



Conference Call – H1/14 Results

July 31, 2014



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 ¹	Net income ¹
H1/14	€10,733 m	€1,403 m	€487 m
Growth at constant currency rates	12%	0%	3%
Growth at actual currency rates	7%	-3%	1%

¹ Before one-time items

Fresenius Group: Financial Results by Business Segment

H1/14

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

Q2 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



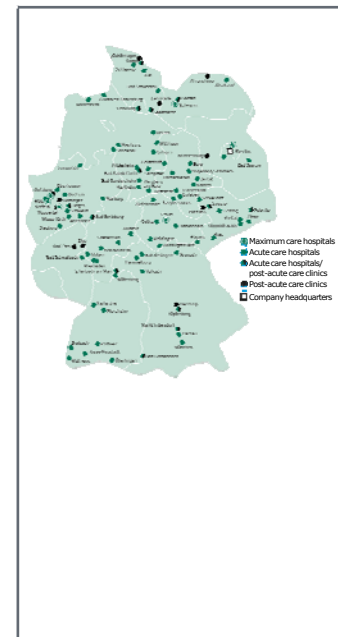
Q2 Business Update

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



Group Financials H1/14 – Outlook 2014



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 ¹	760	1,403	1%	5%
Net interest	-145	-283	3%	-1%
Income taxes	-199	-332	-18%	-23%
Net income ²	259	487	0%	3%

¹ 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)

² 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: EBIT Margin Fully in Line with Guidance

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






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
Total sales	1,294	2,521	1,695	52%
EBIT				
Established clinic portfolio	96	184	175	7%
Margin	11.2%	10.7%	10.6%	
Acquisitions / Divestitures (consolidation / deconsolidation <1 yr)	40	66	4	
Total EBIT	136	250	179	48%
Margin	10.5%	9.9%	10.6%	

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

Cash Flow Development

€m	Operating CF		Capex (net)		Free Cash Flow ¹	
	Q2/14	LTM Margin	Q2/14	LTM Margin	Q2/14	LTM Margin
	173	9.4%	-77	-6.8%	96	2.6%
	128	9.1%	-52	-4.9%	76	4.2% ³
	-8	-3.4%	-3	-1.0%	-11	-4.4%
Corporate/ Other	-11	n/a	2	n/a	-9	n/a
 excl. FMC	282	8.8% ²	-130	-5.4%	152	3.4% ²
 Group	610	10.1%	-289	-5.5%	321	4.6%

¹ Before acquisitions and dividends

² Margin incl. FMC dividend

³ Understated: 5.3% excluding €44 million of capex commitments from acquisitions

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

		Old	New
Fresenius Kabi	Sales growth organic	4% – 6%	✓
	EBIT margin	16.5% – 18%	✓
Fresenius Helios¹	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
Fresenius Vamed	Sales growth organic	5% – 10%	✓
	EBIT growth	5% – 10%	✓

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

Fresenius Group: 2014 Financial Outlook

	Old	New ¹
Revenue growth at constant currency	12% - 15%	14% - 16%
Net income growth ² at constant currency	2% - 5%	✓

¹ Following acquisitions at Fresenius Medical Care

² 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

Attachments








Fresenius Group: Overview – Calculation of Noncontrolling Interest

€m	H1/14	FY/13
Earnings before tax and noncontrolling interest	1,166	2,407
Taxes	-331	-669
Noncontrolling interest, thereof	-301	-727
Fresenius Medical Care net income not attributable to Fresenius (Q2/14: ~69%)	-219	-577
Noncontrolling interest holders in Fresenius Medical Care (Q2/14: US\$89 m according to Fresenius Medical Care's Financial Statements)	-65	-109
Noncontrolling interest holders in Fresenius Kabi (-€11 m), Fresenius Helios (-€4 m) and due to Fresenius Vamed's 23% external ownership (-€2 m)	-17	-41
Net income attributable to Fresenius SE & Co. KGaA	534	1,011

Fresenius Group: Cash Flow

€m	Q2/14	LTM Margin	Q2/13	LTM Margin	Growth YoY
Operating Cash Flow	610	10.1%	503	11.2%	21%
Capex (net)	-289	-5.5%	-228	-5.0%	-27%
Free Cash Flow (before acquisitions and dividends)	321	4.6%	275	6.2%	17%
Acquisitions (net)	-161		-16		--
Dividends	-429		-396		-8%
Free Cash Flow (after acquisitions and dividends)	-269	-14.9%	-137	-0,1%	-96%

Cash Flow Development LTM

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

¹ Before Acquisitions and Dividends

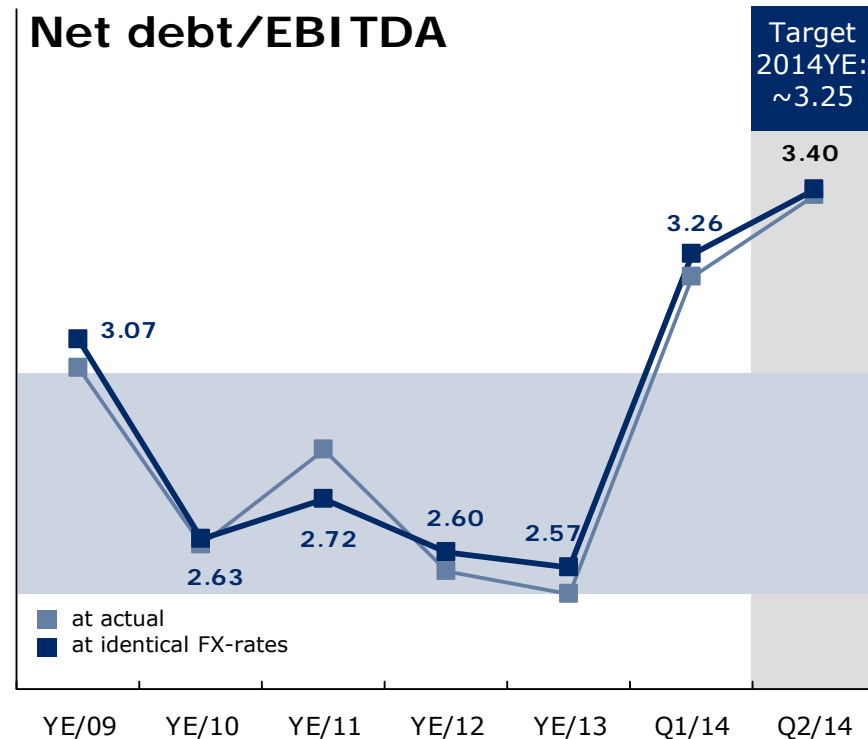
² Incl. FMC dividend

³ Understated: 5.3% excluding €44 million of capex commitments from acquisitions

Margin = in % of sales

Fresenius Group: Debt and Interest Ratios

	Jun 30, 2014	Dec 31, 2013
Debt (€m) thereof 42% US\$ denominated	14,527	12,804
Net debt (€m)	13,457	11,940
Net debt/EBITDA	3.39 ^{1,2}	2.51 ³
EBITDA/Interest	6.6	6.7



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

² Pro forma including Rhön hospitals and excluding two HELIOS hospitals

³ 2014 before integration costs (Fenwal: €54 million); pro forma excluding advances made for the acquisition of hospitals from Rhön-Klinikum AG (€2.18 bn)

Fresenius Kabi: Organic Sales Growth Accelerating

€m	H1/14	H1/13	Organic Growth	
			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/ Transfusion Technology	460	463	2%	2%
Total sales	2,466	2,519	2%	4%

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%
Total sales	2,466	2,519	2%	4%

Fresenius Helios: Organic Sales Growth in Line with Expectations

€m	H1/14	H1/13	Growth
Established clinic portfolio	1,713	1,657	3%
Acquisitions (consolidation <1 yr)	808		
Divestitures (deconsolidation <1 yr)		38	
Total sales	2,521	1,695	49%

Fresenius Helios: Performance Indicators

	H1/14	H1/13	Change
No. of hospitals¹	110	74	49%
- Acute care clinics	86	51	69%
- Post-acute care clinics	24	23	4%
No. of beds¹	34,048	23,502	45%
- Acute care clinics	28,905	18,885	53%
- Post-acute care clinics	5,143	4,617	11%
Admissions			
- Acute care (inpatient)	557,820	383,050	46%
Occupancy			
- Post-acute care	82%	82%	
Average length of stay (days)			
- Acute care	6.6	6.6	
- Post-acute care	26.8	27.2	

¹ December 31, 2013

Fresenius Helios: Sales Influence Hospital Acquisitions / Divestitures

Acquisitions

Hospitals from
Rhön-Klinikum

Annualized sales

~€1.9 bn ~70% consolidated as of
January 1, 2014

~20% consolidated as of
March 1, 2014

HSK consolidated as of
June 30, 2014

~€40m Cuxhaven hospital to be consolidated
as of August 1, 2014

Divestitures

Hospitals Borna, Zwenkau

~€90 m Deconsolidated as of
February 1, 2014

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%
Total sales	398	421	-5%
Total EBIT	15	15	0%
Margin	3.8%	3.6%	
Order intake¹	300	311	-4%
Order backlog¹	1,262	1,139²	11%

¹ Project business only

² December 31, 2013

Fresenius Group: Key Figures According to IFRS

€m	H1/14 U.S. GAAP	H1/14 IFRS
Sales	10,733	10,826
EBIT ¹	1,403	1,389
Net interest	-283	-283
Net income ²	534	526
Net income ³	487	479
Operating Cash flow	750	709
Balance sheet total	35,502	35,545

¹ 2014 before integration costs (Fenwal: €3 m; acquired Rhön hospitals: €8 m) and disposal gains (two HELIOS hospitals: €22 m; Rhön stake: €35 m); 2013 before integration costs (Fenwal: €27 m).

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

³ Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2014 before integration costs (Fenwal: 2€ m; acquired Rhön hospitals: €6 m) and disposal gains (two HELIOS hospitals: €21 m; Rhön stake: €34 m); 2013 before integration costs (Fenwal: €20 m).

Share Information

Share key facts

Number of shares ¹	179,992,481
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	OTCQX International Premier
Structure	Sponsored Level I ADR
Depository bank	Deutsche Bank

¹ As of June 30, 2014

Financial Calendar 2014

04.11.2014 Report on 1st – 3rd quarter 2014

Please note that these dates could be subject to modifications.

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