

Health Care Worldwide

Goldman Sachs – 2014 EMEA Leveraged Finance Conference
September 30, 2014 - London



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
- Financial Overview
- Financing Facilities and Debt Structure
- Summary and Outlook



Company Overview



A Global Leader in Health Care Products and Services

- Sales €21.1 bn, net income¹ €1.8 bn
LTM June 2014
- Strong and well-diversified portfolio
- Global presence in approx. 100 countries
- Long-term opportunities in growing markets
- Leading market positions



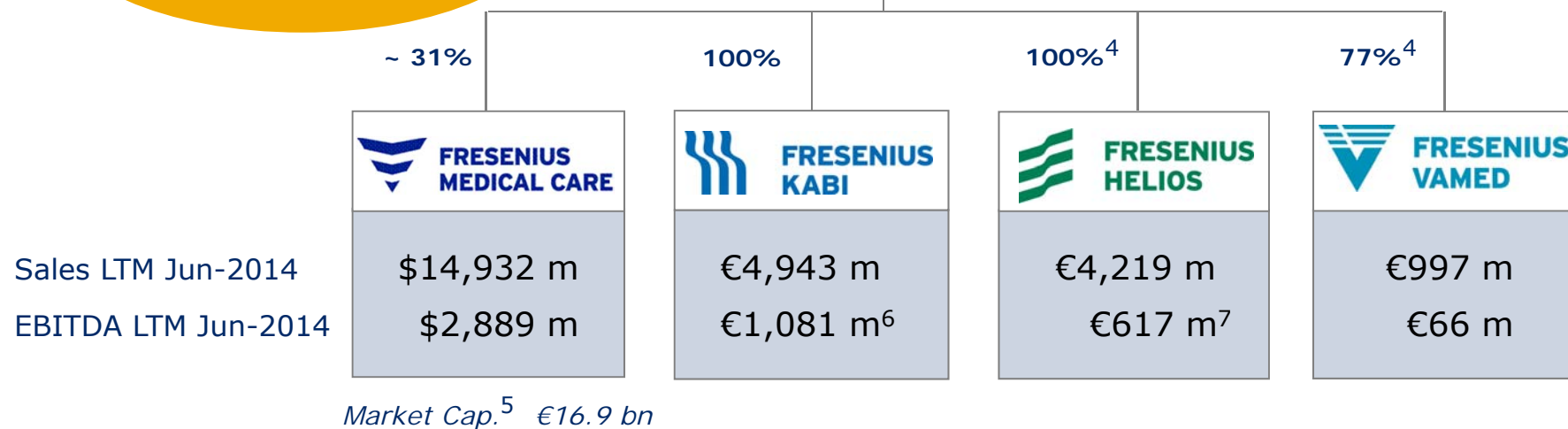
1 – Net income incl. attributable to non-controlling interest, before one-time items

Fresenius Group: Strong and Balanced Health Care Portfolio

S&P: BB+ positive
Moody's: Ba1 negative
Fitch: BB+ positive



Sales LTM Jun-2014 €21.1 bn
EBITDA LTM Jun-2014¹ €3.9 bn
Market Cap.² €21.0 bn
Group EV³ €46.3 bn



1 – Before costs (Fenwal; acquired Rhön hospitals) and disposal gains (two Helios hospitals; Rhön stake)

2 – Based on market cap of FSE as of September 19, 2014

3 – Based on consolidated market capitalization of FSE and FME as of September 19, 2014 and consolidated net debt as of June 30, 2014

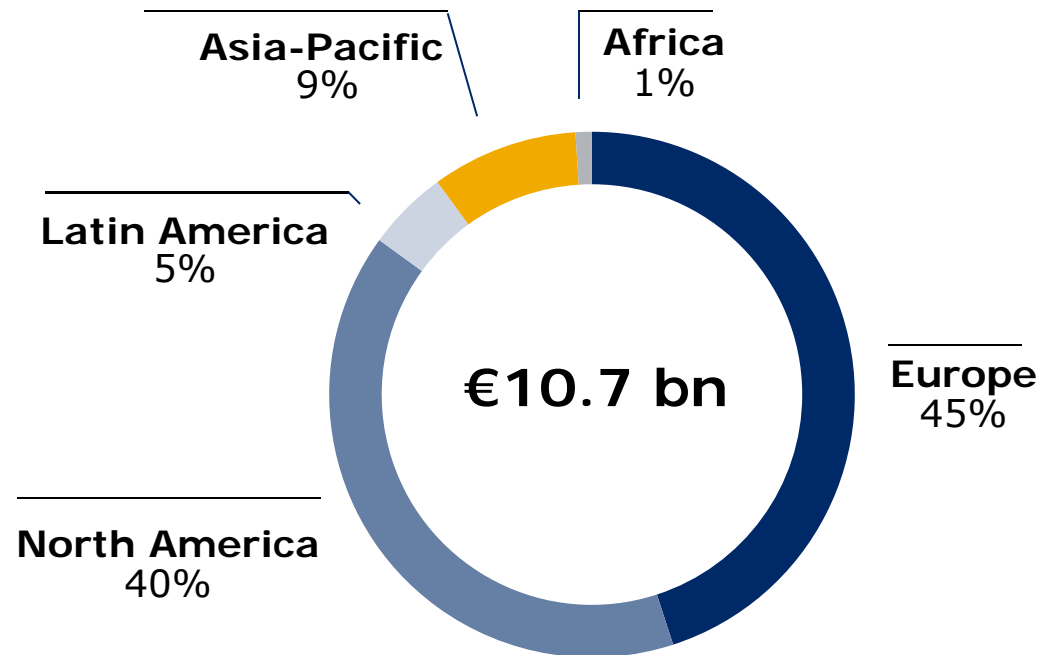
4 – Held by Fresenius ProServe GmbH, a wholly owned subsidiary of FSE

5 – Based on market cap of FMC as of September 19, 2014

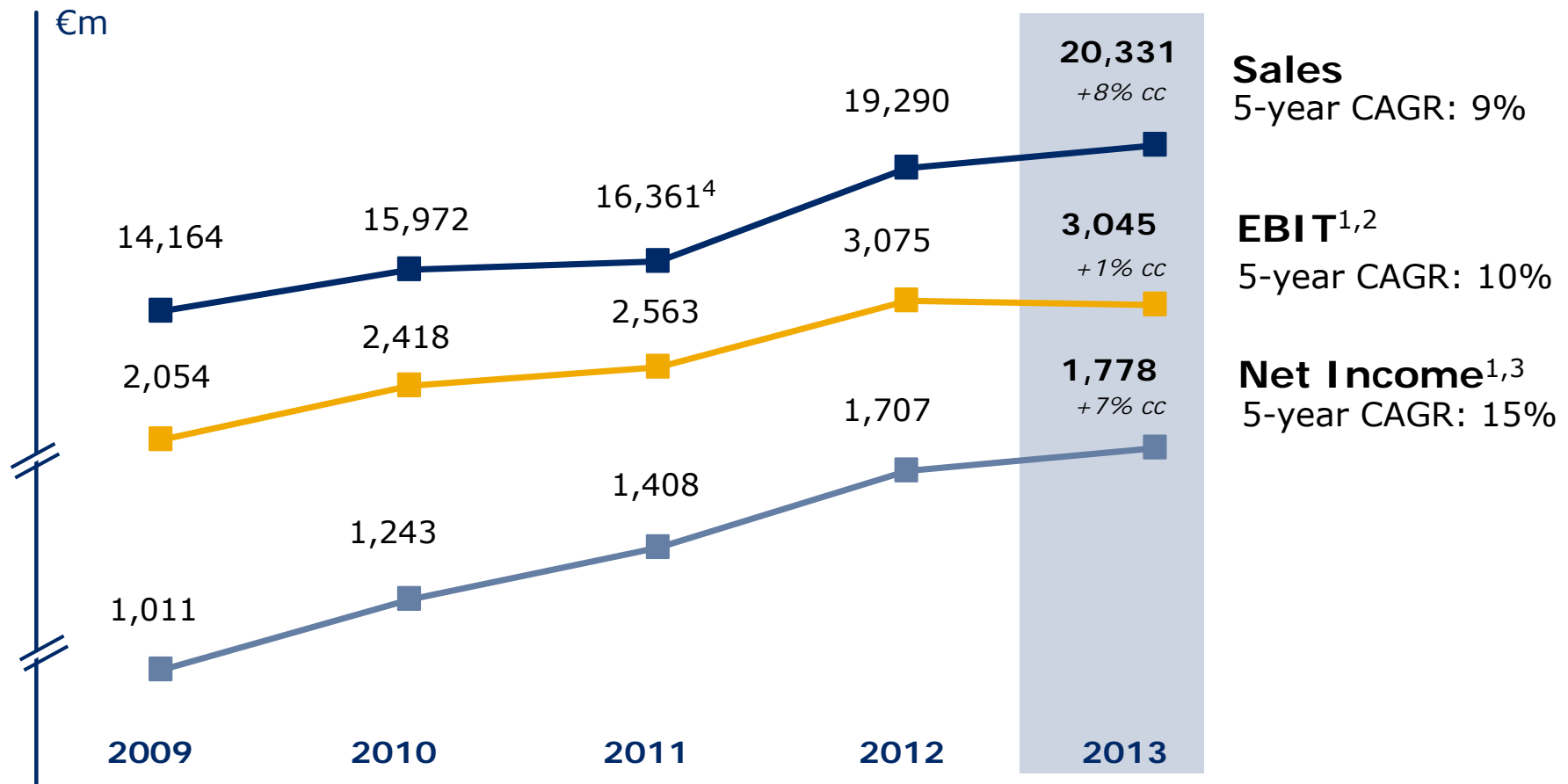
6 – Before Fenwal integration costs

7 – Before integration costs (acquired Rhön hospitals) and disposal gains (two Helios hospitals; Rhön stake)

Fresenius Group: Sales Distribution by Region – H1/2014



Fresenius Group: Financial Results



1 - Before special items

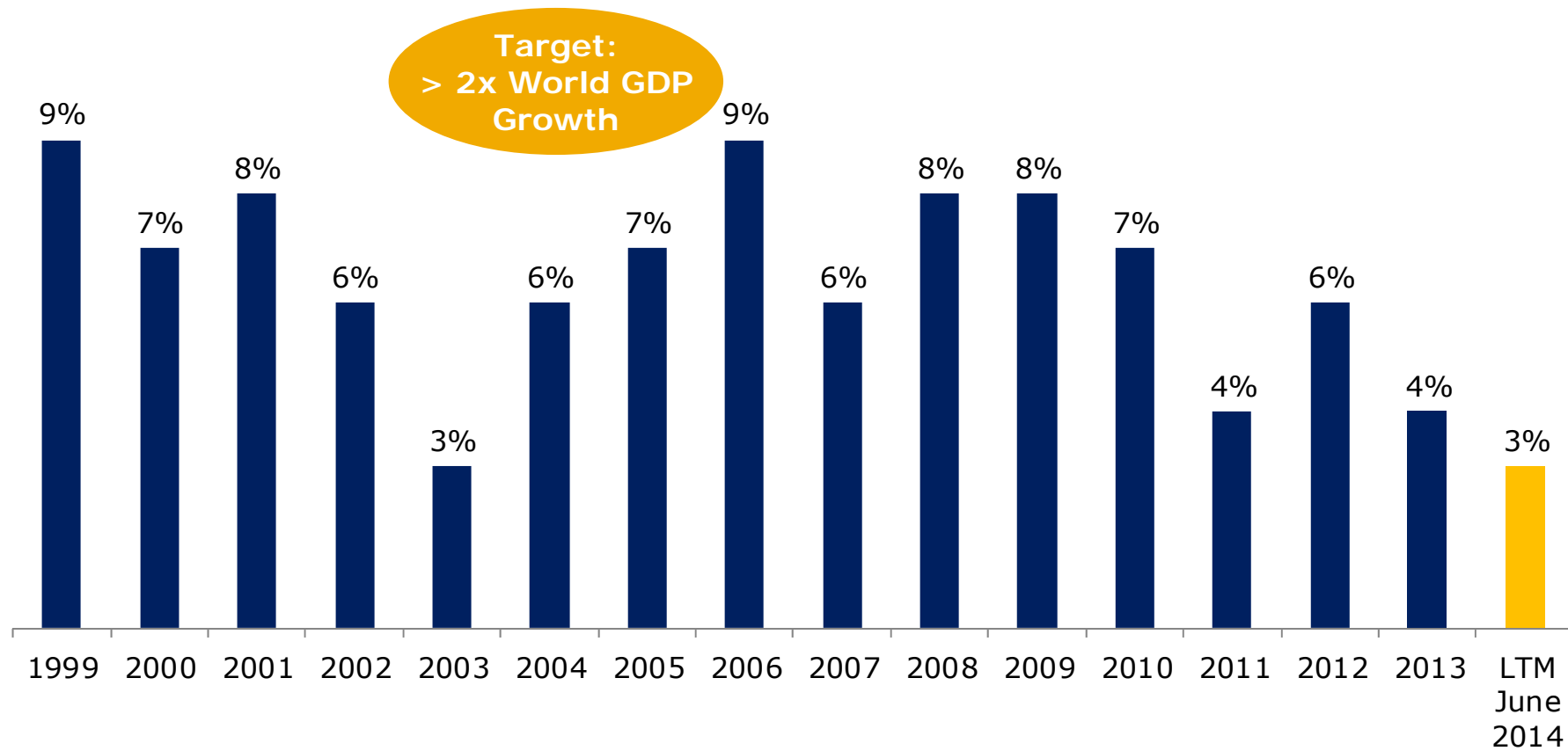
2 - 2013 excluding Fenwal integration costs of €54 million

3 - Incl. attributable to non-controlling interest; 2013 excluding Fenwal integration costs of €40 million

4 - 2011 sales were adjusted by -€161m according to a U.S. GAAP accounting change. This solely relates to Fresenius Medical Care North America

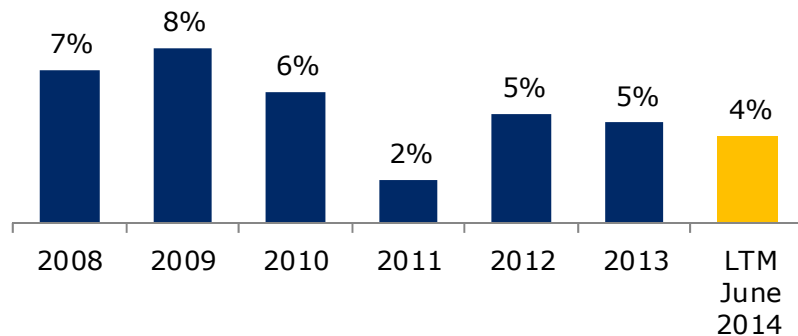
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Fresenius Group: Organic Growth 1999 – 2014

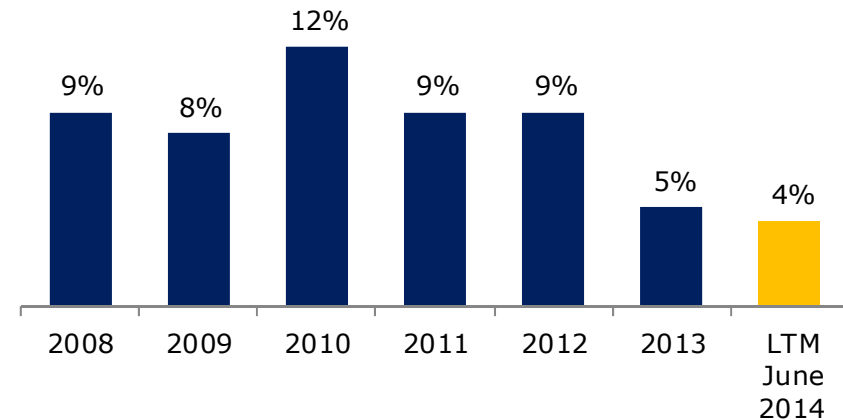


Fresenius Group: Sustainable Organic Sales Growth in all Business Segments

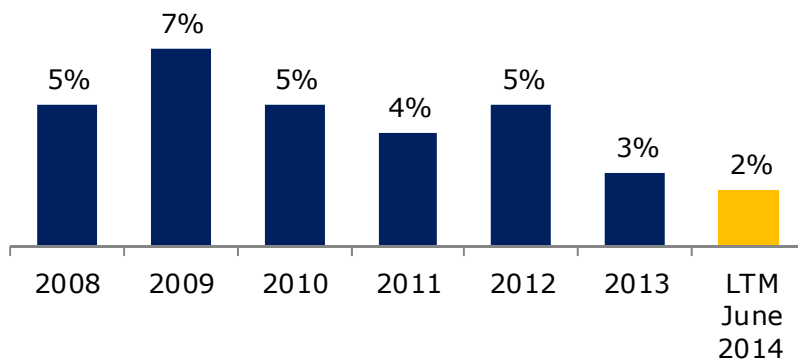
Fresenius Medical Care



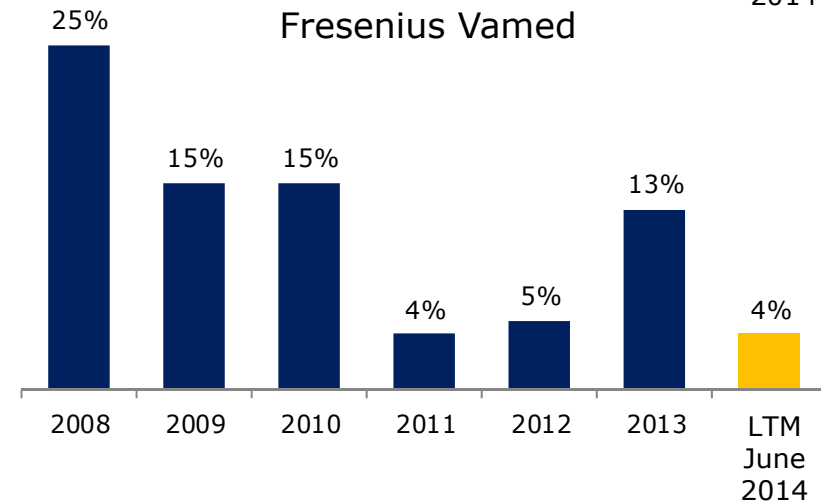
Fresenius Kabi



Fresenius Helios



Fresenius Vamed



Fresenius Group: Financial Results

	Sales	EBIT ¹	Net income ²
H1/2014	€10,733 m	€1,403 m	€788 m
Growth at constant currency rates	12%	0%	-1%
Growth at actual currency rates	7%	-3%	-3%

1 - 2014 before integration costs (Fenwal: €3 million; acquired Rhön hospitals: €8 million) and disposal gains (two Helios hospitals: €22 million; Rhön stake: €35 million); 2013 before integration costs (Fenwal: €27 million)

2 - 2014 before integration costs (Fenwal: €2 million; acquired Rhön hospitals: €6 million) and disposal gains (two Helios hospitals: €21 million; Rhön stake: €34 million); 2013 before integration costs (Fenwal: €20 million)

Fresenius Group: Financial Results by Business Segment

H1/2014	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed
Sales Growth	\$7,398 m 5%	€2,466 m -2%	€2,521m 49%	€398 m -5%
EBIT Growth	\$1,001 m -4%	€411 m ¹ -12%	€250 m ² 40%	€15m 0%

1 - 2014 before integration costs of (Fenwal: €3 million); 2013 before integration costs (Fenwal: €27 million)

2 - 2014 before integration costs (acquired Rhön hospitals: €8 million) and disposal gains (two Helios hospitals: €22 million; Rhön stake: €35 million)

Business Segments



Fresenius Medical Care: Global Market Leader in Dialysis

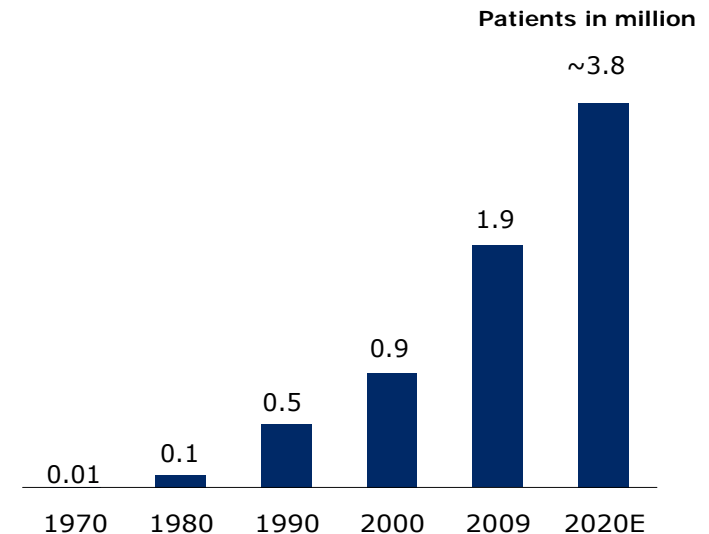
- World leader in dialysis products and services treating 280,942 patients in 3,335 clinics worldwide¹

- 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

Industry Dynamics

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



1 – As of June 30, 2014

Fresenius Medical Care: Key Figures H1/2014

<i>\$ million</i>	H1/2014	H1/2013	Growth
Total Sales	7,398	7,076	+5%¹
EBITDA	1,337	1,353	-1%
<i>EBITDA margin</i>	<i>18.1%</i>	<i>19.1%</i>	
EBIT	1,001	1,038	-4%
<i>EBIT margin</i>	<i>13.5%</i>	<i>14.7%</i>	
Net income	439²	488	-10%³

1 - 4% organic growth, 2% acquisitions, -1% currency effect#

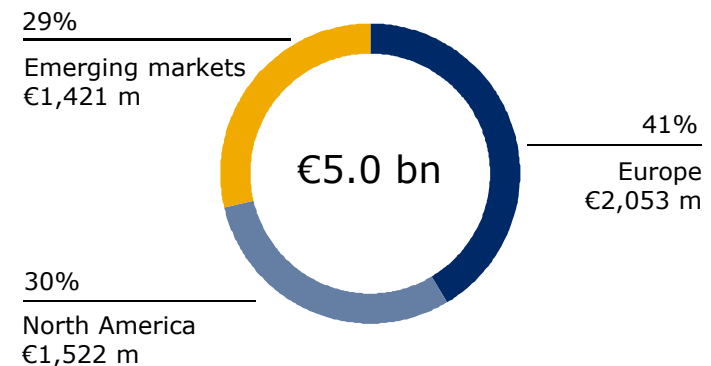
2 - \$457 million before a one-time special tax effect of \$18 million

3 - -6% before a one-time special tax effect of \$18 million

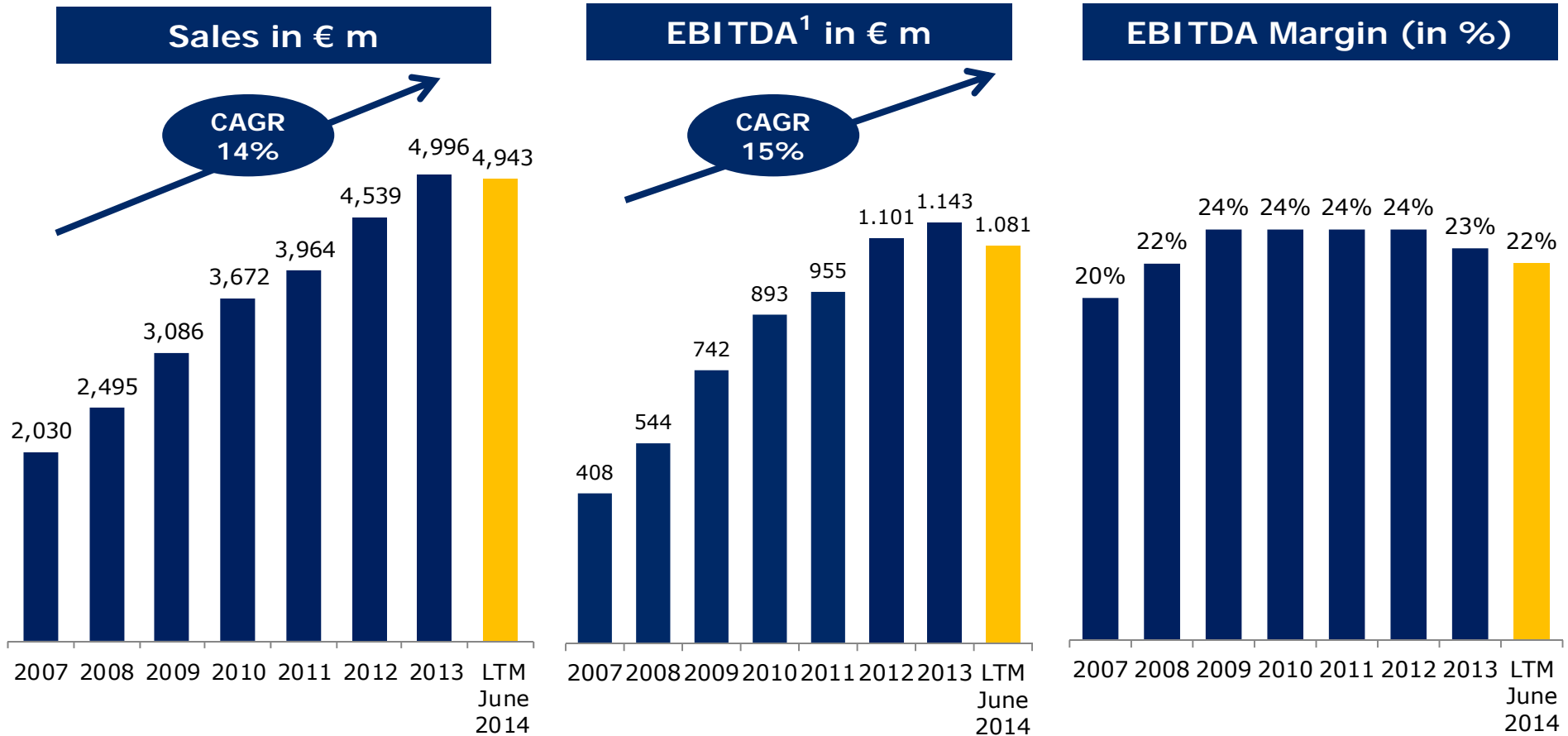
Fresenius Kabi: A Worldwide Leading Hospital Supplier

- 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

2013 Sales by Region



Fresenius Kabi: Strong Growth Track Record & High Profitability



1 - Before special items

Fresenius Kabi: Key Figures H1/2014

<i>€ million</i>	H1/2014	H1/2013	Growth
Sales	2,466	2,519	-2% ²
- Infusion Therapy	476	500	-5%
- I.V. Drugs	868	893	-3%
- Clinical Nutrition	662	663	0%
- Medical Devices/ Transfusion Technology	460	463	-1%
EBITDA¹	513	575	-11%
<i>EBITDA margin</i>	<i>20.8%</i>	<i>22.8%</i>	
EBIT¹	411	469	-12%
<i>EBIT margin</i>	<i>16.7%</i>	<i>18.6%</i>	
Net income¹	217	242	-10%

1 – before Fenwal integration costs

2 – 2% organic growth, -5% currency effect, 1% acquisitions

Fresenius Helios: Leading Private Hospital Operator in Germany

- Acute and post-acute care in 111 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 Rhön-Klinikum provides excellent long-term growth opportunities

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

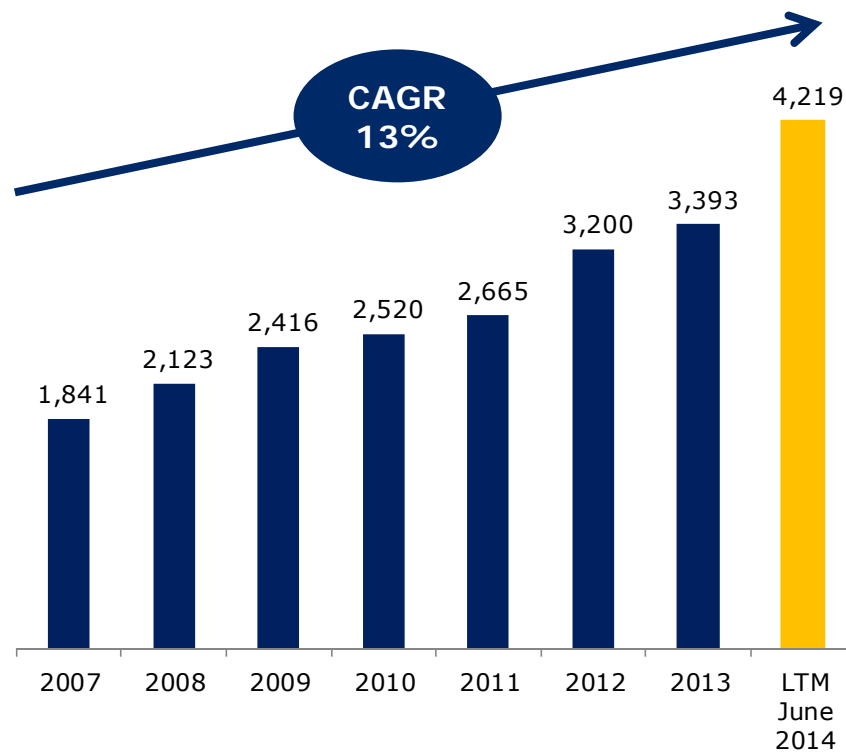


2013 Sales: €3,393 m; EBIT: €390 m

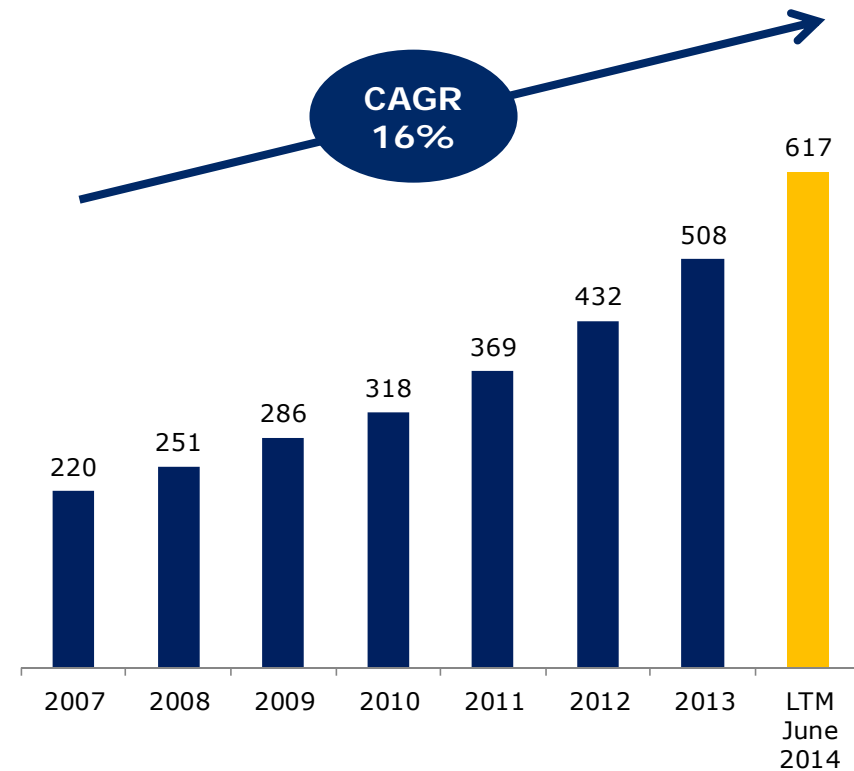
1 – as of July 31, 2014

Fresenius Helios: Strong Growth Track Record & Increased Profitability

Sales in € m



EBITDA in € m



Fresenius Helios: Key Figures H1/2014

<i>€ million</i>	H1/2014	H1/2013	Growth
Sales	2,521	1,695	+49%³
EBITDA¹	344	235	+46%
<i>EBITDA margin</i>	<i>13.6%</i>	<i>13.9%</i>	
EBIT¹	250	179	+40%
<i>EBIT margin</i>	<i>9.9%</i>	<i>10.6%</i>	
Net income²	179	119	+50%

1 - 2014 before integration costs (€8 million) and disposal gains (two Helios hospitals: €22 million; Rhön stake: €35 million)

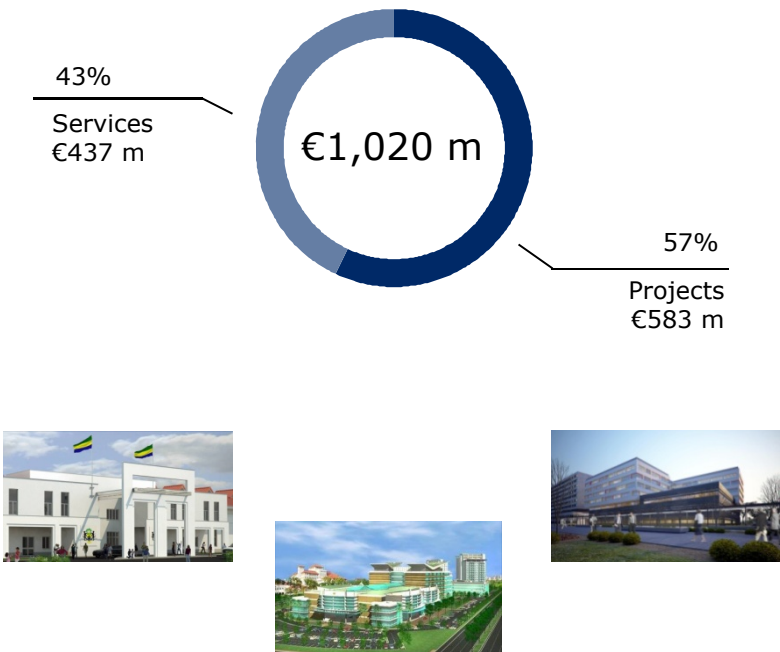
2 - 2014 before integration costs (€6 million) and disposal gains (two Helios hospitals: €21 million; Rhön stake: €34 million)

3 - 3% organic growth, 48% 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

2013 Sales by Business

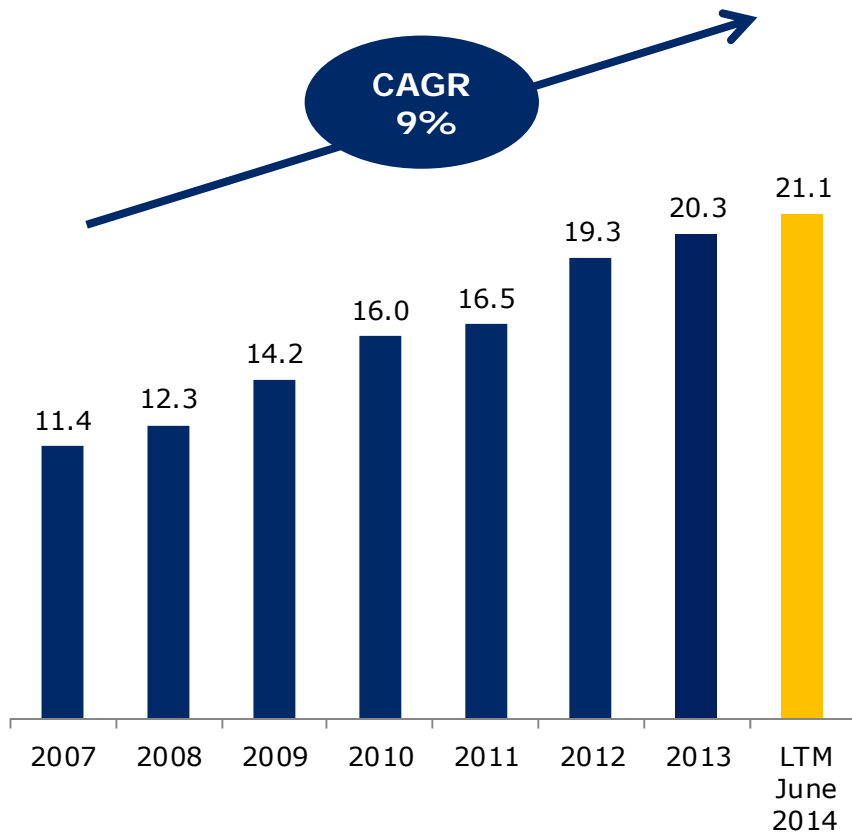


Financial Overview

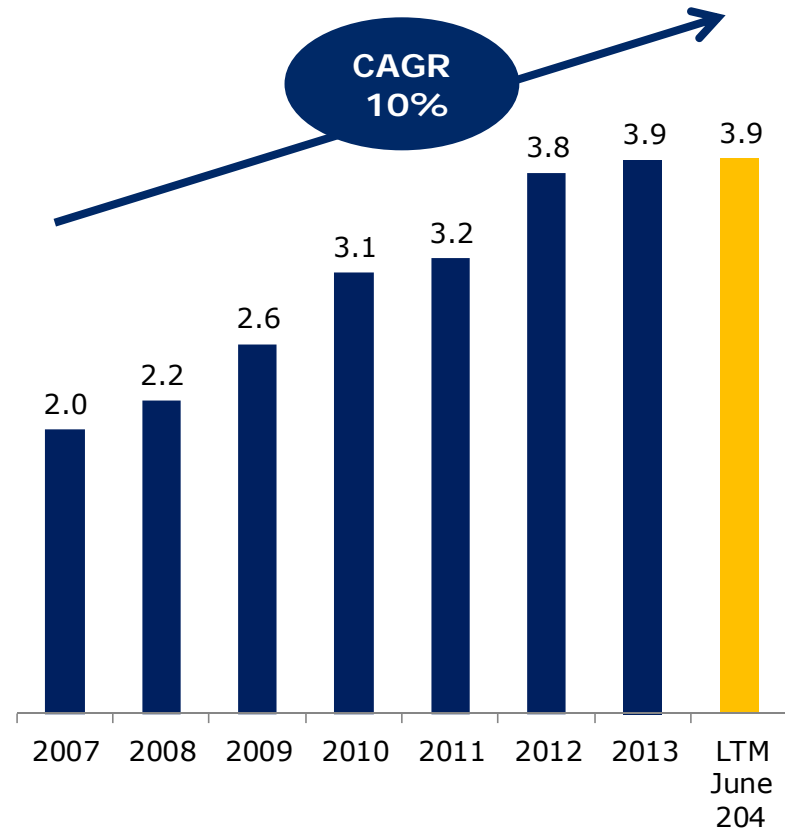


Fresenius Group: Demonstrated Strong Sales and EBITDA Growth

Sales in € bn



EBITDA in € bn¹



1 – Before special items

Fresenius Group: Key Figures H1/2014

<i>€ million</i>	H1/2014	H1/2013	Change actual rates	Change constant rates
Sales	10,733	9,987	+7%¹	+12%
EBITDA²	1,854	1,860	0%	+3%
EBIT²	1,403	1,448	-3%	0%
Interest, net	-283	- 313	+10%	+6%
EBT²	1,120	1,135	- 1%	+1%
Taxes	-332	-323	-3%	-7%
Net income^{3,4}	788	812	-3%	-1%
Employees	209,933	173,325⁵		

1 – 3% organic growth, 9% acquisitions, -5% currency effect






2 – 2014 before integration costs (Fenwal: €3 million; acquired Rhön hospitals: €8 million) and disposal gains (two Helios hospitals: €22 million; Rhön stake: €35 million); 2013 before integration costs (Fenwal: €27 million)

3 – 2014 before integration costs (Fenwal: €2 million; acquired Rhön hospitals: €6 million) and disposal gains (two Helios hospitals: €21 million; Rhön stake: €34 million); including a tax impact of \$18 million at Fresenius Medical Care in 2014; 2013 before integration costs (Fenwal: €20million)

4 – incl. attributable to non-controlling interest

5 – as of June 30, 2013

Cash Flow Development LTM

€m	Operating CF		Capex (net)		Free Cash Flow ¹	
	LTM H1/14	LTM Margin	LTM H1/14	LTM Margin	LTM H1/14	LTM Margin
	465	9.4%	-335	-6.8%	130	2.6%
	383	9.1%	-204	-4.9%	179	4.2% ³
	-34	-3.4%	-10	-1.0%	-44	-4.4%
Corporate/ Other	7	n/a	-6	n/a	1	n/a
	821	8.8%²	-555	-5.4%	266	3.4%²
	2,123	10.1%	-1,163	-5.5%	960	4.6%

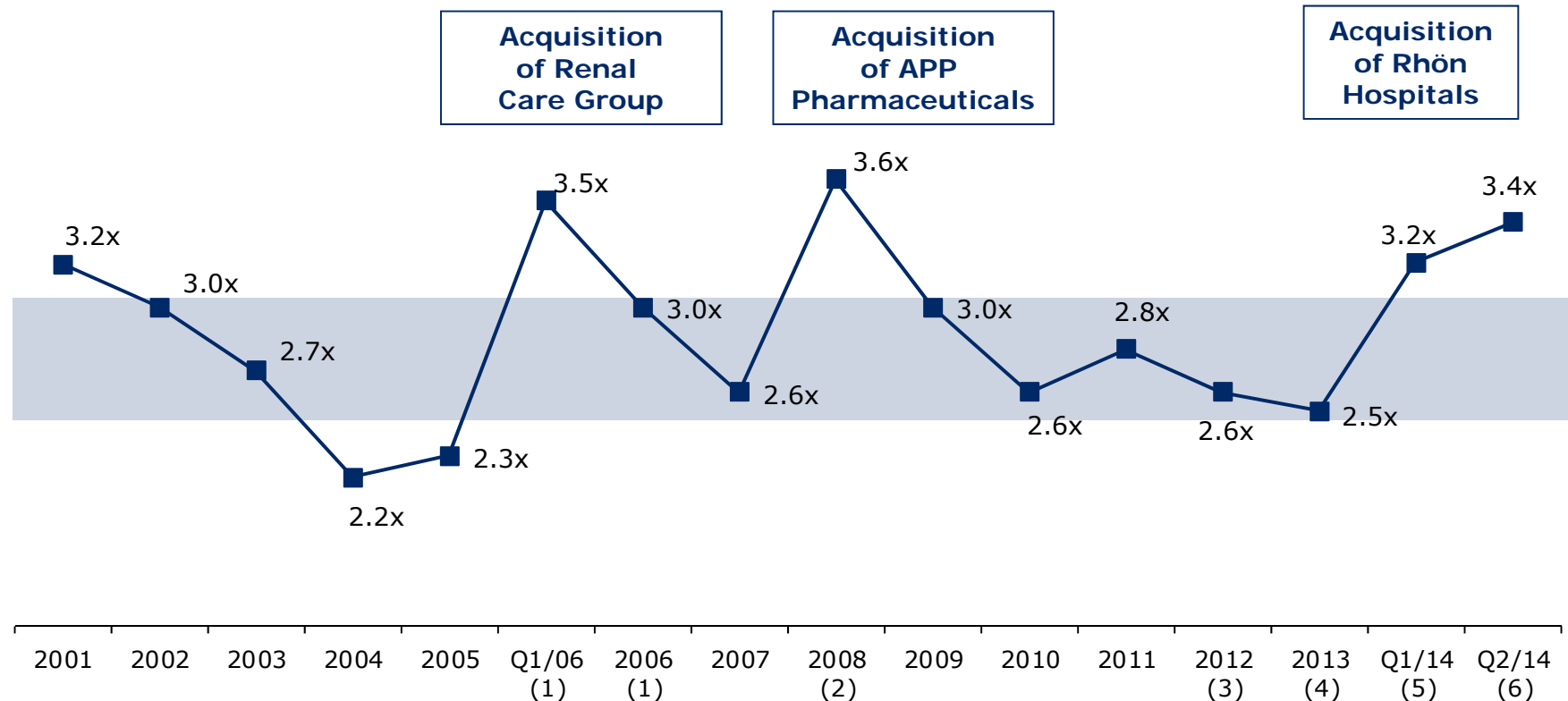
1 – Before Acquisitions and Dividends

2 – Incl. FMC dividend

3 – Understated: 5.3% excluding €44 million of capex commitments from acquisitions

Margin = in % of sales

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 Rhön-Klinikum AG shareholders as well as for €86 million other one-time costs at FME

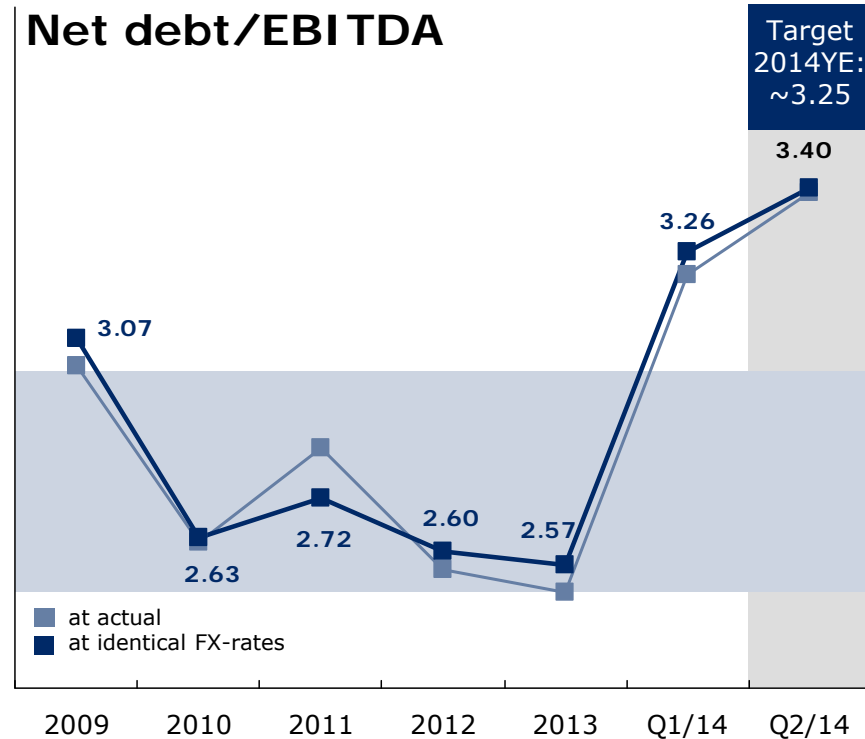
4 - Pro forma excluding advances made for the acquisition of hospitals and outpatient facilities of Rhön-Klinikum AG; before Fenwal integration costs

5 - Pro forma including acquired hospitals from Rhön-Klinikum. Before integration costs for Fenwal and disposal gains from the divestment of two Helios hospitals

6 - Pro forma including acquired Rhön hospitals and excluding two Helios hospitals; before integration costs (Fenwal; acquired Rhön hospitals) and disposal gains (two Helios hospitals; Rhön stake)

Fresenius Group: Debt and Interest Ratios

	Jun 30, 2014	Dec 31, 2013
Debt (€m) thereof 42% \$-denominated	14,527	12,804
Net debt (€m)	13,457	11,940
Net debt/EBITDA	3.39^{1,2}	2.51³
EBITDA/Interest	6.6	6.7



1 – Before integration costs (Fenwal: €3 million; acquired Rhön hospitals: €8 million) and disposal gains (two HELIOS hospitals: €22 million; Rhön stake: €35 million)

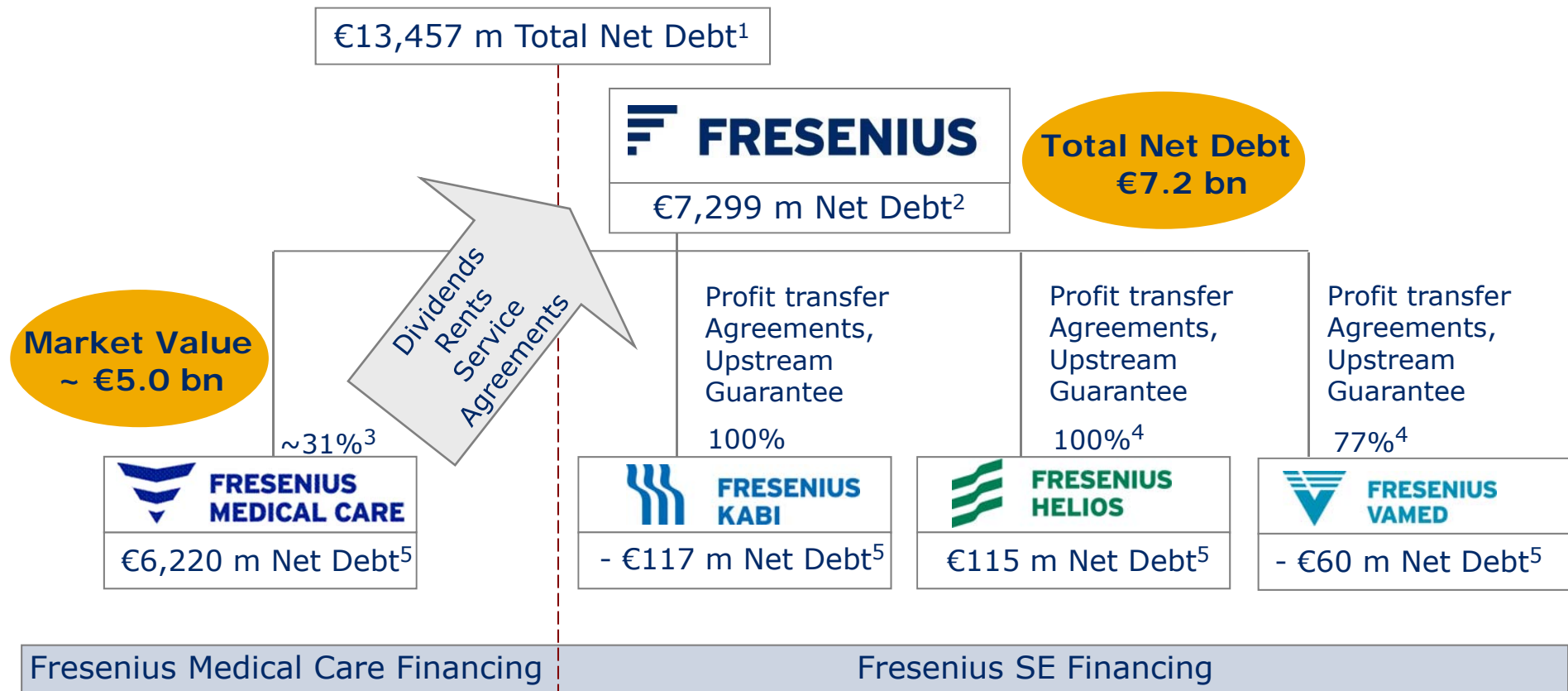
2 – Pro forma including Rhön hospitals and excluding two HELIOS hospitals

3 – 2013 before integration costs (Fenwal: €54 million); pro forma excluding advances made for the acquisition of hospitals from Rhön-Klinikum AG (€2.18 bn)

Financing Facilities and Debt Structure



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



1 – External debt as of June 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: Capitalization as of June 30, 2014

	in € million	in \$ million	% of total cap	LTM EBITDA Q2 2014 x
FSE 2013 Credit Agreement: Term Loan A (€, US-\$)	1,875	2,410	4.1%	
FSE 2013 Credit Agreement: Term Loan B (€, US-\$)	662	851	1.4%	
8.750% and 9.000% Senior Notes due 2015 (€, US-\$)	634	815	1.4%	
4.250 % Senior Notes due 2019	500	643	1.1%	
2.375% Senior Notes due 2019	299	384	0.6%	
2.875% Senior Notes due 2020	500	643	1.1%	
3.000% Senior Notes due 2021	445	572	1.0%	
4.250% Senior Notes due 2021	218	280	0.5%	
4.000% Senior Notes due 2024	453	582	1.0%	
Convertible Bonds	456	586	1.0%	
Commercial Paper	430	553	0.9%	
Euro Notes	959	1,232	2.1%	
Other debt, gross	534	686	1.2%	
Total Debt (FSE excl. FMC), gross	7,965	10,236	17.2%	
Cash (excl. FMC)	598	768	1.3%	
Total debt (FSE excl. FMC), net	7,367	9,467	15.9%	
Total FMC debt, net ¹	6,090	7,826	13.2%	
Total consolidated debt, net	13,457	17,294	29.1%	3.4x ^{3,4}
Market capitalization ²	32,813	42,168	70.9%	8.45x
Total capitalization	46,270	59,462	100.0%	11.9x
FSE Group EBITDA³				3,882

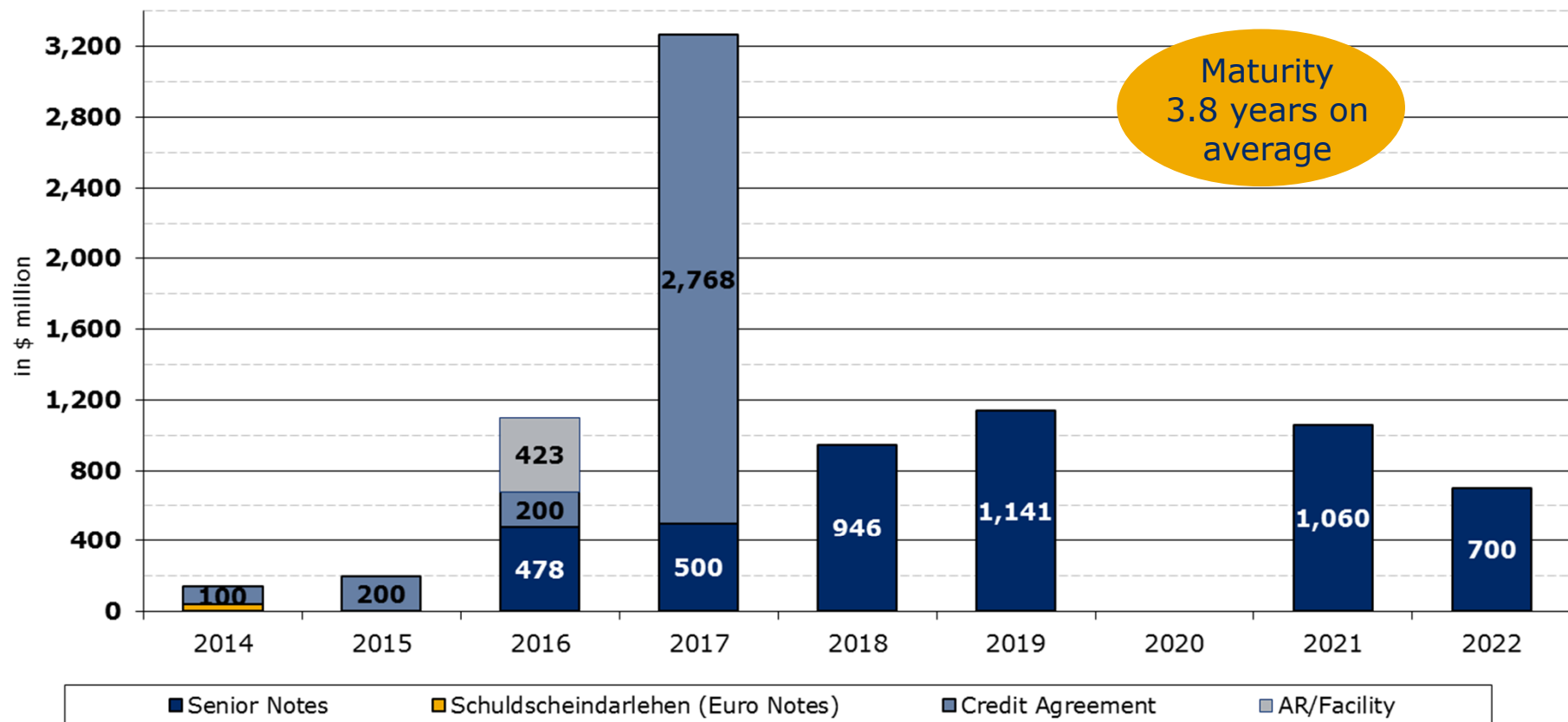
1 - Net of Cash and intercompany adjustments

2 - Based on market capitalization for FSE and FMC as of September 19, 2014

3 - Before integration costs (Fenwal: €3 million; acquired Rhön hospitals: €8 million) and disposal gains (two HELIOS hospitals: €22 million; Rhön stake: €35million)

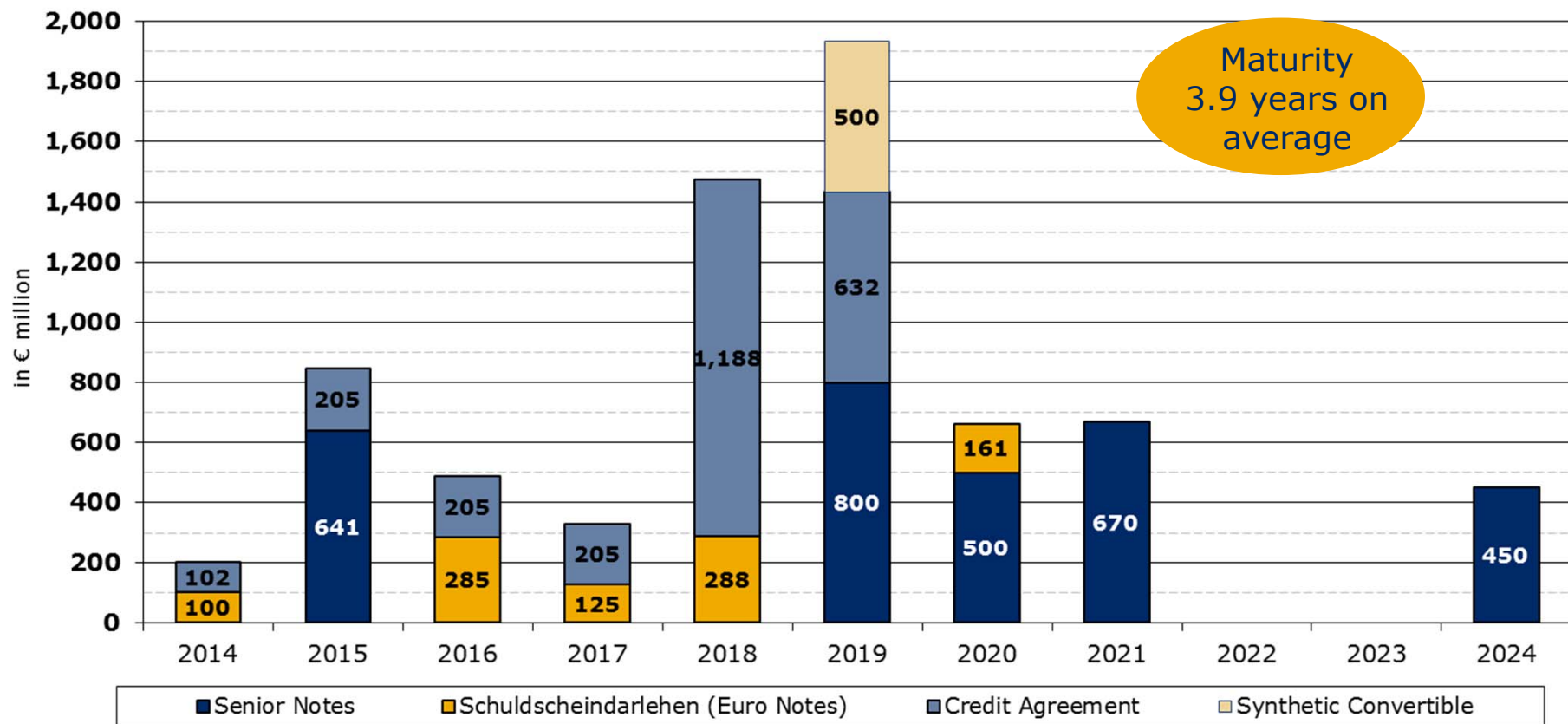
4 - Pro forma including Rhön hospitals and excluding two Helios hospitals

Fresenius Medical Care: Debt Maturity Profile June 30, 2014¹



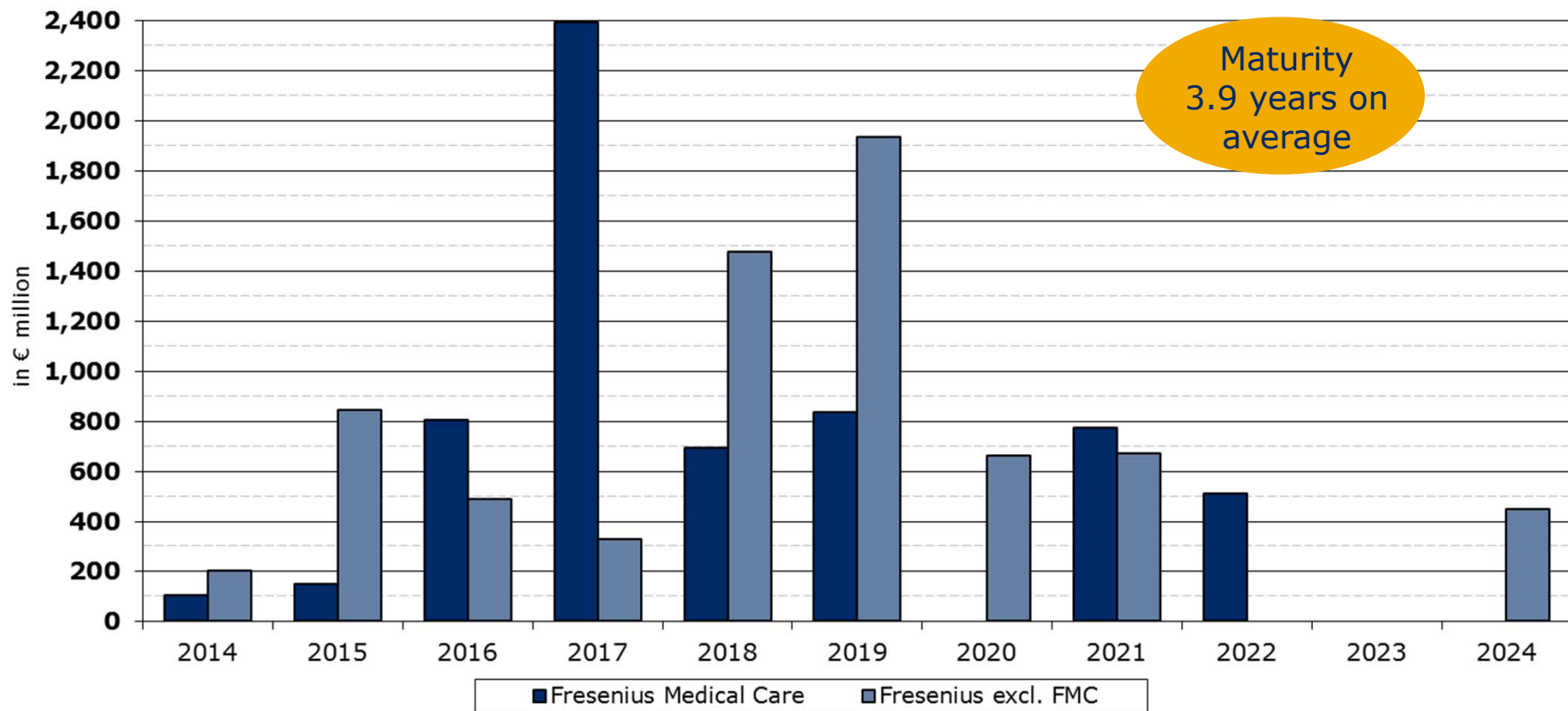
1 - based on utilization of major long-term financing instruments

Fresenius Group excluding FMC: Debt Maturity Profile June 30, 2014¹



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

Fresenius Group: Debt Maturity Profile June 30, 2014¹



1 - based on utilization of major long-term financing instruments

Summary and Outlook



Fresenius Medical Care: Financial Outlook

	Reported 2013	Guidance 2014
Sales	\$14,610	~ \$15,200
Net Income	\$1,110	\$1.0-1.05 bn
Debt / EBITDA	2.8x	~ 3.0x

- 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 / New: HELIOS incl. Acquired Rhön Hospitals

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

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

Fresenius Group: Financial Outlook

	Old	New ¹
Revenue growth at constant currency	12% – 15%	14% – 16%
Net income growth ² at constant currency	2% – 5%	✓
Net debt/ EBITDA	3.0 – 3.25x	~ 3.25x

1 – Following acquisitions at Fresenius Medical Care

2 – Net income attributable to shareholders of Fresenius SE & Co. KGaA before integration costs (Fenwal; acquired Rhön hospitals) and disposal gains (two HELIOS hospitals; Rhön stake). Guidance includes acquired Rhön hospitals

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)*

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

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

Health Care Worldwide

