



# Analyst Conference Call – H1/12 Results

August 1, 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 <sup>2</sup>	Net income <sup>3</sup>
H1/12	€9,236 m	€1,440 m	€434 m
Growth at constant currency rates	12%	14%	15%
Growth at actual currency rates	17%	19%	20%

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

<sup>2</sup> Adjusted for one-time costs of €7 million in Q2 2012 related to the offer to the shareholders of RHÖN-KLINIKUM AG.

<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain at Fresenius Medical Care and for one-time costs related to the offer to the shareholders of RHÖN-KLINIKUM AG; 2011 before special items due to MEB and CVR accounting

## Fresenius Group: Financial Results by Business Segment

H1/12	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed
Sales Growth	US\$6,677 m 9% <sup>1</sup>	€2,234 m 13%	€1,540 m 19%	€333 m 6%
EBIT Growth	US\$1,092 m 14%	€452 m 10%	€151 m 23%	€13 m 8%

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

## Fresenius Kabi: Update H1/12

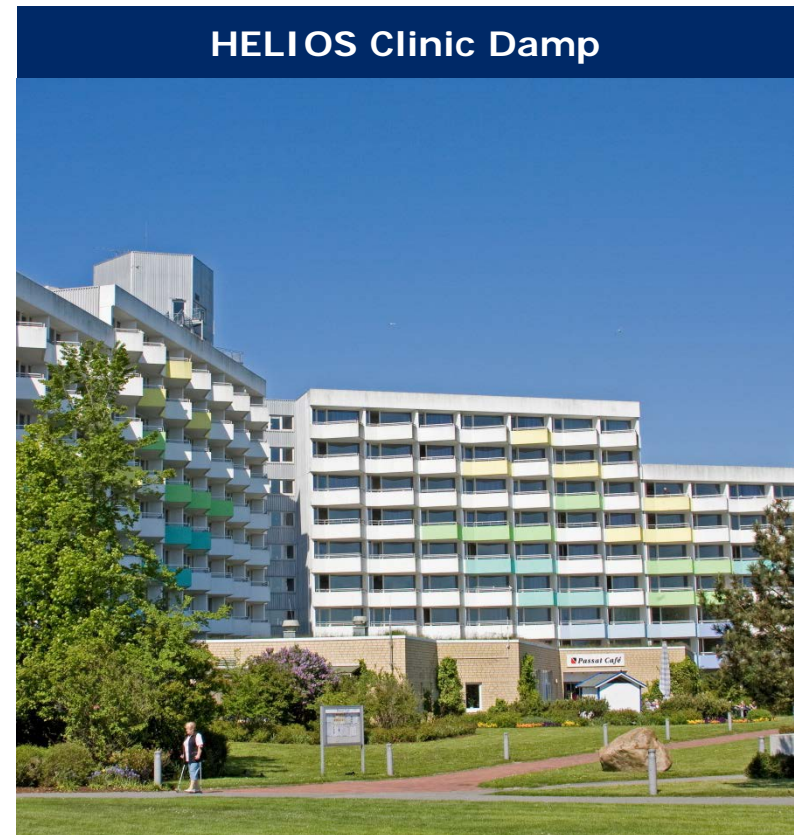
- 9% organic sales growth – exceeding outstanding H1/11, excellent contribution from all regions
  - +10% outside North America
  - +9% in North America
- U.S. I.V. drug shortage situation continued
  - Shortage list July: 94 drugs, 31 marketed by Kabi (January 2012: 86 drugs, 28 marketed by Kabi)
- Acquisition of Fenwal creates a global leader in transfusion technology; provides ideal platform for future growth
- 2015 mid-term targets<sup>1</sup> increased due to Fenwal acquisition: Sales ~€6 bn (before: ~€5.5 bn)  
EBIT >€1.1 bn (before: >€1 bn)



<sup>1</sup> At current exchange rates

## Fresenius Helios: Update H1/12

- 5.4% organic sales growth;  
230 bps EBIT margin increase to 11.9% in established clinics – excellent operating results and one-time gain
- Integration of acquired hospitals Duisburg and Damp on track
- Hospital privatization market update:
  - Privatized hospital revenue 2012 YTD: ~€450 m – significantly exceeding FY/11 (~€365 m) and FY/10 (~€230 m)
  - Projects >€250 million revenue pending
- Assessing options to combine HELIOS with RHÖN-KLINIKUM AG – expect to take a decision in August



## Fresenius Vamed: Update H1/12

- Sales and EBIT in line with expectations and guidance
- Order intake in project business at €156 million; acceleration in H2/12 expected
- Acquisition of H.C. Hospital Consulting / Florence:
  - Italian market entry for maintenance / technical management of medical equipment
  - 2011 sales: approx. €30 million; consolidated as of Jan 1, 2012
  - Provider for approx. 130 health care facilities
  - More than 30 years of experience in Italian health care market

**Q2 order intake: Turnkey project at San Fernando General Hospital – Republic of Trinidad and Tobago**



## Group Financials H1/12 – Outlook 2012





## Fresenius Group: Profit and Loss Statement

€m	Q2/12	H1/12	Growth Q2/12 YoY	
			actual rates	constant rates
Sales <sup>1</sup>	4,817	9,236	20%	14%
EBIT <sup>2</sup>	779	1,440	23%	15%
Net interest	-166	-313	-18%	-11%
Income taxes	-191	-347	-25%	-16%
Net income <sup>3</sup>	234	434	21%	14%

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

<sup>2</sup> Adjusted for one-time costs of €7 million in Q2 2012 related to the offer to the shareholders of RHÖN-KLINIKUM AG.

<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA – adjusted for a non-taxable investment gain at Fresenius Medical Care and for one-time costs related to the offer to the shareholders of RHÖN-KLINIKUM AG, 2011 before special items due to MEB and CVR accounting

## Fresenius Kabi: Excellent EBIT Improvement

€m	H1/12	H1/11	Growth
Europe Margin	192 19.7%	191 21.0%	1%
North America Margin	250 41.1%	200 38.5%	25%
Asia-Pacific/Latin America/Africa Margin	131 20.1%	104 19.2%	26%
Corporate and Corporate R&D	-121	-84	-44%
<b>Total EBIT Margin</b>	<b>452 20.2%</b>	<b>411 20.9%</b>	<b>10%</b>

## Fresenius Helios: Strong Sales and EBIT Growth

€m	H1/12	H1/11	Growth
<b>Total sales</b>	<b>1,540</b>	<b>1,293</b>	<b>19%</b>
<b>EBIT</b>			
Established clinic portfolio	162	124	31%
Margin	11.9%	9.6%	
Acquisitions / Divestitures (consolidation / deconsolidation <1 yr)	-11	-1	
<b>Total EBIT</b>	<b>151</b>	<b>123</b>	<b>23%</b>
<b>Margin</b>	<b>9.8%</b>	<b>9.5%</b>	






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

€m	H1/12	H1/11	Growth
Project business	184	202	-9%
Service business	149	111	34%
<b>Total sales</b>	<b>333</b>	<b>313</b>	<b>6%</b>
<b>Total EBIT</b>	<b>13</b>	<b>12</b>	<b>8%</b>
Margin	3.9%	3.8%	
<b>Order intake<sup>1</sup></b>	<b>156</b>	<b>164</b>	<b>-5%</b>
<b>Order backlog<sup>1</sup></b>	<b>816</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>	
	Q2/12	LTM Margin	Q2/12	LTM Margin	Q2/12	LTM Margin
	195	12.9%	(53)	(4.3%)	142	8.6%
	45	8.7%	(29)	(5.7%)	16	3.0% <sup>3</sup>
	13	-4.2%	(3)	(1.1%)	10	-5.3%
Corporate/ Other	-7	n/a	(3)	n/a	-10	n/a
	<b>246</b>	<b>10.4%</b> <sup>2</sup>	<b>(88)</b>	<b>(4.6%)</b>	<b>158</b>	<b>5.8%</b> <sup>2</sup>
	<b>598</b>	<b>12.3%</b>	<b>(206)</b>	<b>(4.7%)</b>	<b>392</b>	<b>7.6%</b>

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

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

<sup>3</sup> Understated: 4.4% excluding €41 million of capex commitments from acquisitions

Margin = in % of sales

# Fresenius Group: Financial Outlook by Business Segment

## Fully Confirmed

		Previous	New	
<b>Fresenius Kabi</b>	Sales growth <sup>1</sup>	7% – 9%	confirmed	✓
	EBIT margin	20% – 20.5%	confirmed	✓
<b>Fresenius Helios</b>	Sales growth <sup>1</sup>	3% – 5%	confirmed	✓
	EBIT	€310 m – €320 m (upper end)	confirmed	✓
<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 Fully Confirmed

	Previous	New	
Revenue growth <sup>1</sup> at constant currency	12% – 14%	confirmed	✓
Net income growth <sup>2</sup> at constant currency	14% – 16%	confirmed	✓
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 one-time costs related to the offer to the shareholders of RHÖN-KLINIKUM AG

## Attachments





## Fresenius Group: Overview – Calculation of Noncontrolling Interest






€m	H1/12	FY/11
Earnings before tax and noncontrolling interest	1,199	1,932
Taxes	-337	-604
Noncontrolling interest, thereof	-420	-638
Fresenius Medical Care net income not attributable to Fresenius (average H1/12: ~69%)	-352	-514
Noncontrolling interest holders in Fresenius Medical Care (FY/2011: US\$106 m, H1/2012: US\$60 m according to Fresenius Medical Care's Financial Statements)	-45	-76
Noncontrolling interest holders in Fresenius Kabi (-€16 m), Fresenius Helios (-€4 m) and due to Fresenius Vamed's 23% external ownership (-€3 m)	-23	-48
Net income attributable to Fresenius SE & Co. KGaA	442	690

## Fresenius Group: Cash Flow

€m	Q2/12	LTM Margin <sup>1</sup>	Q2/11	LTM Margin <sup>1</sup>	Growth YoY
<b>Operating Cash Flow</b>	<b>598</b>	<b>12.3%</b>	<b>372</b>	<b>10.8%</b>	<b>61%</b>
Capex (net)	-206	-4.7%	-145	-4.3%	-42%
<b>Free Cash Flow</b> (before acquisitions and dividends)	<b>392</b>	<b>7.6%</b>	<b>227</b>	<b>6.5%</b>	<b>73%</b>
Acquisitions (net)	-100		-597		83%
Dividends	-350		-288		-22%
<b>Free Cash Flow</b> (after acquisitions and dividends)	<b>-58</b>	<b>-6.3%</b>	<b>-658</b>	<b>-3.1%</b>	<b>91%</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 H1/12	LTM Margin	LTM H1/12	LTM Margin	LTM H1/12	LTM Margin
	545	12.9%	(181)	(4.3%)	364	8.6%
	252	8.7%	(165)	(5.7%)	87	3.0% <sup>3</sup>
	-32	-4.2%	(8)	(1.1%)	-40	-5.3%
Corporate/ Other	-1	n/a	(13)	n/a	-14	n/a
	<b>764</b>	<b>10.4%<sup>2</sup></b>	<b>(367)</b>	<b>(4.6%)</b>	<b>397</b>	<b>5.8%<sup>2</sup></b>
	<b>2,175</b>	<b>12.3%</b>	<b>(824)</b>	<b>(4.7%)</b>	<b>1,351</b>	<b>7.6%</b>

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

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

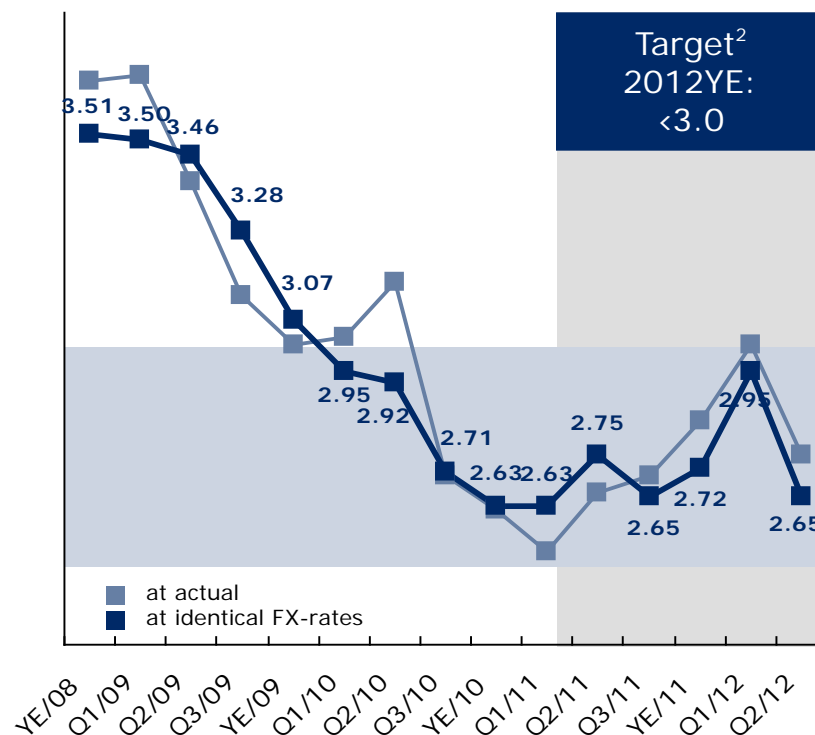
<sup>3</sup> Understated: 4.4% excluding €41 million of capex commitments from acquisitions

Margin = in % of sales

## Fresenius Group: Debt and Interest Ratios

	Jun 30, 2012	Dec 31, 2011
Debt (€m)	12,035	9,799
thereof 52% US\$ denominated		
Net debt (€m)	10,068	9,164
Net debt/EBITDA	2.75 <sup>1,2</sup>	2.83
EBITDA/Interest	5.8	6.1

### Net debt/EBITDA



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

<sup>2</sup> Before one-time costs related to the offer to the shareholders of RHÖN-KLINIKUM AG

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

## Fresenius Kabi: Strong Organic Sales Growth

€m	H1/12	H1/11	Organic Growth
Infusion Therapy	500	443	10%
I.V. Drugs	847	732	10%
Clinical Nutrition	648	560	12%
Medical Devices/ Transfusion Technology	239	236	1%
<b>Total sales</b>	<b>2,234</b>	<b>1,971</b>	<b>9%</b>

## Fresenius Kabi: Strong Organic Sales Growth

€m	H1/12	H1/11	Organic Growth
Europe	974	909	6%
North America	609	519	9%
Asia-Pacific	415	332	15%
Latin America/Africa	236	211	14%
<b>Total sales</b>	<b>2,234</b>	<b>1,971</b>	<b>9%</b>

## Fresenius Helios: Strong Organic Sales Growth

€m	H1/12	H1/11	Growth
Established clinic portfolio	1,359	1,289	5%
Acquisitions (consolidation <1 yr)	181		
Divestitures (deconsolidation <1 yr)		4	
<b>Total sales</b>	<b>1,540</b>	<b>1,293</b>	<b>19%</b>

## Fresenius Helios: Performance Indicators

	H1/12	H1/11	Change
<b>No. of hospitals</b>	75	65 <sup>1</sup>	15%
- Acute care clinics	51	45	13%
- Post-acute care clinics	24	20	20%
<b>No. of beds</b>	23,615	20,112 <sup>1</sup>	17%
- Acute care clinics	18,824	16,690	13%
- Post-acute care clinics	4,791	3,422	40%
<b>Admissions<sup>2</sup></b>			
- Acute care (inpatient)	361,993	314,724	15%
<b>Occupancy<sup>2</sup></b>			
- Post-acute care	85%	79%	
<b>Average length of stay (days)</b>			
- Acute care	6.7	6.7	
- Post-acute care <sup>2</sup>	27.6	29.6	

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

<sup>2</sup> Clinics in Germany



## Fresenius Helios: Sales Influence Hospital Acquisitions

### Acquisitions

### Annualized sales

Hospital Rottweil, Baden-Wuerttemberg	~€31 m	consolidated as of July 1, 2011
Hospital Duisburg, North-Rhine Westphalia	~€134 m	consolidated as of Jan 1, 2012
Damp Group (excl. Wismar divested before closing), Northern Germany	~€427 m	consolidated as of March 31, 2012

## Fresenius Group: Key Figures According to IFRS

€m	H1/12 U.S. GAAP	H1/12 IFRS
Sales	9,236	<b>9,342</b>
EBIT <sup>1</sup>	1,440	<b>1,438</b>
Net interest	-313	<b>-313</b>
Net income <sup>2</sup>	442	<b>442</b>
Net income <sup>3</sup>	434	<b>434</b>
Operating Cash flow	1,136	<b>1,142</b>
Balance sheet total	30,758	<b>30,944</b>

<sup>1</sup> Excluding one-time costs related to the offer to the shareholders of RHÖN-KLINIKUM AG

<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 a non-taxable investment gain at Fresenius Medical Care and for one-time costs related to the offer to the shareholders of RHÖN-KLINIKUM AG

## 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\$140 million at Fresenius Medical Care or €34 million at Fresenius SE & Co. KGaA in H1/12 respectively
- Subject to finalization of the Liberty purchase accounting

## Special items

- Other financial result 2011:

- 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.

- Other financial result 2012:

- The other financial result of -€29 million includes one-time costs for the offer to the shareholders of RHÖN-KLINIKUM AG, primarily relating to financing commitments.

## 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>	177,438,335
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 June 30, 2012

## Financial Calendar

31.10.2012	Report on 1 <sup>st</sup> – 3 <sup>rd</sup> quarter 2012
26.02.2013	Report on Fiscal Year 2012
30.04.2013	Report on 1 <sup>st</sup> quarter 2013
17.05.2013	Annual General Meeting, Frankfurt/Main
30.07.2013	Report on 1 <sup>st</sup> half 2013
05.11.2013	Report on 1 <sup>st</sup> – 3 <sup>rd</sup> quarter 2013

### **Contact**

Birgit Grund            SVP Investor Relations Fresenius SE & Co. KGaA

Telephone:            +49 6172 608-2485

e-mail:                Birgit.Grund@fresenius.com

For further information and current news: <http://www.fresenius.com>