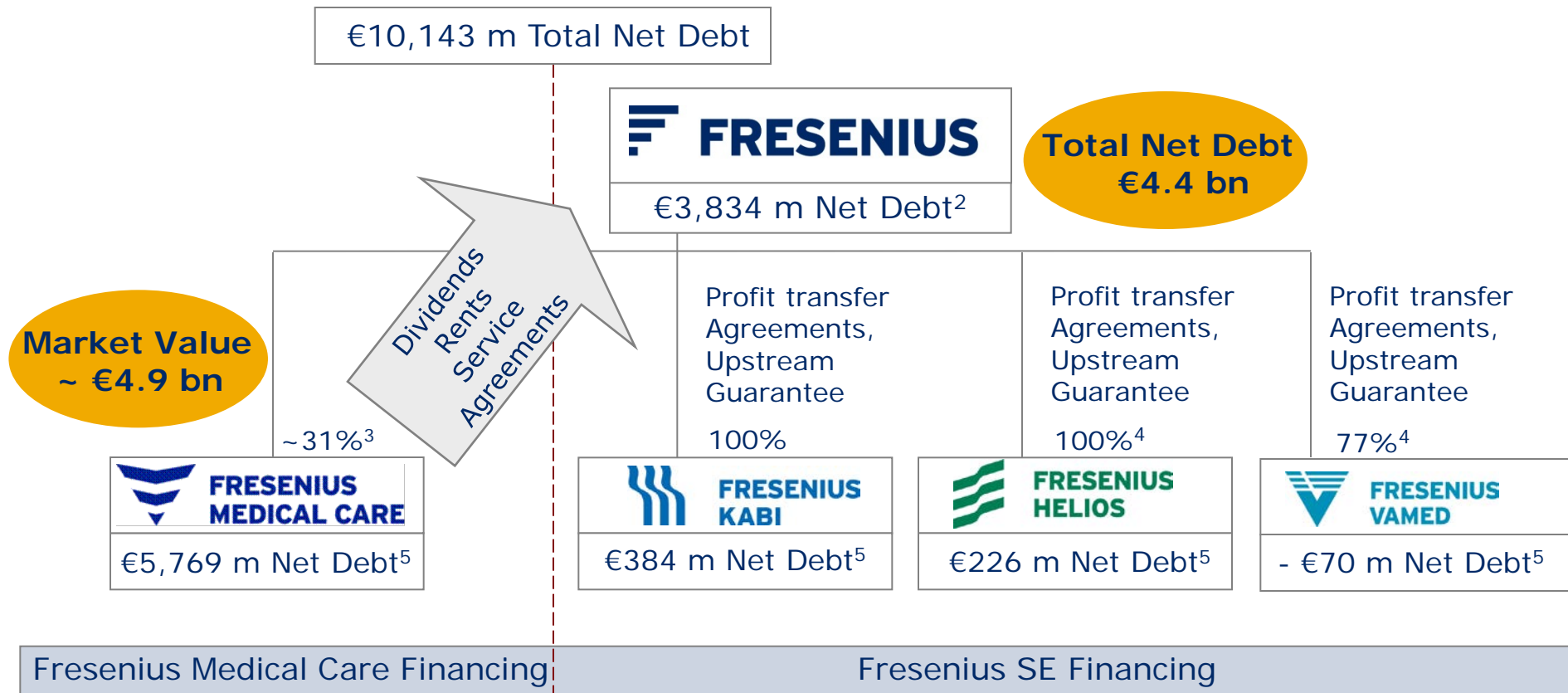
- transfer of HELIOS' technical service business (approx. 3%-points of sales growth)

# Financing Facilities and Debt Structure





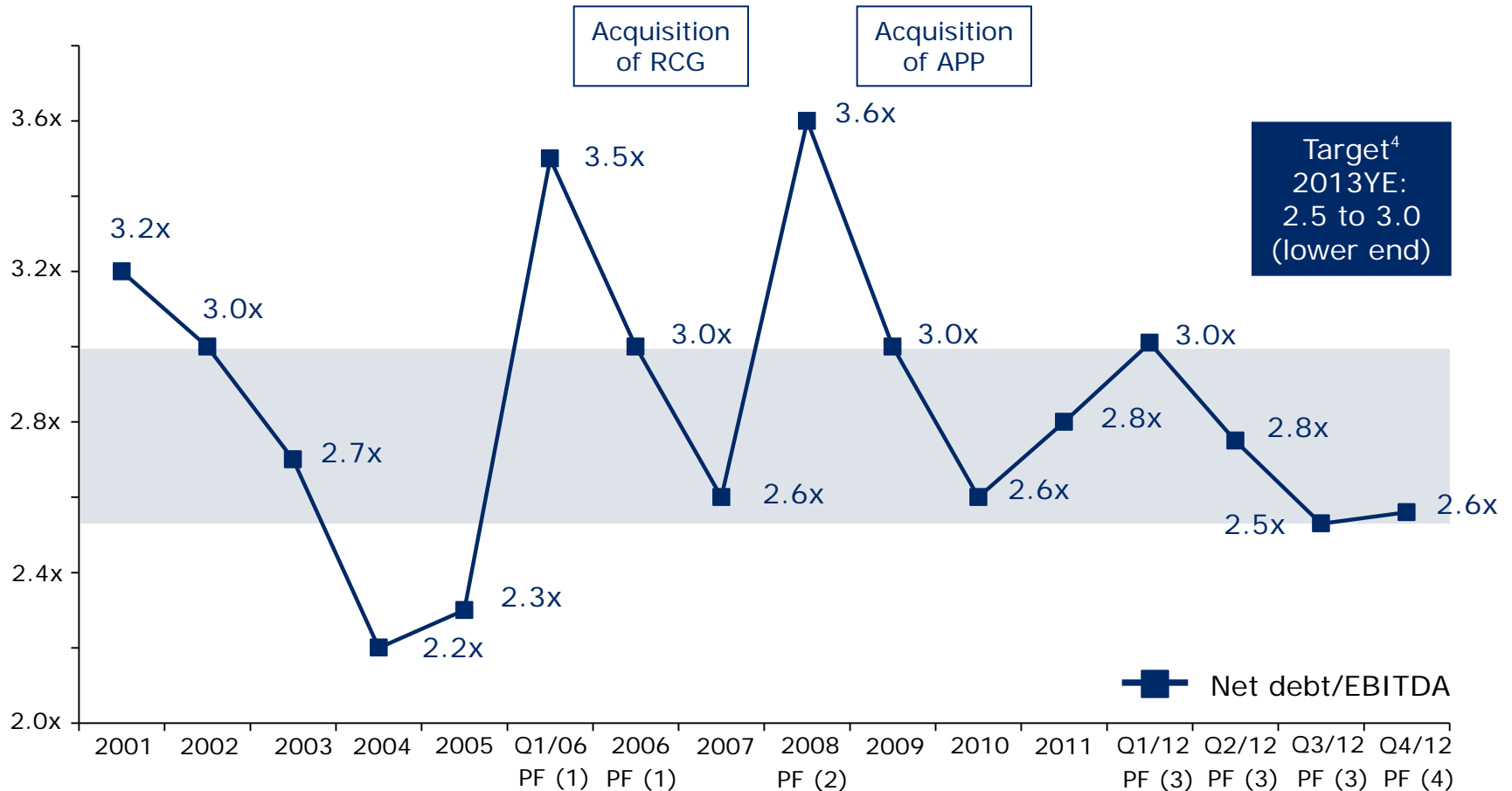
# Fresenius Group: Current Debt and Cash Flow Structure<sup>1</sup>



1 – External debt as of December 31, 2012  
3 – Controlling stake  
5 – Incl. subsidiaries

2 – Incl. Fresenius Finance B.V. and other financing subsidiaries  
4 – As held by Fresenius ProServe GmbH, a wholly owned subsidiary of Fresenius SE & Co. KGaA, which provides the guarantees

# Fresenius Group: Proven Track Record of Deleveraging



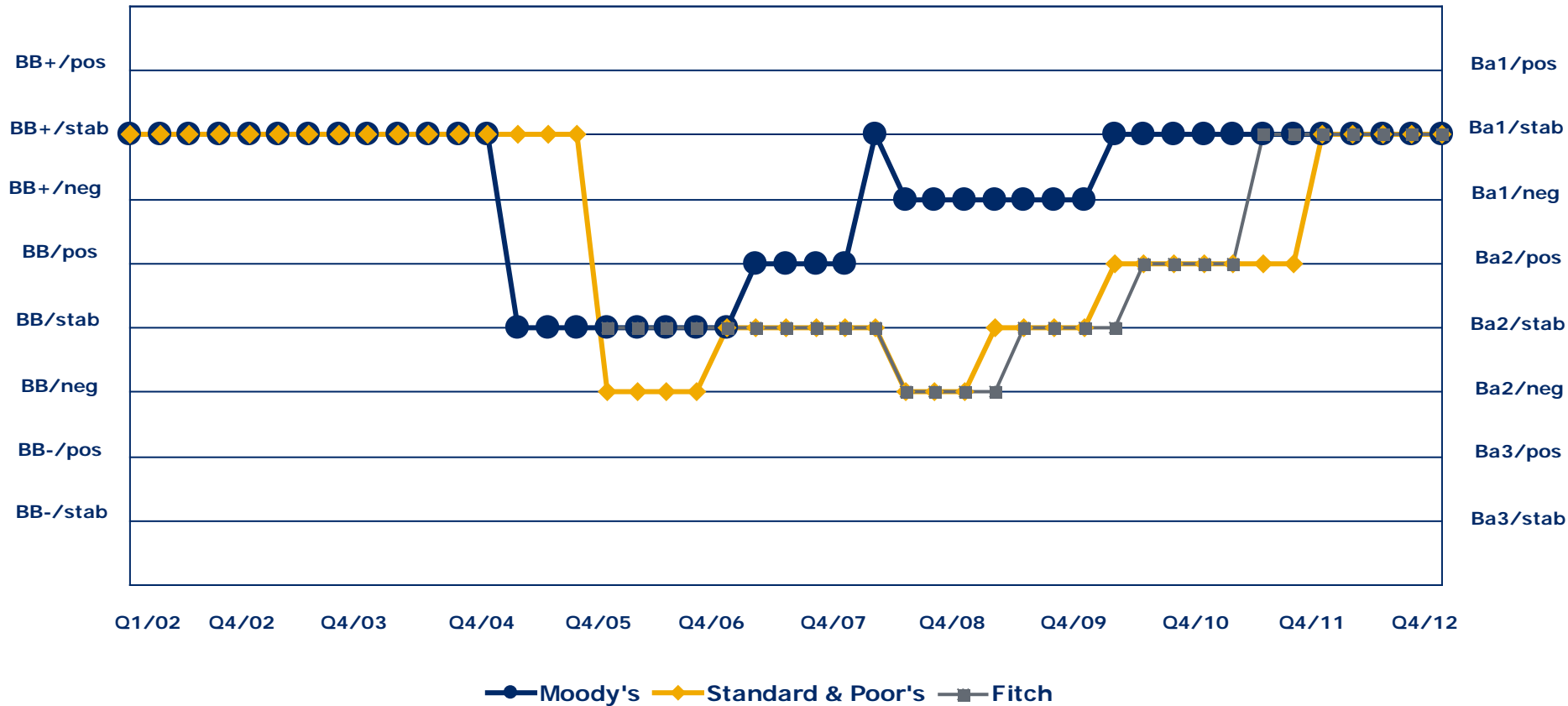
1 – Pro forma incl. Renal Care Group

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

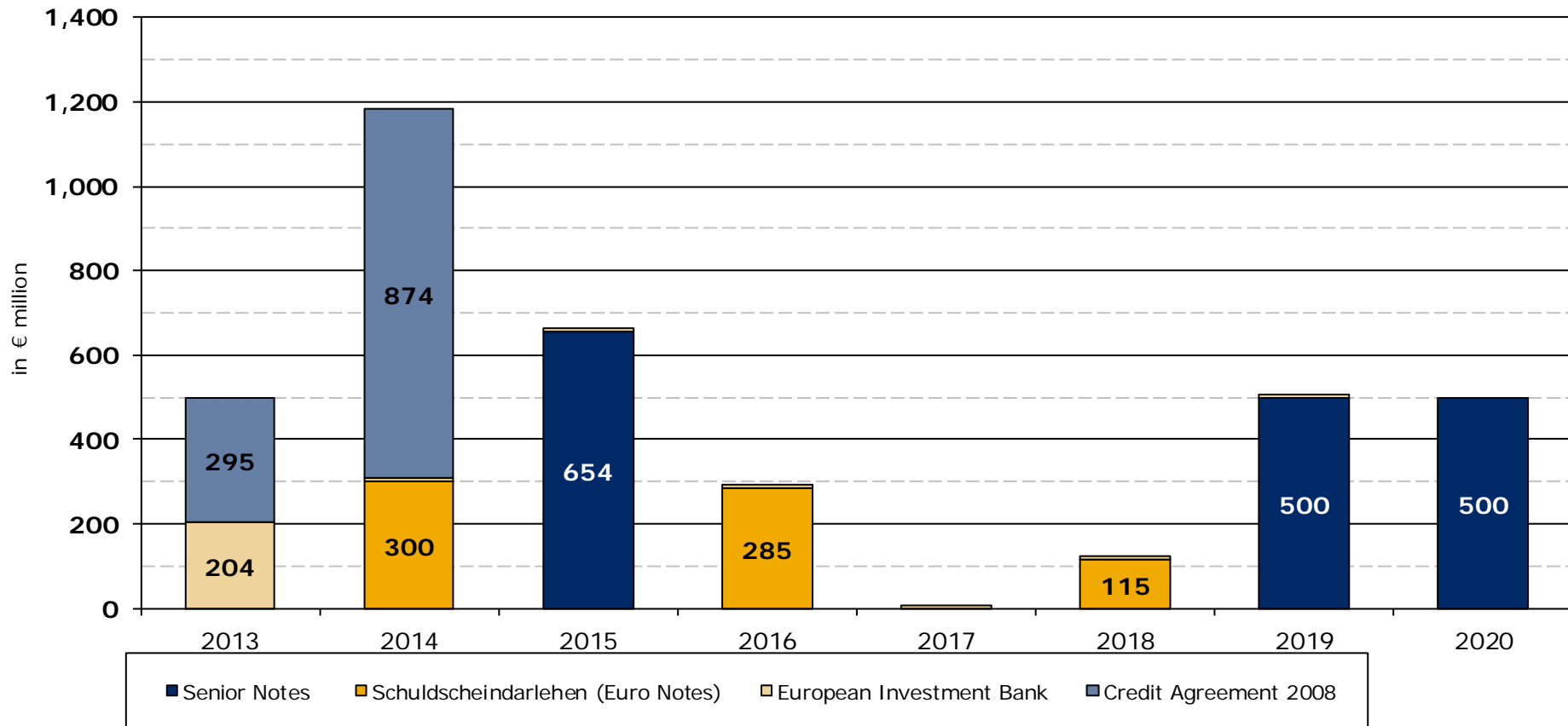
3 – Pro forma incl. Damp Group, Liberty Dialysis Holdings, Inc.

4 – adjusted for one-time costs (€6 million) related to the offer to the shareholders of RHÖN-KLINIKUM AG as well as for other one-time costs (€86 million) at Fresenius Medical Care. 2011 debt excludes Mandatory Exchangeable Bonds which came to maturity on August 14, 2011.

# Fresenius Group: Rating Development



# Fresenius Group excluding FMC: Debt Maturity Profile <sup>1</sup> January 31, 2013 – Pro Forma Senior Notes Refinancing<sup>2</sup>

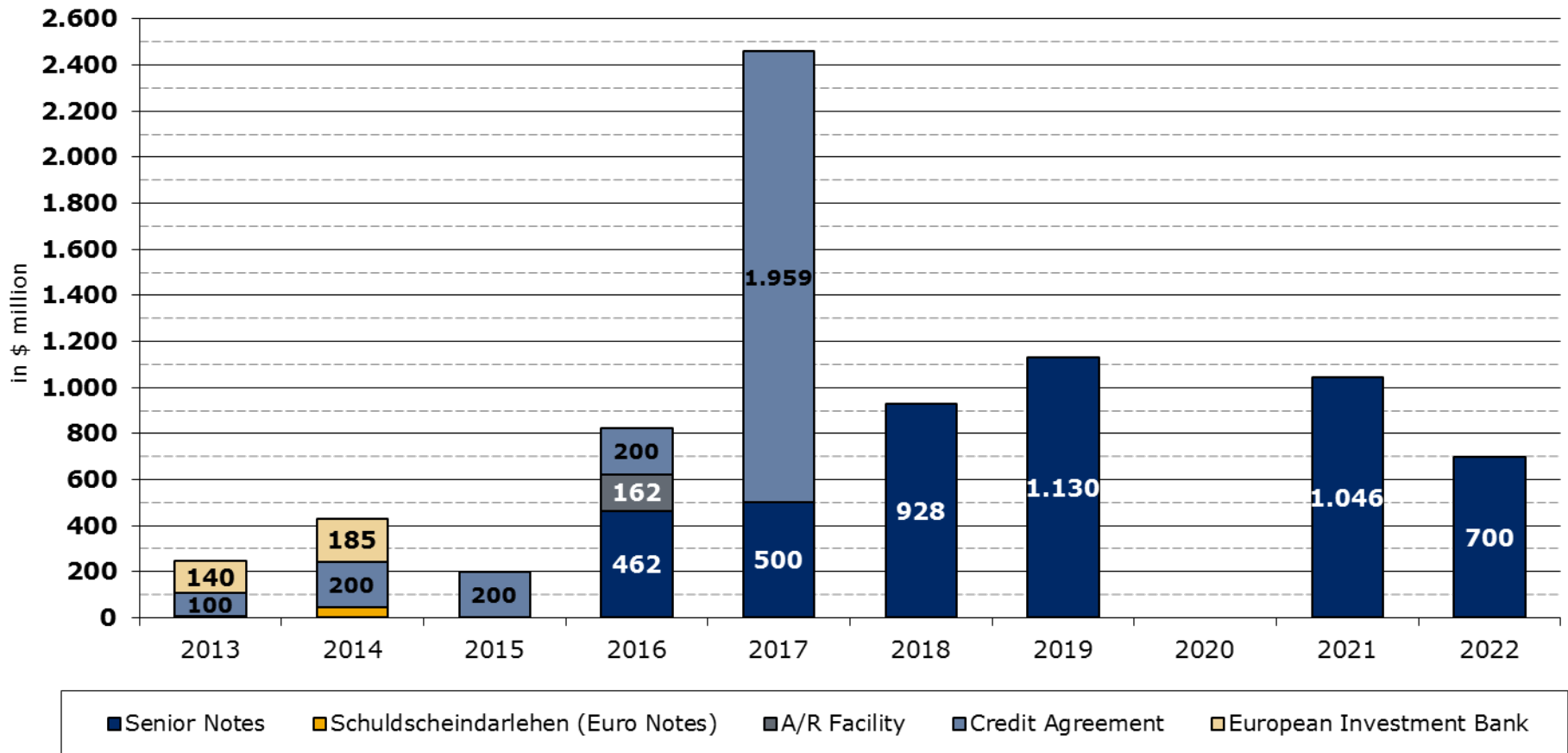


1 – based on utilization of major financing instruments

2 – €500 million Senior Notes issued on January 24, 2013 and redemption of €650 million Senior Notes 2006/2016

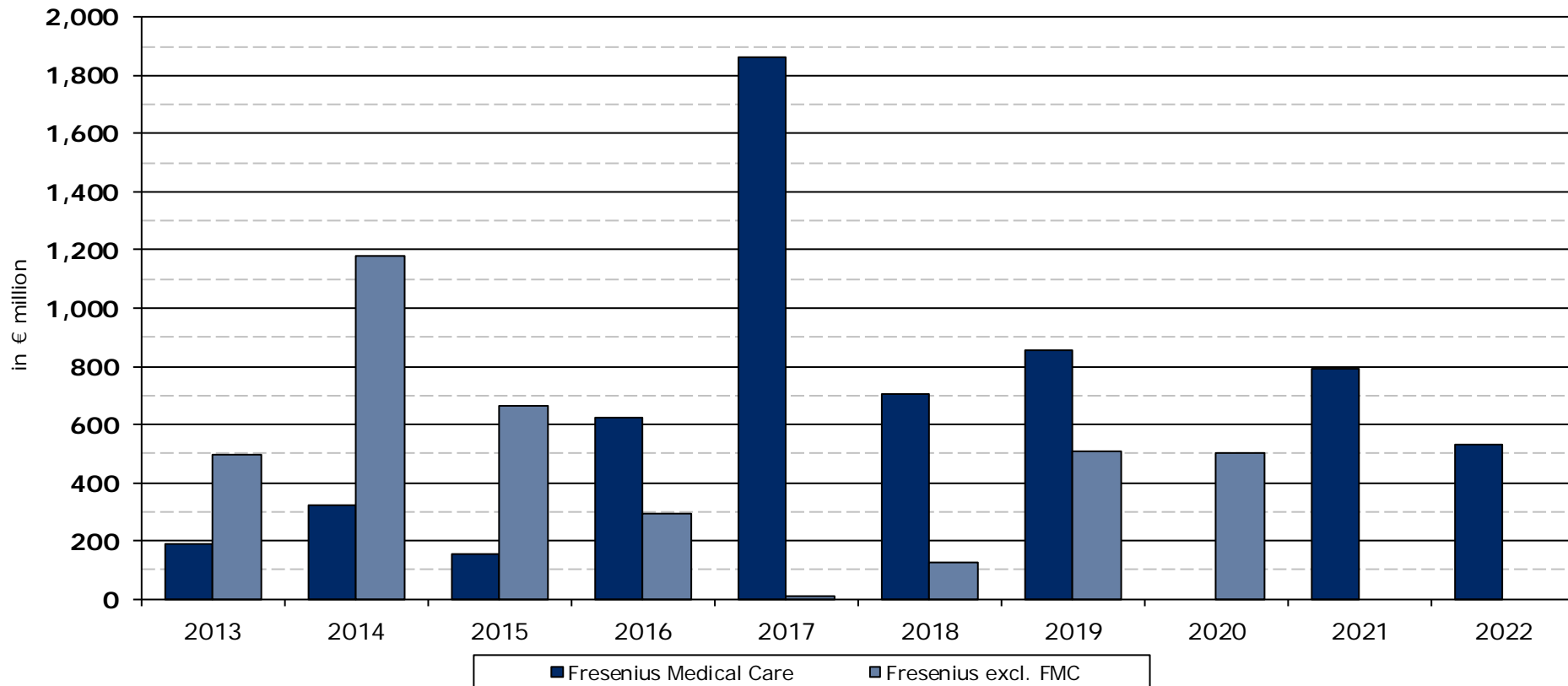
Debt maturity profile does not reflect the delayed draw syndicated credit agreement which will be used to refinance the existing syndicated credit agreement maturing in 2013/2014.

# Fresenius Medical Care: Debt Maturity Profile <sup>1</sup> January 31, 2013 – Pro Forma A/R Facility Refinancing



<sup>1</sup> – based on utilization of major financing instruments

# Fresenius Group: Debt Maturity Profile<sup>1</sup> January 31, 2013 – Pro Forma Refinancings<sup>2</sup>



1 – based on utilization of major financing instruments

2 – €500 million Senior Notes issued on January 24, 2013 and redemption of €650 million Senior Notes 2006/2016

Debt maturity profile does not reflect the delayed draw syndicated credit agreement which will be used to refinance the existing syndicated credit agreement maturing in 2013/2014.