



# Conference Call – Q1-3/2013 Results

November 5, 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.

## Fresenius Group: Financial Results

	Sales	EBIT <sup>1</sup>	Net income <sup>1</sup>
Q1-3/13	€15,032 m	€2,202 m	€753 m
Growth at constant currency rates	9%	1%	12%
Growth at actual currency rates	7%	-1%	10%

<sup>1</sup> Before one-time items

## Fresenius Group: Financial Results by Business Segment

Q1-3/13	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed
Sales Growth	US\$10,743 m 6%	€3,742 m 11%	€2,537 m 8%	€654 m 22%
EBIT Growth	US\$1,595 m -4%	€695 m -1%	€282 m 22%	€25m 4%

## Q3 Business Update

### Operations & Markets



#### North America

- 8% organic sales growth in Q3 – exceeding expectations
- Propofol: Maintained 88% IMS market share in September; October shipments >45% over September volumes following de-stocking by U.S. hospitals in August/September

#### China

- 6% volume growth in Q3; ongoing probes at other drug makers tightened market access
- 2% organic sales decline in Q3 reflecting price cuts
- Underlying growth drivers intact – government plans to triple health care sector spending by 2020

#### Asia-Pacific excluding China

- 13% organic sales growth in Q3



# Q3 Business Update

## Operations & Markets



### HES blood volume replacement products

- EMA position – HES remains available in restricted patient populations; final decision by European Commission expected soon
- ~30% sales reduction in Q3, ~20% YTD, stabilization expected in 2014



### Favorable reimbursement environment in 2014

- 2014 DRG-inflator 2.81%
- Highest increase since introduction of the DRG system in 2003 (2013: 2.0%)



# Q3 Business Update

## Strategic Initiatives



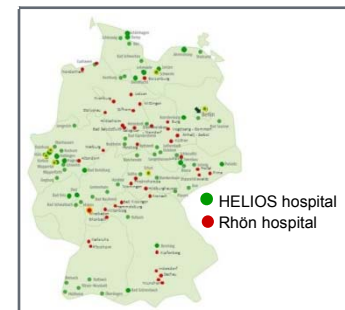
### Emerging markets expansion

- Indonesia joint venture – creates market leader in I.V. generics, attractive platform for future Kabi product rollout
- Promising acquisition pipeline to expand presence in fast-growing markets



### Acquisition of 43 hospitals from Rhön-Klinikum AG

- Vast majority of transaction expected to close by end of 2013



## Group Financials Q1-3/13 – Outlook 2013





## Fresenius Group: Profit and Loss Statement

€m	Q3/13	Q1-3/13	Growth Q3/13 YoY	
			actual rates	constant rates
Sales	5,045	15,032	4%	9%
EBIT <sup>1</sup>	754	2,202	-4%	0%
Net interest	-136	-449	19%	14%
Income taxes	-173	-496	3%	-3%
Net income <sup>2</sup>	271	753	9%	12%

<sup>1</sup> 2013 adjusted for Fenwal integration costs (Q3: €7 million; Q1-3: €34 million)

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA, 2013 adjusted for Fenwal integration costs (Q3: €6 million; Q1-3: €26 million), 2012 adjusted for investment gain of €34 million at Fresenius Medical Care and for one-time costs related to the offer to RHÖN-KLINIKUM AG shareholders (Q3: €5 million; Q1-3: €31 million).

## Fresenius Kabi: EBIT Margin Fully in Line with Guidance






€m	Q1-3/13	Q1-3/12	Growth
Europe Margin	255 16.7%	284 19.6%	-10%
North America Margin	430 37.1%	377 41.4%	14%
Asia-Pacific/Latin America/Africa Margin	180 17.0%	213 21.2%	-15%
Corporate and Corporate R&D	-170	-174	2%
<b>Total EBIT (incl. Fenwal) Margin</b>	<b>695 18.6%</b>	<b>700 20.8%</b>	<b>-1%</b>
<b>Total EBIT (excl. Fenwal) Margin</b>	<b>668 19.6%</b>	<b>700 20.8%</b>	<b>-5%</b>

Q1-3/13 EBIT excluding Fenwal integration costs of €34 million.

## Fresenius Helios: Excellent Sales and EBIT Growth

€m	Q1-3/13	Q1-3/12	Growth
<b>Total sales</b>	<b>2,537</b>	<b>2,347</b>	<b>8%</b>
<b>EBIT</b>			
Established clinic portfolio	279	234	19%
Margin	11.5%	10.0%	
Acquisitions / Divestitures (consolidation / deconsolidation <1 yr)	3	-2	
<b>Total EBIT</b>	<b>282</b>	<b>232</b>	<b>22%</b>
<b>Margin</b>	<b>11.1%</b>	<b>9.9%</b>	

## Cash Flow Development

€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	Q3/13	LTM Margin	Q3/13	LTM Margin	Q3/13	LTM Margin
	65	9.1%	-71	-6.1%	-6	3.0%
	106	7.9%	-35	-5.1%	71	2.8% <sup>3</sup>
	-16	-4.8%	-3	-1.3%	-19	-6.1%
Corporate/ Other	6	n/a	-2	n/a	4	n/a
 excl. FMC	<b>161</b>	<b>7.9%</b> <sup>2</sup>	<b>-111</b>	<b>-5.4%</b>	<b>50</b>	<b>2.5%</b> <sup>2</sup>
 Group	<b>619</b>	<b>10.9%</b>	<b>-243</b>	<b>-5.2%</b>	<b>376</b>	<b>5.7%</b>

<sup>1</sup> Before acquisitions and dividends

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

<sup>3</sup> Understated: 3.8% excluding €34 million of capex commitments from acquisitions

## Fresenius Group: Financial Outlook by Business Segment Fully Confirmed

		Previous	New	
<b>Fresenius Kabi</b>	Sales growth cc	12% – 14%		✓
	Sales growth organic	3% – 5%		✓
	EBIT margin excl. Fenwal	19% – 20%		✓
	EBIT margin incl. Fenwal	18% – 19%		✓
<b>Fresenius Helios</b>	Sales growth organic	3% – 5%		✓
	EBIT	€370 – €395 m	upper half of range	↑
<b>Fresenius Vamed</b>	Sales growth	8% – 12%	upper end of range	↑
	EBIT growth	5% – 10%		✓

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

## Fresenius Group: Outlook Fully Confirmed

Revenue growth  
at constant currency

7% – 10% ✓

Net income growth<sup>1</sup>  
at constant currency

11% – 14% ✓

<sup>1</sup> 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: 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 (Q3/13: ~69%)

Noncontrolling interest holders in Fresenius Medical Care (FY/2012: US\$140 m, Q3/2013: US\$33 m according to Fresenius Medical Care's Financial Statements)

Noncontrolling interest holders in Fresenius Kabi (-€19 m), Fresenius Helios (-€4 m) and due to Fresenius Vamed's 23% external ownership (-€4 m)

Net income attributable to Fresenius SE & Co. KGaA

Q1-3/13

FY/12

1,719

2,391

-488

-659

-504

-806

-399

-639

-78

-109

-27

-58

727






926



## Fresenius Group: Cash Flow

€m	Q3/13	LTM Margin	Q3/12	LTM Margin	Growth YoY
<b>Operating Cash Flow</b>	<b>619</b>	<b>10.9%</b>	<b>671</b>	<b>12.7%</b>	<b>-8%</b>
Capex (net)	-243	-5.2%	-206	-4.6%	-18%
<b>Free Cash Flow</b> (before acquisitions and dividends)	<b>376</b>	<b>5.7%</b>	<b>465</b>	<b>8.1%</b>	<b>-19%</b>
Acquisitions (net)	-305		-97		n. a.
Dividends	-12		-37		68%
<b>Free Cash Flow</b> (after acquisitions and dividends)	<b>59</b>	<b>-1.4%</b>	<b>331</b>	<b>-5.6%</b>	<b>-82%</b>

## Cash Flow Development LTM

€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	LTM Q1-3/13	LTM Margin	LTM Q1-3/13	LTM Margin	LTM Q1-3/13	LTM Margin
	447	9.1%	-298	-6.1%	149	3.0%
	269	7.9%	-174	-5.1%	95	2.8% <sup>3</sup>
	-46	-4.8%	-13	-1.3%	-59	-6.1%
Corporate/ Other	-12	n/a	-12	n/a	-24	n/a
 excl. FMC	<b>658</b>	<b>7.9%<sup>2</sup></b>	<b>-497</b>	<b>-5.4%</b>	<b>161</b>	<b>2.5%<sup>2</sup></b>
 Group	<b>2,197</b>	<b>10.9%</b>	<b>-1,047</b>	<b>-5.2%</b>	<b>1,150</b>	<b>5.7%</b>

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

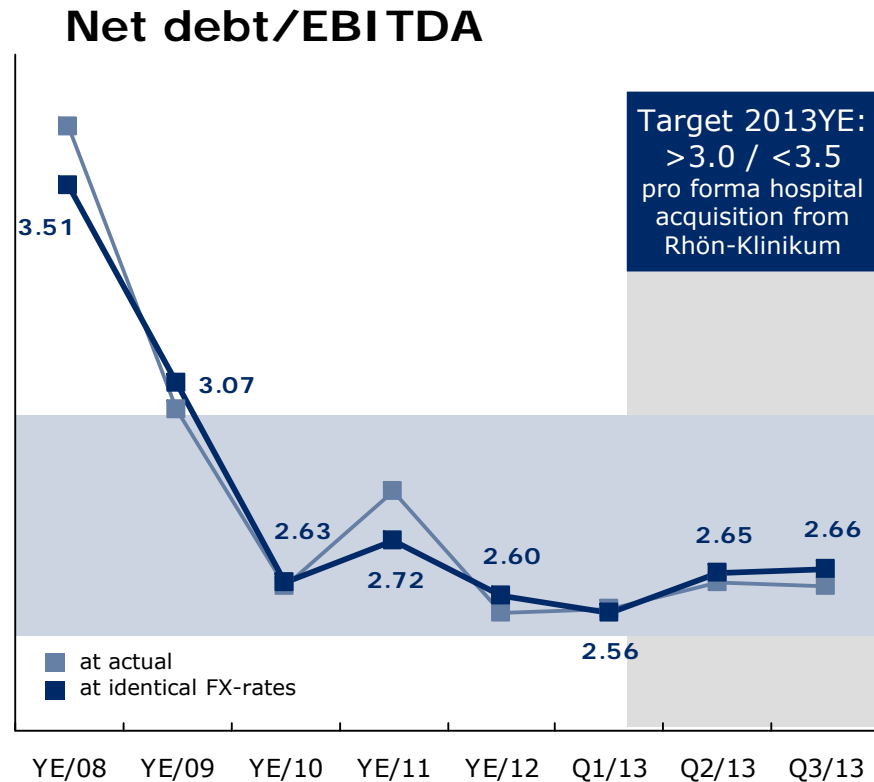
<sup>2</sup> Incl. FMC dividend

<sup>3</sup> Understated: 3.8% excluding €34 million of capex commitments from acquisitions

Margin = in % of sales

# Fresenius Group: Debt and Interest Ratios

	Sep 30, 2013	Dec 31, 2012
Debt (€m) thereof 53% US\$ denominated	11,079	11,028
Net debt (€m)	10,206	10,143
Net debt/EBITDA	2.62 <sup>1,2</sup>	2.56 <sup>3,4</sup>
EBITDA/Interest	6.3	5.8



<sup>1</sup> Pro forma Fenwal

<sup>2</sup> 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 (€34 million) at Fenwal

<sup>3</sup> Pro forma including Liberty Dialysis Holdings, Inc., Damp Group, and Fenwal

<sup>4</sup> 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.

## Fresenius Kabi: Organic Sales Growth at Upper End of Guidance

€m	Q1-3/13	Q1-3/12	Organic Growth
Europe	1,524	1,449	2%
North America	1,158	910	7%
Asia-Pacific	689	642	6%
Latin America/Africa	371	362	8%
<b>Total sales</b>	<b>3,742</b>	<b>3,363</b>	<b>5%</b>

## Fresenius Kabi: Organic Sales Growth at Upper End of Guidance

€m	Q1-3/13	Q1-3/12	Organic Growth
Infusion Therapy	741	754	3%
I.V. Drugs	1,308	1,273	6%
Clinical Nutrition	995	984	4%
Medical Devices/ Transfusion Technology	698	352	5%
<b>Total sales</b>	<b>3,742</b>	<b>3,363</b>	<b>5%</b>

## Fresenius Helios: Strong Organic Sales Growth

€m	Q1-3/13	Q1-3/12	Growth
Established clinic portfolio	2,424	2,340	4%
Acquisitions (consolidation <1 yr)	113		
Divestitures (deconsolidation <1 yr)		7	
<b>Total sales</b>	<b>2,537</b>	<b>2,347</b>	<b>8%</b>

## Fresenius Helios: Performance Indicators

	Q1-3/13	Q1-3/12	Change
<b>No. of hospitals<sup>1</sup></b>	74	72	3%
- Acute care clinics	51	50	2%
- Post-acute care clinics	23	22	5%
<b>No. of beds<sup>1</sup></b>	23,529	23,286	1%
- Acute care clinics	18,912	18,701	1%
- Post-acute care clinics	4,617	4,585	1%
<b>Admissions</b>			
- Acute care (inpatient)	568,307	543,313	5%
<b>Occupancy</b>			
- Post-acute care	84%	85%	
<b>Average length of stay (days)</b>			
- Acute care	6.6	6.7	
- Post-acute care	26.8	27.2	

<sup>1</sup> Dec 31, 2012

## Fresenius Helios: Sales Influence Hospital Acquisitions / Divestitures

### Acquisitions

### Annualized sales

Damp Group (excl. Wismar  
divested before closing),  
Northern Germany

~€427 m      consolidated as of March 31, 2012

Hospital Wipperfürth,  
North-Rhine Westphalia

~€20 m      consolidated as of January 1, 2013



## Fresenius Vamed: Excellent Sales Growth

€m	Q1-3/13	Q1-3/12	Growth
Project business	332	285	16%
Service business	322	251	28%
<b>Total sales</b>	<b>654</b>	<b>536</b>	<b>22%</b>
<b>Total EBIT</b>	<b>25</b>	<b>24</b>	<b>4%</b>
Margin	3.8%	4.5%	
<b>Order intake<sup>1</sup></b>	<b>380</b>	<b>322</b>	<b>18%</b>
<b>Order backlog<sup>1</sup></b>	<b>1,034</b>	<b>987<sup>2</sup></b>	<b>5%</b>

<sup>1</sup> Project business only

<sup>2</sup> December 31, 2012

## Fresenius Group: Key Figures According to IFRS

€m	Q1-3/13 U.S. GAAP	Q1-3/13 IFRS
Sales	15,032	<b>15,187</b>
EBIT <sup>1</sup>	2,202	<b>2,160</b>
Net interest	-449	<b>-449</b>
Net income <sup>2</sup>	727	<b>700</b>
Net income <sup>3</sup>	753	<b>726</b>
Operating Cash flow	1,566	<b>1,575</b>
Balance sheet total	30,678	<b>30,800</b>

<sup>1</sup> Adjusted for one-time integration costs of Fenwal

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA, adjusted for one-time integration costs of Fenwal

## Share Information

### Share key facts

Number of shares <sup>1</sup>	178,839,237
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, 2013

## Financial Calendar 2014

25.02.2014	Report on Fiscal Year 2013
06.05.2014	Report on 1 <sup>st</sup> Quarter 2014
16.05.2014	Annual General Meeting, Frankfurt/Main
05.08.2014	Report on 1 <sup>st</sup> half 2014
04.11.2014	Report on 1 <sup>st</sup> – 3 <sup>rd</sup> quarter 2014

Please note that these dates could be subject to modifications.

### Contact

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