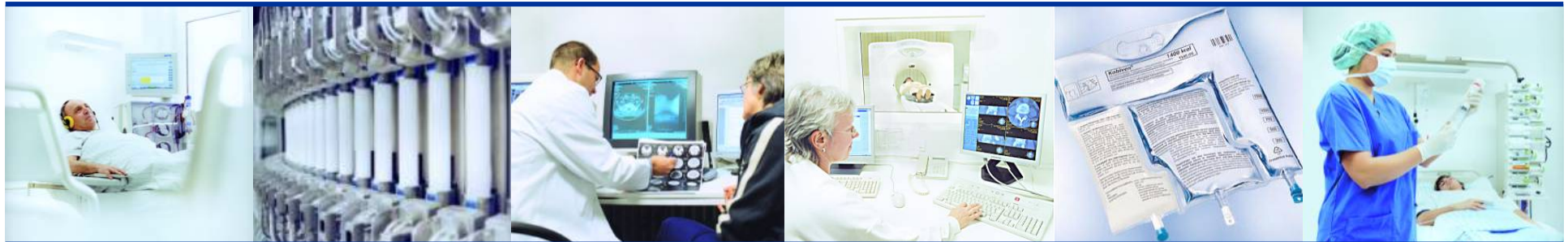




# Analyst Conference Call – H1/10 Results

August 3, 2010



## 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.

## Fresenius Group: Financial Results

	Sales	EBIT	Net income <sup>1</sup>
H1/10	€7,686 m	€1,118 m	€302 m
Growth at constant currency rates	10%	12%	23%
Growth at actual currency rates	11%	14%	26%

<sup>1</sup> Net income attributable to Fresenius SE and before special items due to MEB and CVR accounting

## Fresenius Group: Financial Results by Business Segment

H1/10

	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed
Sales Growth	US\$5,828 m 9%	€1,745 m 16%	€1,223 m 5%	€338 m 37%
EBIT Growth	US\$888 m 9%	€347 m 20%	€110 m 10%	€15 m 67%

## Fresenius Kabi: Update H1/10

- Strong sales and EBIT development
  - 11% organic sales growth
  - 19.9% EBIT margin
- APP Pharmaceuticals with 28% sales growth, 4 key factors contributing to outperformance
  - New product launches
  - Propofol
  - Oxaliplatin
  - Heparin
- Pursue further efficiency increases in Europe; expected one-time expenses of €10 – 20 million in H2/10



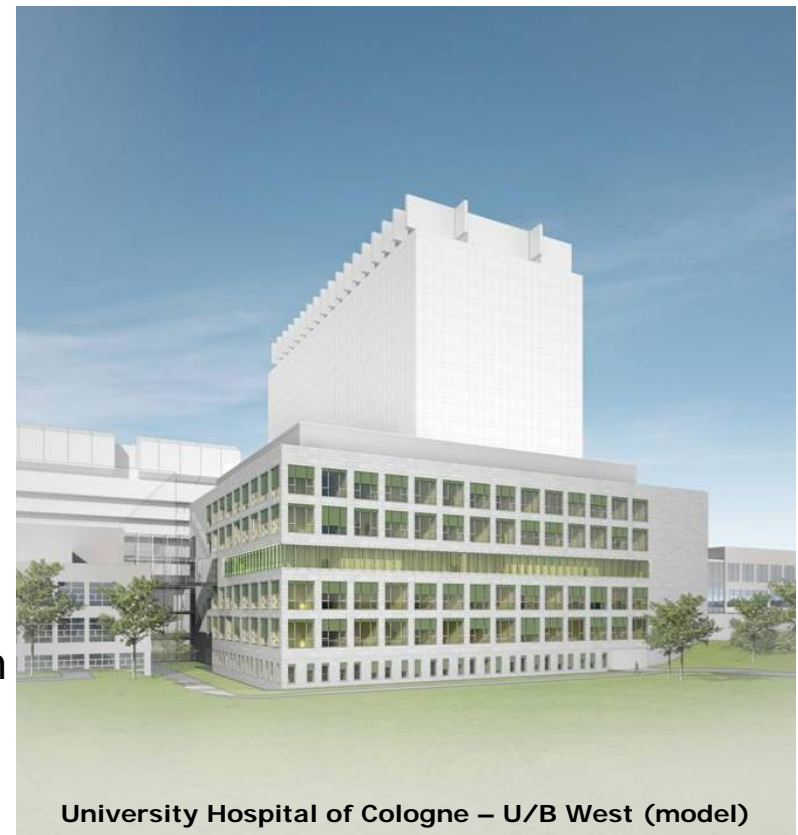
## Fresenius Helios: Update H1/10

- Strong organic sales growth of 6%
  - patient admissions +4%
  - price/mix +2%
- 40 bps EBIT margin increase to 9.0%
- Acquisition activity YTD:
  - 9 properties coming to market
  - 3 bids submitted by HELIOS
  - 1 bid still pending
- Patient satisfaction survey on 67,000 patients showed 95% overall satisfaction – confirming high quality of care at HELIOS' clinics



## Fresenius Vamed: Update H1/10

- Excellent organic sales growth of 36%
- Order entry more than doubled to €328 million in H1/10
  - €62 million turnkey construction project at Cologne university hospital (U/B West) including 25-year technical management contract – expanding German project and service business
  - €52 million medical equipment contract King Hamad Hospital, Bahrain
- Order backlog (€768 million) near all-time high
- Medical technical service contract for three German hospitals (>900 beds) in July



## Group Financials H1/10 – Outlook 2010





## Fresenius Group: Profit and Loss Statement

€m	Q2/10	H1/10	Growth H1/10 YoY	
			actual rates	constant rates
Sales	4,043	7,686	11%	10%
EBIT	618	1,118	14%	12%
Net interest	-138	-281	4%	5%
Income taxes	-149	-268	-27%	-26%
Net income <sup>1</sup>	183	302	26%	23%

<sup>1</sup> Net income attributable to Fresenius SE and before special items due to MEB and CVR accounting

## Fresenius Kabi: EBIT Substantially Ahead of Expectations

€m	H1/10	H1/09	Growth
Europe Margin	178 21.3%	165 21.4%	8%
North America Margin	138 31.0%	104 30.0%	33%
Asia-Pacific/Latin America/Africa Margin	81 17.5%	65 17.1%	25%
Corporate and Corporate R&D	-50	-44	-14%
<b>Total EBIT</b>	<b>347</b>	<b>290</b>	<b>20%</b>
<b>Margin</b>	<b>19.9%</b>	<b>19.3%</b>	

## Fresenius Helios: Excellent Sales and EBIT Growth

€m	H1/10	H1/09	Growth
<b>Total sales</b>	<b>1,223</b>	<b>1,164</b>	<b>5%</b>
<b>EBIT</b>			
Established clinic portfolio	110	99 <sup>1</sup>	11%
Margin	9.0%	8.5%	
Acquisitions/Divestitures (consolidation/deconsolidation < 1 yr)	0	1 <sup>1</sup>	
<b>Total EBIT</b>	<b>110</b>	<b>100</b>	<b>10%</b>
<b>Margin</b>	<b>9.0%</b>	<b>8.6%</b>	

<sup>1</sup> Prior year EBIT split adjusted to current portfolio





## Fresenius Vamed: Excellent Sales and EBIT Growth

€m	H1/10	H1/09	Growth
Project business	230	150	53%
Service business	108	97	11%
<b>Total sales</b>	<b>338</b>	<b>247</b>	<b>37%</b>
<b>Total EBIT</b>	<b>15</b>	<b>9</b>	<b>67%</b>
Margin	4.4%	3.6%	
<b>Order intake<sup>1</sup></b>	<b>328</b>	<b>156</b>	<b>110%</b>
<b>Order backlog<sup>1</sup></b>	<b>768</b>	<b>679<sup>2</sup></b>	<b>13%</b>

<sup>1</sup> Project business only

<sup>2</sup> Dec 31, 2009

## Cash Flow Development

€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	Q2/10	LTM Margin	Q2/10	LTM Margin	Q2/10	LTM Margin
	115	12.6%	(33)	(4.0%)	82	8.6%
	97	10.6%	(61)	(6.5%)	36	4.0%
	-54	2.8%	(3)	(1.0%)	-57	1.8%
Corporate/ Other	-24	n/a	--	n/a	-24	n/a
 excl. FMC	<b>134</b>	<b>9.9%<sup>2</sup></b>	<b>(97)</b>	<b>(4.8%)</b>	<b>37</b>	<b>5.1%<sup>2</sup></b>

Margin = in % of sales

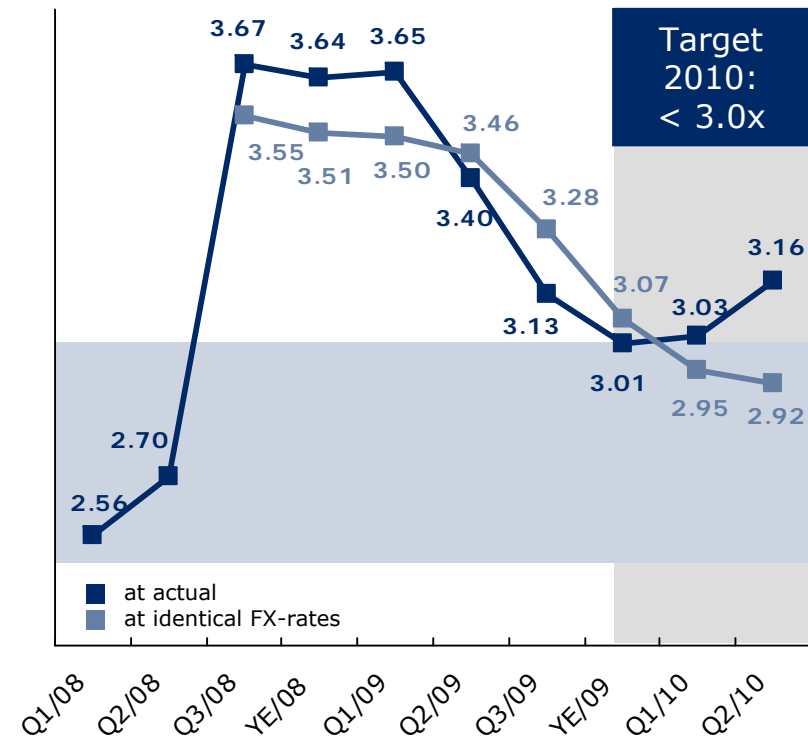
<sup>1</sup> Before Acquisitions and Dividends

<sup>2</sup> Incl. FMC dividend: CFFO LTM margin 10.8%, FCF LTM margin 6.0%

## Fresenius Group: Debt and Interest Ratios

	Jun 30, 2010	Dec 31, 2009
Debt (€m) thereof 61% US\$ denominated	<b>9,387</b>	8,299
Net debt (€m)	<b>8,779</b>	7,879
Net debt/EBITDA	<b>3.16</b>	3.01
EBITDA/Interest	<b>5.1</b>	4.5

### Net debt/EBITDA



Debt excludes Mandatory Exchangeable Bonds

## Fresenius Group: 2010 Outlook Raised

		Previous	New	
<b>Fresenius Kabi</b>	Sales growth	7 – 9% organic	Upper end of range	↑
	EBIT margin	18 – 19%	18.5 – 19.0%	↑
<b>Fresenius Helios</b>	Sales growth	3 – 5% organic	Upper end of range	↑
	EBIT	€220 – 230 m	Upper end of range	↑
<b>Fresenius Vamed</b>	Sales growth	5 – 10%	Upper end of range	↑
	EBIT growth	5 – 10%	Upper end of range	↑
<b>Fresenius Biotech</b>	EBIT	-€35 – -40 m		✓

## Fresenius Group: 2010 Earnings Outlook Raised

	Previous	New	
Revenue growth at constant currency	7 – 9%		✓
Net income growth <sup>1</sup> at constant currency	8 – 10%	10 – 15%	↑
Capex	~5% of Group sales		✓

<sup>1</sup> Net income attributable to Fresenius SE and before special items due to MEB and CVR accounting



## Attachments



## Special items

- Other financial result:
  - CVR (Contingent Value Right): The trading price of the CVR on the B/S date is considered as fair redemption value. Changes of this value are recognized in the P&L. Valuation changes will lead to quarterly gains or expenses until maturity.

Calculation as of June 30, 2010:  $\Delta$  between trading price of US\$0.30 at December 31, 2009 and trading price at June 30, 2010 of US\$0.13 multiplied by 163.3 million CVRs = US\$27.8 million = €21 million.

- MEB (Mandatory Exchangeable Bond): Mark-to-market accounting based on the Black-Scholes valuation model reflecting FMC's share price. Any change in fair value is recognized in the P&L. Valuation changes will lead to gains or expenses until maturity.

## Fresenius Group: Overview – Calculation of Noncontrolling Interest

€m

Earnings before tax and noncontrolling interest

Taxes

Noncontrolling interest, thereof

Fresenius Medical Care net income not attributable to Fresenius (~64%)

Noncontrolling interest holders in Fresenius Medical Care (FY/2009: US\$74 m, H1/2010: US\$37 m according to Fresenius Medical Care's Financial Statements)

Noncontrolling interest holders in Fresenius Kabi (-€10 m), Fresenius Helios (-€4 m) and due to Fresenius Vamed's 23% external ownership (-€2 m)

Net income attributable to Fresenius SE

H1/10

FY/09

741

1,443

-234

-452

-267

-497

-223

-411

-28

-53

-16

-33

240

494





## Fresenius Group: Cash Flow

€m	Q2/10	LTM Margin	Q2/09	LTM Margin	Growth YoY
<b>Operating Cash Flow</b>	<b>367</b>	<b>11.8%</b>	<b>418</b>	<b>8.8%</b>	<b>-12%</b>
Capex (net)	-190	4.6%	-145	5.1%	-31%
<b>Free Cash Flow</b> (before acquisitions and dividends)	<b>177</b>	<b>7.1%</b>	<b>273</b>	<b>3.7%</b>	<b>-35%</b>
Acquisitions (net) <sup>1</sup>	-65		-46		-44%
Dividends	-272		-241		-13%
<b>Free Cash Flow<sup>1</sup></b> (after acquisitions and dividends)	<b>-160</b>	<b>3.5%</b>	<b>-14</b>	<b>-19.6%</b>	<b>--</b>

<sup>1</sup> Does not include a €100 m cash out for a short-term bank deposit by Fresenius Medical Care in Q2 2010

## Cash Flow Development LTM

€m

	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	LTM H1/10	LTM Margin	LTM H1/10	LTM Margin	LTM H1/10	LTM Margin
	420	12.6%	(134)	(4.0%)	286	8.6%
	262	10.6%	(162)	(6.5%)	100	4.0%
	20	2.8%	(7)	(1.0%)	13	1.8%
Corporate/ Other	-61	n/a	(7)	n/a	-68	n/a
<b> excl. FMC</b>	<b>641</b>	<b>9.9%</b>	<b>(310)</b>	<b>(4.8%)</b>	<b>331</b>	<b>5.1%</b>

Margin = in % of sales

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

## Fresenius Kabi: Strong Organic Sales Growth

€m	H1/10	H1/09	Organic Growth
Infusion Therapy	412	341	8%
IV Drugs	607	500	19%
Clinical Nutrition	512	451	10%
Medical Devices/ Transfusion Technology	214	208	2%
<b>Total sales</b>	<b>1,745</b>	<b>1,500</b>	<b>11%</b>

## Fresenius Kabi: Strong Organic Sales Growth

€m	H1/10	H1/09	Organic Growth
Europe	836	772	5%
North America	445	347	26%
Asia-Pacific	279	235	12%
Latin America/Africa	185	146	7%
<b>Total sales</b>	<b>1,745</b>	<b>1,500</b>	<b>11%</b>

## Fresenius Helios: Strong Organic Sales Growth

€m	H1/10	H1/09	Growth
Established clinic portfolio	1,223	1,159 <sup>1</sup>	6%
Acquisitions (consolidation < 1 yr)	0		
Divestitures (deconsolidation < 1 yr)		5 <sup>1</sup>	
<b>Total sales</b>	<b>1,223</b>	<b>1,164</b>	<b>5%</b>

<sup>1</sup> Prior year sales split adjusted to current portfolio



## Fresenius Helios: Performance Indicators

	H1/10	H1/09	Change
<b>No. of hospitals<sup>1</sup></b>	<b>61</b>	<b>62</b>	<b>-2%</b>
- Acute clinics	42	43	-2%
- Post-acute care clinics	19	19	0%
<b>No. of beds<sup>1</sup></b>	<b>18,578</b>	<b>18,583</b>	<b>0%</b>
- Acute clinics	15,101	15,116	0%
- Post-acute care clinics	3,477	3,467	0%
<b>Admissions<sup>2</sup></b>			
- Acute care (inpatient)	302,570	292,321	4%
<b>Occupancy<sup>2</sup></b>			
- Post-acute care	80%	83%	
<b>Average length of stay (days)<sup>2</sup></b>			
- Acute care	6.9	7.0	
- Post-acute care	29.9	30.0	

<sup>1</sup> Dec 31, 2009

<sup>2</sup> Clinics in Germany

## Fresenius Helios: Sales Impact Hospital Acquisitions

### **Acquisitions**

none

### **Annualized sales**

### **Divestitures**

Hospital Dresden

~€11 m

deconsolidated as of Jan 1, 2010

## Fresenius Group: Key Figures According to IFRS

€m	H1/10 U.S. GAAP	H1/10 IFRS
Sales	7,686	<b>7,686</b>
EBIT	1,118	<b>1,108</b>
Net interest	-281	<b>-281</b>
Net income <sup>1</sup>	240	<b>235</b>
Net income <sup>2</sup>	302	<b>297</b>
Operating Cash flow	805	<b>810</b>
Balance sheet total	23,907	<b>24,194</b>

<sup>1</sup> Net income attributable to Fresenius SE

<sup>2</sup> Net income attributable to Fresenius SE before special items due to MEB and CVR accounting

## Financial Calendar

02.11.2010	Report on 1 <sup>st</sup> -3 <sup>rd</sup> quarter 2010
23.02.2011	Report on Fiscal Year 2010
04.05.2011	Report on 1 <sup>st</sup> quarter 2011
13.05.2011	Annual General Meeting, Frankfurt/Main
02.08.2011	Report on 1 <sup>st</sup> half 2011
02.11.2011	Report on 1 <sup>st</sup> -3 <sup>rd</sup> quarter 2011

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