



# A Leading Global Health Care Group

Berenberg Bank & Goldman Sachs – 3<sup>rd</sup> German Corporate Conference  
September 23, 2014



For detailed financial information please see our annual/quarterly reports and/or conference call materials on [www.fresenius.com/ir](http://www.fresenius.com/ir).

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

## 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.

# Strong and Balanced Health Care Portfolio



Ownership: 31%

Dialysis products and services



Ownership: 100%

Hospital supplies



Ownership: 100%

Hospital operations



Ownership: 77%

Hospital projects and services

## 2013 Group Net Income Contribution

25%

46%

26%

3%

## Favorable Industry Dynamics



### Aging population and higher incidence of chronic diseases

*World population age 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: US\$59, China: US\$278, vs. USA: US\$8,608; WHO)*



### Continuing growth of generics

*Approx. US\$19 bn branded IV drug sales (base: 2013) go off-patent in the U.S. by 2023*

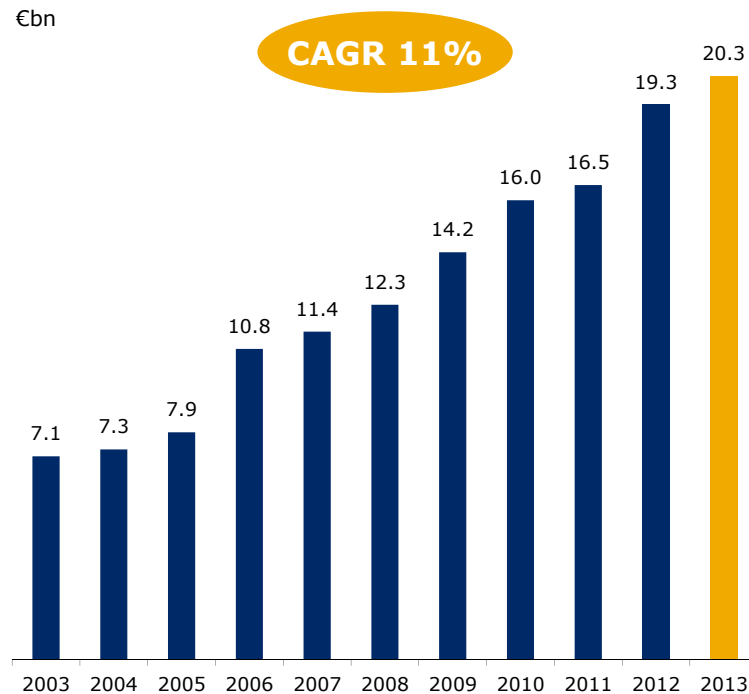


### Rise of private providers in health care services

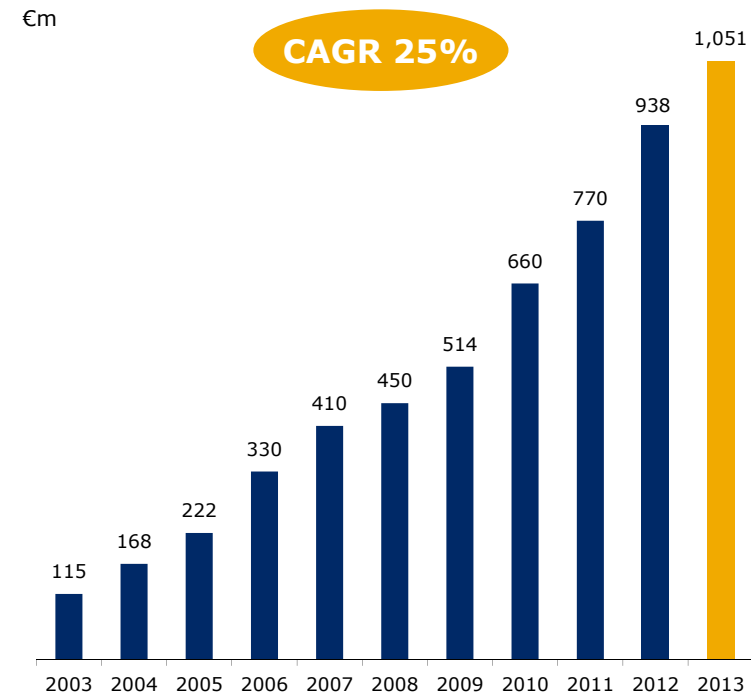
*Further privatization of German hospital market  
Global opportunity to provide dialysis services (e.g. China, India)*

# Fresenius Group 2013: New Sales and Earnings Records – >€1 billion Net Income One Year Ahead of Plan

## Sales



## Net Income<sup>1</sup>



<sup>1</sup> Before special items

## Fresenius Group: Financial Results

|                                      | <b>Sales</b> | <b>EBIT<sup>1</sup></b> | <b>Net income<sup>1</sup></b> |
|--------------------------------------|--------------|-------------------------|-------------------------------|
| H1/14                                | €10,733 m    | €1,403 m                | €487 m                        |
| Growth at constant<br>currency rates | 12%          | 0%                      | 3%                            |
| Growth at actual<br>currency rates   | 7%           | -3%                     | 1%                            |

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

## Fresenius Group: Financial Results by Business Segment

H1/14

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

## Q2/2014 Business Update

### Operations & Markets



#### North America

- Propofol market share down by 3%-5% since Q1, additional 7%-8% attributable to IMS reporting change
- Drug shortage Sodium Chloride 0.9% (500/1000 ml) – Kabi supply started in Q2; sales ~€3 m

#### Europe / Asia-Pacific / Latin America

- Europe: 3% organic sales growth (Q1: -2%); 5% organic sales growth excl. HES; no further impact from Russia distribution change
- Asia-Pacific: 9% organic sales growth (Q1: 3%); 11% organic sales growth excl. HES; 2013 China price cuts no longer impacting growth
- Q2 acquisitions in Brazil and Ecuador – expanding product portfolio and market presence; FY 2013 sales ~€47 m
- HES: €18 m sales decline yoy; Q2 sales stabilized at Q1 level





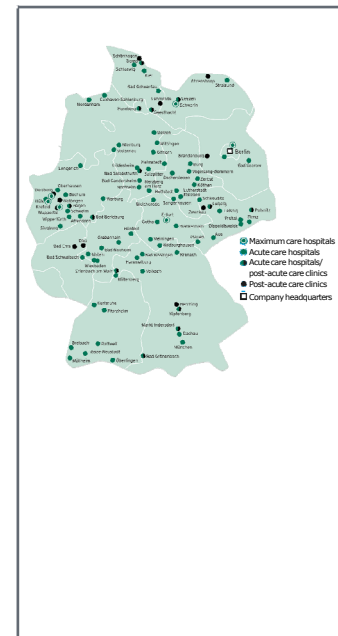
# Q2/2014 Business Update

## Operations & Markets



### Integration of Rhön-Klinikum hospitals

- Process fully on track
- ~€85 m cost synergies p.a. by 2015 confirmed – delayed by approx. one quarter due to later transaction closing
- ~€80 m integration cost confirmed – 2014/2015 phasing details in Q3 call
- 12-15% mid-term EBIT margin target for newly acquired facilities confirmed
- Rhön’s 265-bed Cuxhaven hospital acquired following antitrust approval; expected completion July 31, annual sales ~€40 m
- Hospital network venture between HELIOS, Rhön-Klinikum, Asklepios expected to start in Q4



## Fresenius Group: 2014 Financial Outlook by Business Segment / New: HELIOS incl. Acquired Rhön Hospitals

|                                     |   | Old         | New          |
|-------------------------------------|---|-------------|--------------|
| <b>Fresenius Kabi</b>               | Sales growth organic                    | 4% – 6%     | ✓            |
|                                     | EBIT margin                             | 16.5% – 18% | ✓            |
| <b>Fresenius Helios<sup>1</sup></b> | Sales growth organic                    | 3% – 5%     | ✓            |
|                                     | Sales contribution acquired hospitals   |             | ~€1.8 bn     |
|                                     | Sales growth acquired hospitals organic |             | 3% – 5%      |
|                                     | EBIT Helios+Rhön hospitals              |             | €540 – 560 m |
| <b>Fresenius Vamed</b>              | Sales growth organic                    | 5% – 10%    | ✓            |
|                                     | EBIT growth                             | 5% – 10%    | ✓            |

<sup>1</sup> Before integration costs for acquired hospitals and disposal gains (two HELIOS hospitals; Rhön stake )

## Fresenius Group: 2014 Financial Outlook

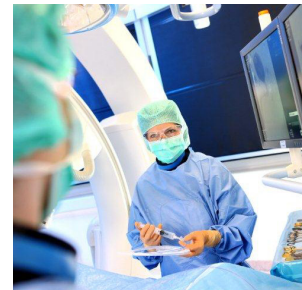
|  | Old       | New <sup>1</sup> |
|--|-----------|------------------|
| Revenue growth<br>at constant currency                 | 12% - 15% | 14% - 16%        |
| Net income growth <sup>2</sup><br>at constant currency | 2% - 5%   | ✓                |

<sup>1</sup> Following acquisitions at Fresenius Medical Care

<sup>2</sup> 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: Attractive Mid-Term Growth Prospects

New Stretch Target 2017  
~€30 billion Sales  
€1.4 to €1.5 billion Net Income



**Strong and Balanced Health Care Portfolio**

## Attachments



## Fresenius Group: Profit and Loss Statement

| €m                      | Q2/14 | H1/14  | Growth Q2/14 YoY |                |
|-------------------------|-------|--------|------------------|----------------|
|                         |       |        | actual rates     | constant rates |
| Sales                   | 5,521 | 10,733 | 8%               | 13%            |
| EBIT <sup>1</sup>       | 760   | 1,403  | 1%               | 5%             |
| Net interest            | -145  | -283   | 3%               | -1%            |
| Income taxes            | -199  | -332   | -18%             | -23%           |
| Net income <sup>2</sup> | 259   | 487    | 0%               | 3%             |

<sup>1</sup> 2014 before integration costs (Fenwal - Q2: €2 m / H1: €3 m; acquired Rhön hospitals - Q2: €8 m / H1: €8 m) and disposal gains (two HELIOS hospitals - Q2: €0 m / H1: €22 m; Rhön Stake - Q2: €35 m / H1: €35 m); 2013 before integration costs (Fenwal - Q2: €20 m; H1: €27 m)

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2014 before integration costs (Fenwal - Q2: €1 m / H1: €2 m; acquired Rhön hospitals - Q2: €6 m / H1: €6 m) and disposal gains (two HELIOS hospitals - Q2: €0 m / H1: €21 m; Rhön Stake - Q2: €34 m / H1: €34 m); 2013 before integration costs (Fenwal - Q2: €15 m; H1: €20 m)

## Fresenius Kabi: Organic Sales Growth Accelerating

| €m   | Organic Growth |              |           |           |
|--|----------------|--------------|-----------|-----------|
|  | H1/14          | H1/13        | H1 YoY    | Q2 YoY    |
| Infusion Therapy                           | 476            | 500          | 1%        | 3%        |
| I.V. Drugs                                 | 868            | 893          | 1%        | 3%        |
| Clinical Nutrition                         | 662            | 663          | 5%        | 8%        |
| Medical Devices/<br>Transfusion Technology | 460            | 463          | 2%        | 2%        |
| <b>Total sales</b>                         | <b>2,466</b>   | <b>2,519</b> | <b>2%</b> | <b>4%</b> |

## Fresenius Kabi: Organic Sales Growth Accelerating

| €m                   | H1/14        | H1/13        | Organic Growth |           |
|----------------------|--------------|--------------|----------------|-----------|
|                      |              |              | H1 YoY         | Q2 YoY    |
| Europe               | 1,024        | 1,030        | 1%             | 3%        |
| North America        | 747          | 784          | 0%             | 1%        |
| Asia-Pacific         | 464          | 456          | 6%             | 9%        |
| Latin America/Africa | 231          | 249          | 11%            | 11%       |
| <b>Total sales</b>   | <b>2,466</b> | <b>2,519</b> | <b>2%</b>      | <b>4%</b> |



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

| €m  | Q2/14                | H1/14                | H1/13                | Growth Q2 YoY         |
|---|----------------------|----------------------|----------------------|-----------------------|
| Europe<br>Margin                            | 81<br>15.5%          | 150<br>14.6%         | 178<br>17.3%         | -14%                  |
| North America<br>Margin                     | 139<br>38.1%         | 286<br>38.3%         | 291<br>37.1%         | 1%                    |
| Asia-Pacific/Latin America/Africa<br>Margin | 59<br>16.2%          | 108<br>15.5%         | 120<br>17.0%         | 7%                    |
| Corporate and Corporate R&D                 | -69                  | -133                 | -120                 | -28%                  |
| <b>Total EBIT<br/>Margin</b>                | <b>210<br/>16.8%</b> | <b>411<br/>16.7%</b> | <b>469<br/>18.6%</b> | <b>-9%<br/>- 5%cc</b> |

EBIT excluding integration costs (Fenwal - Q2: €2million / H1: €3 million)

## Fresenius Helios: Sales and EBIT Growth Driven by First-Time Consolidation of Rhön Hospitals

| €m   | Q2/14        | H1/14        | H1/13        | Growth Q2 YoY |
|--|--------------|--------------|--------------|---------------|
| <b>Total sales</b>   | <b>1,294</b> | <b>2,521</b> | <b>1,695</b> | <b>52%</b>    |
| <b>EBIT</b>  |              |              |              |               |
| Established clinic portfolio   | 96           | 184          | 175          | 7%            |
| Margin   | 11.2%        | 10.7%        | 10.6%        |               |
| Acquisitions / Divestitures<br>(consolidation / deconsolidation <1 yr) | 40           | 66           | 4            |               |
| <b>Total EBIT</b>  | <b>136</b>   | <b>250</b>   | <b>179</b>   | <b>48%</b>    |
| <b>Margin</b>  | <b>10.5%</b> | <b>9.9%</b>  | <b>10.6%</b> |               |

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

## Fresenius Helios: Performance Indicators

|                                      | H1/14   | H1/13   | Change |
|--------------------------------------|---------|---------|--------|
| <b>No. of hospitals<sup>1</sup></b>  | 110     | 74      | 49%    |
| - Acute care clinics                 | 86      | 51      | 69%    |
| - Post-acute care clinics            | 24      | 23      | 4%     |
| <b>No. of beds<sup>1</sup></b>       | 34,048  | 23,502  | 45%    |
| - Acute care clinics                 | 28,905  | 18,885  | 53%    |
| - Post-acute care clinics            | 5,143   | 4,617   | 11%    |
| <b>Admissions</b>                    |         |         |        |
| - Acute care (inpatient)             | 557,820 | 383,050 | 46%    |
| <b>Occupancy</b>                     |         |         |        |
| - Post-acute care                    | 82%     | 82%     |        |
| <b>Average length of stay (days)</b> |         |         |        |
| - Acute care                         | 6.6     | 6.6     |        |
| - Post-acute care                    | 26.8    | 27.2    |        |

<sup>1</sup> December 31, 2013

## Fresenius Helios: 2013 Clinic Development Plan

|                         | Years in Portfolio |      |     |     |     |      |      |           | Total |
|-------------------------|--------------------|------|-----|-----|-----|------|------|-----------|-------|
|                         | <1                 | 1    | 2   | 3   | 4   | 5    | 6    | >6        |       |
| No. of clinics          | -                  | 12   | 3   | 1   | -   | 6    | 4    | 48        | 74    |
| Revenue (€m)            | -                  | 390  | 155 | 38  | -   | 196  | 312  | 2,198     | 3,289 |
| <b>Target</b>           |                    |      |     |     |     |      |      |           |       |
| EBIT margin (%)         | -                  | 2.0  | 4.0 | 6.0 | 8.0 | 10.0 | 12.0 | 12.0-15.0 |       |
| EBIT (€m)               | -                  | 7.8  | 6.2 | 2.3 | -   | 19.6 | 37.4 | 263.8     | 337.1 |
| <b>Reported</b>         |                    |      |     |     |     |      |      |           |       |
| EBIT margin (%)         | -                  | 11.4 | 0.5 | 3.4 | -   | 7.5  | 12.8 | 13.0      | 11.8  |
| EBIT (€m)               | -                  | 44.6 | 0.8 | 1.3 | -   | 14.7 | 39.9 | 285.9     | 387.2 |
| No. of clinics > target | -                  | 9    | 1   | -   | -   | 2    | 2    | 17        | 31    |
| No. of clinics < target | -                  | 3    | 2   | 1   | -   | 4    | 2    | 31        | 43    |

IFRS

## Fresenius Vamed: Sales and EBIT in Line with Expectations

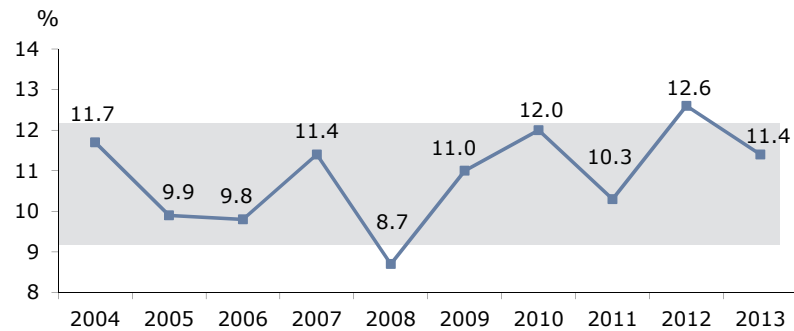
| €m                               | H1/14        | H1/13                    | Growth     |
|----------------------------------|--------------|--------------------------|------------|
| Project business                 | 173          | 208                      | -17%       |
| Service business                 | 225          | 213                      | 6%         |
| <b>Total sales</b>               | <b>398</b>   | <b>421</b>               | <b>-5%</b> |
| <b>Total EBIT</b>                | <b>15</b>    | <b>15</b>                | <b>0%</b>  |
| <b>Margin</b>                    | <b>3.8%</b>  | <b>3.6%</b>              |            |
| <b>Order intake<sup>1</sup></b>  | <b>300</b>   | <b>311</b>               | <b>-4%</b> |
| <b>Order backlog<sup>1</sup></b> | <b>1,262</b> | <b>1,139<sup>2</sup></b> | <b>11%</b> |

<sup>1</sup> Project business only

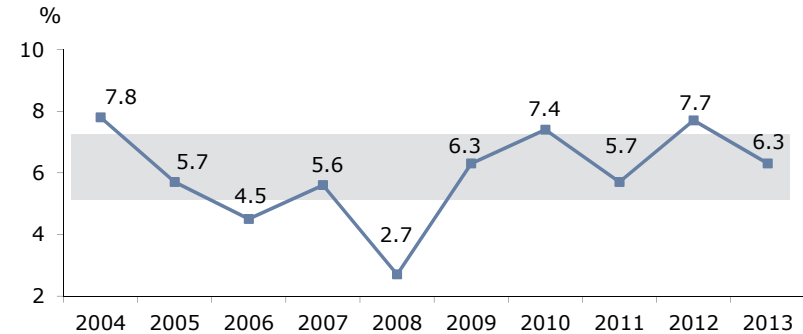
<sup>2</sup> December 31, 2013

# Consistent Cash Generation and Proven Track Record of Deleveraging

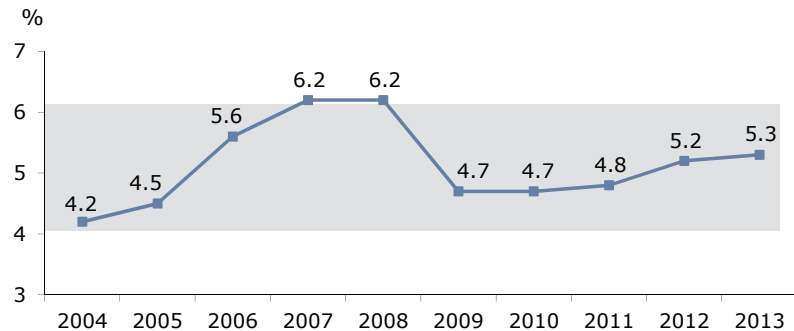
### CFFO margin



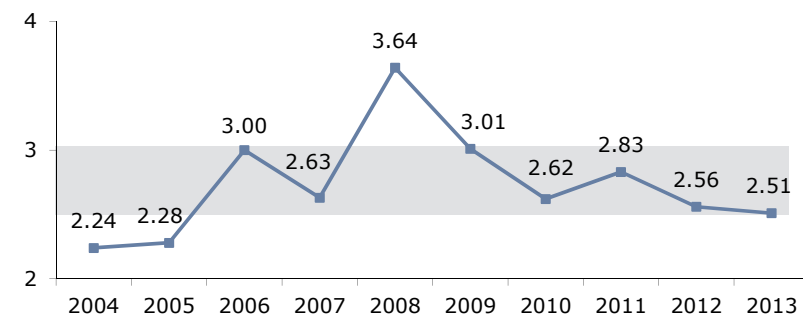
### FCF margin (before acquisitions & dividends)








### Capex in % of sales



### Net Debt / EBITDA



## Cash Flow Development LTM

| €m  | Operating CF |                          | Capex (net)   |              | Free Cash Flow <sup>1</sup> |                          |
|---|--------------|--------------------------|---------------|--------------|-----------------------------|--------------------------|
|   | 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% <sup>3</sup>        |
|                                  | -34          | -3.4%                    | -10           | -1.0%        | -44                         | -4.4%                    |
| Corporate/<br>Other   | 7            | n/a                      | -6            | n/a          | 1                           | n/a                      |
|  <b>FRESENIUS</b><br>excl. FMC | <b>821</b>   | <b>8.8%</b> <sup>2</sup> | <b>-555</b>   | <b>-5.4%</b> | <b>266</b>                  | <b>3.4%</b> <sup>2</sup> |
|  <b>FRESENIUS</b><br>Group     | <b>2,123</b> | <b>10.1%</b>             | <b>-1,163</b> | <b>-5.5%</b> | <b>960</b>                  | <b>4.6%</b>              |

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

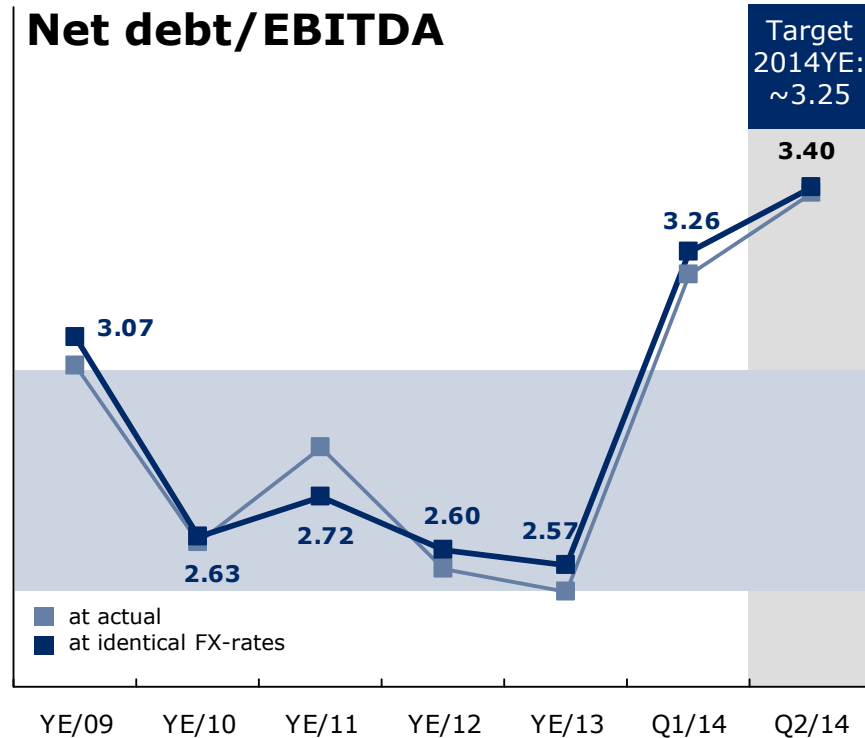
<sup>2</sup> Incl. FMC dividend

<sup>3</sup> Understated: 5.3% excluding €44 million of capex commitments from acquisitions

Margin = in % of sales

# Fresenius Group: Debt and Interest Ratios

|  | <b>Jun 30,<br/>2014</b>   | <b>Dec 31,<br/>2013</b> |
|--|---------------------------|-------------------------|
| Debt (€m)<br>thereof 42% US\$<br>denominated | <b>14,527</b>             | <b>12,804</b>           |
| Net debt (€m)                                | <b>13,457</b>             | <b>11,940</b>           |
| Net debt/EBITDA                              | <b>3.39<sup>1,2</sup></b> | <b>2.51<sup>3</sup></b> |
| EBITDA/Interest                              | <b>6.6</b>                | <b>6.7</b>              |



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

<sup>2</sup> Pro forma including Rhön hospitals and excluding two HELIOS hospitals

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



## Share Information

### Share key facts

|                               |                       |
|-------------------------------|-----------------------|
| Number of shares <sup>1</sup> | 540,511,632           |
| WKN / ISIN                    | 578560 / DE0005785604 |
| Ticker symbol                 | FRE                   |
| Bloomberg symbol              | FRE GR                |
| Reuters symbol                | FREG.de               |

### ADR key facts

|                  |                             |
|------------------|-----------------------------|
| Ratio            | 4 ADRs = 1 ordinary share   |
| ADR CUSIP / ISIN | 35804M105 / US35804M1053    |
| Ticker symbol    | FSNUY                       |
| Exchange         | OTCQX International Premier |
| Structure        | Sponsored Level I ADR       |
| Depository bank  | Deutsche Bank               |

<sup>1</sup> As of August 1, 2014

## Financial Calendar 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.

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