



# Analyst Conference Call – Q1/12 Results

May 3, 2012



## 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 <sup>1</sup>	EBIT	Net income <sup>2</sup>
Q1/12	€4,419 m	€661 m	€200 m
Growth at constant currency rates	10%	12%	15%
Growth at actual currency rates	13%	15%	18%

<sup>1</sup> Previous year's sales were adjusted according to a U.S. GAAP accounting change at Fresenius Medical Care

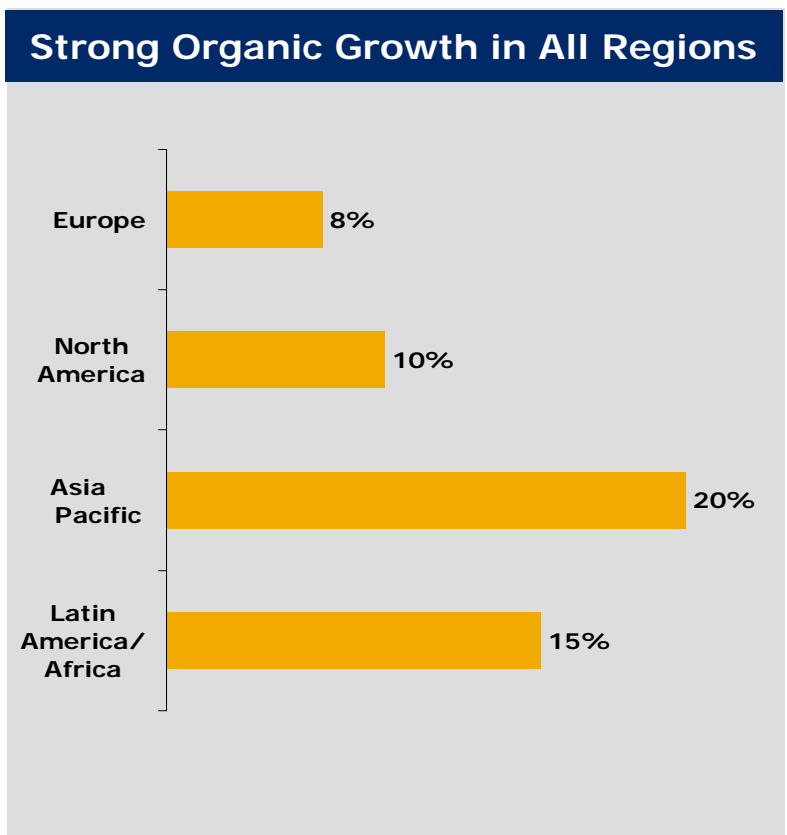
<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain at Fresenius Medical Care

## Fresenius Group: Financial Results by Business Segment

Q1/12	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed
Sales Growth	US\$3,249 m 9%	€1,092 m 14%	€717 m 11%	€142 m 1%
EBIT Growth	US\$503 m 13%	€215 m 9%	€68 m 17%	€5 m 0%

## Fresenius Kabi: Update Q1/12

- 11% organic sales growth, all regions at or above expectations
- North America – strong growth continues due to 2011 launches (e.g. PipTazo, Nafcillin) and persisting drug shortages
- 16% organic sales growth in I.V. drugs outside North America, 14% organic sales growth in Clinical Nutrition
- Raised 2012 outlook reflects excellent Q1 results and current drug shortage expectations for Q2



## Fresenius Helios: Update Q1/12

- 5% organic sales growth – at upper end of guidance, 4% increase in admissions
- Excellent margin development across all hospitals in established business – 170 bps EBIT margin increase to 10.7%
- Damp acquisition consolidated as of March 31, 2012
- Excellent supply cost management – 2009-2011: 140 bps decrease to 19.0% in supply costs as percentage of sales



## Fresenius Vamed: Update Q1/12

- Sales and EBIT in line with expectations
- 16% sales growth in service business – broad portfolio of ~150 multi-year service contracts supports long-term growth
- Order intake in project business particularly strong in Emerging Markets
  - €63 million turnkey project in the Ukraine
  - €13 million additional medical equipment contracts in China
- Fully confirm 2012 outlook

**Largest service business contract –  
University Hospital AKH Vienna**



## Group Financials Q1/12 – Outlook 2012





## Fresenius Group: Profit and Loss Statement

€m	Q1/12	Q1/11	Growth Q1/12 YoY	
			actual rates	constant rates
Sales <sup>1</sup>	4,419	3,923	13%	10%
EBIT	661	575	15%	12%
Net interest	-147	-135	-9%	-6%
Income taxes	-156	-135	-16%	-13%
Net income <sup>2</sup>	200	170	18%	15%

<sup>1</sup> Previous year's sales were adjusted according to a U.S. GAAP accounting change at Fresenius Medical Care

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain at Fresenius Medical Care, 2011 before special items due to MEB and CVR accounting

## Fresenius Kabi: Excellent EBIT Improvement

€m	Q1/12	Q1/11	Growth
Europe Margin	96 19.7%	95 21.2%	1%
North America Margin	114 39.0%	96 37.8%	19%
Asia-Pacific/Latin America/Africa Margin	58 18.5%	42 16.3%	38%
Corporate and Corporate R&D	-53	-36	-47%
<b>Total EBIT</b>	<b>215</b>	<b>197</b>	<b>9%</b>
<b>Margin</b>	<b>19.7%</b>	<b>20.5%</b>	

## Fresenius Helios: Strong Sales and EBIT Growth

€m	Q1/12	Q1/11	Growth
<b>Total sales</b>	<b>717</b>	<b>648</b>	<b>11%</b>
<b>EBIT</b>			
Established clinic portfolio	72	58	24%
Margin	10.7%	9.0%	
Acquisitions (consolidation <1 yr)	-4		
<b>Total EBIT</b>	<b>68</b>	<b>58</b>	<b>17%</b>
<b>Margin</b>	<b>9.5%</b>	<b>9.0%</b>	






## Fresenius Vamed: Sales Growth and EBIT in line with Expectations

€m	Q1/12	Q1/11	Growth
Project business	77	84	-8%
Service business	65	56	16%
<b>Total sales</b>	<b>142</b>	<b>140</b>	<b>1%</b>
<b>Total EBIT</b>	<b>5</b>	<b>5</b>	<b>0%</b>
Margin	3.5%	3.6%	
<b>Order intake<sup>1</sup></b>	<b>104</b>	<b>127</b>	<b>-18%</b>
<b>Order backlog<sup>1</sup></b>	<b>872</b>	<b>845<sup>2</sup></b>	<b>3%</b>

<sup>1</sup> Project business only

<sup>2</sup> Dec 31, 2011

## Cash Flow Development

€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	Q1/12	LTM Margin	Q1/12	LTM Margin	Q1/12	LTM Margin
	93	11.9%	(36)	(4.0%)	57	7.9%
	34	9.5%	(19)	(5.8%)	15	3.7% <sup>3</sup>
	45	-8.7%	(1)	(0.8%)	44	-9.5%
Corporate/ Other	-1	n/a	(3)	n/a	-4	n/a
 excl. FMC	<b>171</b>	<b>9.6%<sup>2</sup></b>	<b>(59)</b>	<b>(4.5%)</b>	<b>112</b>	<b>5.1%<sup>2</sup></b>
 Group	<b>538</b>	<b>11.6%</b>	<b>(152)</b>	<b>(4.6%)</b>	<b>386</b>	<b>7.0%</b>

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

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

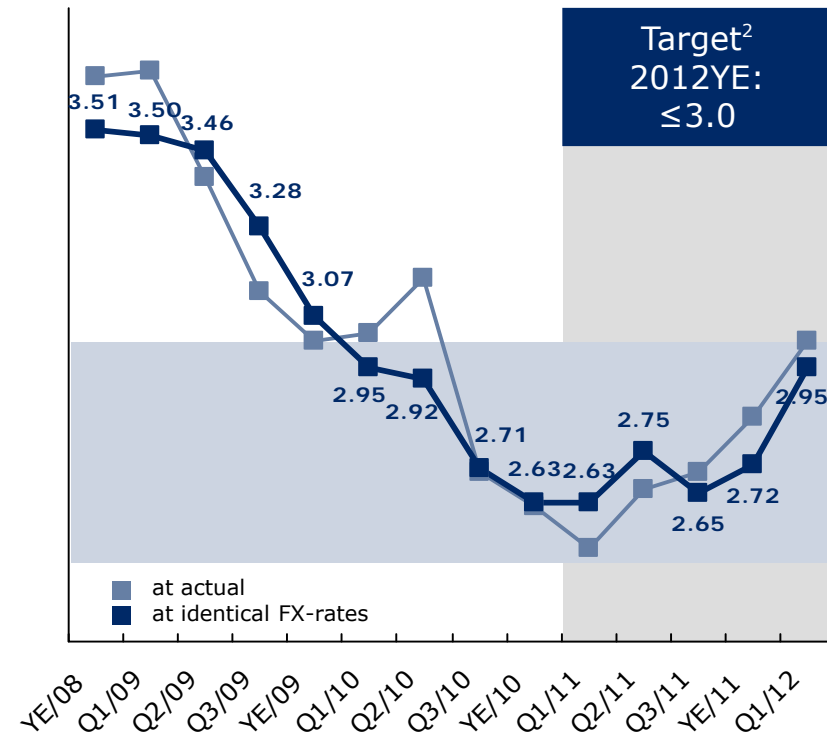
<sup>3</sup> Understated: 5.4% excluding €45 million of capex commitments from acquisitions

Margin = in % of sales

## Fresenius Group: Debt and Interest Ratios

	Mar 31, 2012	Dec 31, 2011
Debt (€m) thereof 54% US\$ denominated	<b>11,459</b>	<b>9,799</b>
Net debt (€m)	<b>10,604</b>	<b>9,164</b>
Net debt/EBITDA	<b>3.01<sup>1</sup></b>	<b>2.83</b>
EBITDA/Interest	<b>5.7</b>	<b>6.1</b>

### Net debt/EBITDA



<sup>1</sup> Pro forma Liberty Dialysis Holdings, Inc. and Damp Group from Q1 2012

<sup>2</sup> Before effects of the announced Rhön-Klinikum AG acquisition

Debt excludes Mandatory Exchangeable Bonds which came to maturity on August 14, 2011

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

		Previous	New	
<b>Fresenius Kabi</b>	Sales growth <sup>1</sup>	4% – 6%	6% – 8%	↑
	EBIT margin	19.5% – 20%	upper end of range	↑
<b>Fresenius Helios</b>	Sales growth <sup>1</sup>	3% – 5%	confirmed	✓
	EBIT	€310 m – €320 m	upper end of range	↑
<b>Fresenius Vamed</b>	Sales growth	5% – 10%	confirmed	✓
	EBIT growth	5% – 10%	confirmed	✓
<b>Fresenius Biotech</b>	EBIT	~ -€25 m – -€30 m	confirmed	✓

<sup>1</sup> organic

## Fresenius Group: Financial Outlook Raised

	Previous	New	
Revenue growth <sup>1</sup> at constant currency	10% – 13%	upper end of range	↑
Net income growth <sup>2</sup> at constant currency	8% – 11%	12% – 15%	↑
Capex	~5% of Group sales	confirmed	✓

<sup>1</sup> Previous year's sales were adjusted according to a U.S. GAAP accounting change at Fresenius Medical Care

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain at Fresenius Medical Care Outlook before effects of the announced Rhön-Klinikum AG acquisition



## 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 (average Q1/12: ~69%)

Noncontrolling interest holders in Fresenius Medical Care (FY/2011: US\$106 m, Q1/2012: US\$24 m according to Fresenius Medical Care's Financial Statements)

Noncontrolling interest holders in Fresenius Kabi (-€8 m), Fresenius Helios (-€3 m) and due to Fresenius Vamed's 23% external ownership (-€1 m)

Net income attributable to Fresenius SE & Co. KGaA

Q1/12

FY/11

611

1,932

-156

-604

-225

-638

-196

-514

-17

-76

-12

-48

230






690

## Fresenius Group: Cash Flow

€m	Q1/12	LTM Margin <sup>1</sup>	Q1/11	LTM Margin <sup>1</sup>	Growth YoY
<b>Operating Cash Flow</b>	<b>538</b>	<b>11.6%</b>	<b>278</b>	<b>10.8%</b>	<b>94%</b>
Capex (net)	-152	-4.6%	-147	-4.6%	-3%
<b>Free Cash Flow</b> (before acquisitions and dividends)	<b>386</b>	<b>7.0%</b>	<b>131</b>	<b>6.2%</b>	<b>195%</b>
Acquisitions (net)	-1,458		-249		--
Dividends	-24		-15		-60%
<b>Free Cash Flow</b> (after acquisitions and dividends)	<b>-1,096</b>	<b>-10.2%</b>	<b>-133</b>	--	--

<sup>1</sup> Previous year's sales were adjusted according to a U.S. GAAP accounting change at Fresenius Medical Care

## Cash Flow Development LTM

€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	LTM Q1/12	LTM Margin	LTM Q1/12	LTM Margin	LTM Q1/12	LTM Margin
	488	11.9%	(164)	(4.0%)	324	7.9%
	260	9.5%	(158)	(5.8%)	102	3.7% <sup>3</sup>
	-64	-8.7%	(6)	(0.8%)	-70	-9.5%
Corporate/ Other	-13	n/a	(15)	n/a	-28	n/a
	<b>671</b>	<b>9.6%<sup>2</sup></b>	<b>(343)</b>	<b>(4.5%)</b>	<b>328</b>	<b>5.1%<sup>2</sup></b>
	<b>1,949</b>	<b>11.6%</b>	<b>(763)</b>	<b>(4.6%)</b>	<b>1,186</b>	<b>7.0%</b>

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

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

<sup>3</sup> Understated: 5.4% excluding €45 million of capex commitments from acquisitions

Margin = in % of sales

## Fresenius Kabi: Strong Organic Sales Growth

€m	Q1/12	Q1/11	Organic Growth
Infusion Therapy	246	220	10%
I.V. Drugs	410	355	12%
Clinical Nutrition	316	270	14%
Medical Devices/ Transfusion Technology	120	115	4%
<b>Total sales</b>	<b>1,092</b>	<b>960</b>	<b>11%</b>

## Fresenius Kabi: Strong Organic Sales Growth

€m	Q1/12	Q1/11	Organic Growth
Europe	487	449	8%
North America	292	254	10%
Asia-Pacific	199	156	20%
Latin America/Africa	114	101	15%
<b>Total sales</b>	<b>1,092</b>	<b>960</b>	<b>11%</b>

## Fresenius Helios: Strong Organic Sales Growth

€m	Q1/12	Q1/11	Growth
Established clinic portfolio	676	646	5%
Acquisitions (consolidation <1 yr)	41		
Divestitures (deconsolidation <1 yr)		2	
<b>Total sales</b>	<b>717</b>	<b>648</b>	<b>11%</b>

## Fresenius Helios: Performance Indicators

	Q1/12	Q1/11	Change
<b>No. of hospitals<sup>1</sup></b>	75	65	15%
- Acute care clinics	51	45	13%
- Post-acute care clinics	24	20	20%
<b>No. of beds<sup>1</sup></b>	23,606 <sup>3</sup>	20,112	17%
- Acute care clinics	18,804	16,690	13%
- Post-acute care clinics	4,802	3,422	40%
<b>Admissions<sup>2</sup></b>			
- Acute care (inpatient)	177,185	160,947	10%
<b>Occupancy<sup>2</sup></b>			
- Post-acute care	81%	78%	
<b>Average length of stay (days)</b>			
- Acute care	6.6	6.6	
- Post-acute care <sup>2</sup>	29.7	29.8	

<sup>1</sup> Dec 31, 2011

<sup>3</sup> Excl. 160 forensic beds

<sup>2</sup> Clinics in Germany



## Fresenius Helios: Sales Influence Hospital Acquisitions

### Acquisitions

Hospital Rottweil,  
Baden-Wuerttemberg

Hospital Duisburg,  
North-Rhine Westphalia

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

### Annualized sales

~€31 m      consolidated as of July 1, 2011

~€134 m      consolidated as of Jan 1, 2012

~€427 m      consolidated as of March 31, 2012

## Fresenius Group: Key Figures According to IFRS

€m	Q1/12 U.S. GAAP	Q1/12 IFRS
Sales	4,419	4,470
EBIT	661	660
Net interest	-147	-147
Net income <sup>1</sup>	230	230
Net income <sup>2</sup>	200	200
Operating Cash flow	538	540
Balance sheet total	28,542	28,712

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain at Fresenius Medical Care

## Special items 2012

### Investment gain at Fresenius Medical Care:

- Due to the acquisition of Liberty Dialysis Holdings, Inc. (Liberty), including its 51% stake in Renal Advantage Partners, LLC (RAI)
- Measuring the 49% equity interest in RAI held by Fresenius Medical Care at its fair value at the time of the Liberty acquisition
- Resulting in a non-taxable investment gain of US\$127 million at Fresenius Medical Care or €30 million at Fresenius SE & Co. KGaA respectively
- Subject to finalization of the Liberty purchase accounting

## Special items 2011

- Other financial result:

- CVR (Contingent Value Right): The trading price of the CVR was considered as fair redemption value. Changes of this value were recognized in the P&L.

On March 4, 2011, the CVRs have been delisted from the NASDAQ and the NASDAQ suspended trading in the CVRs effective the close of trading on that day.

Calculation since March 4, 2011:  $\Delta$  between trading price of US\$0.04 at December 31, 2010 and value zero multiplied by 163.3 million CVRs = US\$6.7 million = €4.9 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 led to gains or expenses until maturity. Maturity date was August 14, 2011.

## Restatement of 2011 Figures

The restatement is a result of

- the U.S. GAAP accounting change in the presentation of U.S. dialysis service sales which will be shown net of the provision for bad debt and
- a reclassification of freight expenses at Fresenius Medical Care

€ in million	Q1/2011	Q1/2011 restated	Q2/2011	Q2/2011 restated	Q3/2011	Q3/2011 restated	Q4/2011	Q4/2011 restated	FY/2011	FY/2011 restated
<b>Sales</b>										
Fresenius Medical Care	2,220	2,181	2,220	2,182	2,295	2,253	2,457	2,415	9,192	9,031
Fresenius Kabi	960	960	1,011	1,011	979	979	1,014	1,014	3,964	3,964
Fresenius Helios	648	648	645	645	657	657	715	715	2,665	2,665
Fresenius Vamed	140	140	173	173	167	167	257	257	737	737
Corporate/Others	-6	-6	-7	-7	-13	-13	-10	-10	-36	-36
<b>Total Sales</b>	<b>3,962</b>	<b>3,923</b>	<b>4,042</b>	<b>4,004</b>	<b>4,085</b>	<b>4,043</b>	<b>4,433</b>	<b>4,391</b>	<b>16,522</b>	<b>16,361</b>
Cost of goods sold	-2,635	-2,660	-2,658	-2,684	-2,673	-2,698	-2,917	-2,945	-10,883	-10,987
Gross Profit	1,327	1,263	1,384	1,320	1,412	1,345	1,516	1,446	5,639	5,374
SG&A	-689	-625	-687	-623	-693	-626	-740	-670	-2,809	-2,544
R&D	-63	-63	-65	-65	-64	-64	-75	-75	-267	-267
<b>EBIT</b>	<b>575</b>	<b>575</b>	<b>632</b>	<b>632</b>	<b>655</b>	<b>655</b>	<b>701</b>	<b>701</b>	<b>2,563</b>	<b>2,563</b>
<b>EBITDA</b>	<b>737</b>	<b>737</b>	<b>789</b>	<b>789</b>	<b>818</b>	<b>818</b>	<b>893</b>	<b>893</b>	<b>3,237</b>	<b>3,237</b>

## Share Information

### Share key facts

Number of shares <sup>1</sup>	163,334,670
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 March 31, 2012

## Financial Calendar

11.05.2012	Annual General Meeting, Frankfurt/Main
12.06.2012	Capital Market Day Fresenius Kabi
01.08.2012	Report on 1 <sup>st</sup> half 2012
31.10.2012	Report on 1 <sup>st</sup> – 3 <sup>rd</sup> quarter 2012

### Contact

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