

Health Care Worldwide

Barclays – High Yield Bond and Syndicated Loan Conference
June 12, 2015 – Colorado Springs



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.

Agenda

- Company Overview
- Business Segments
 - Fresenius Medical Care
 - Fresenius Kabi
 - Fresenius Helios
 - Fresenius Vamed
- Financial Overview
- Financing Facilities and Debt Structure
- Summary and Outlook



Company Overview



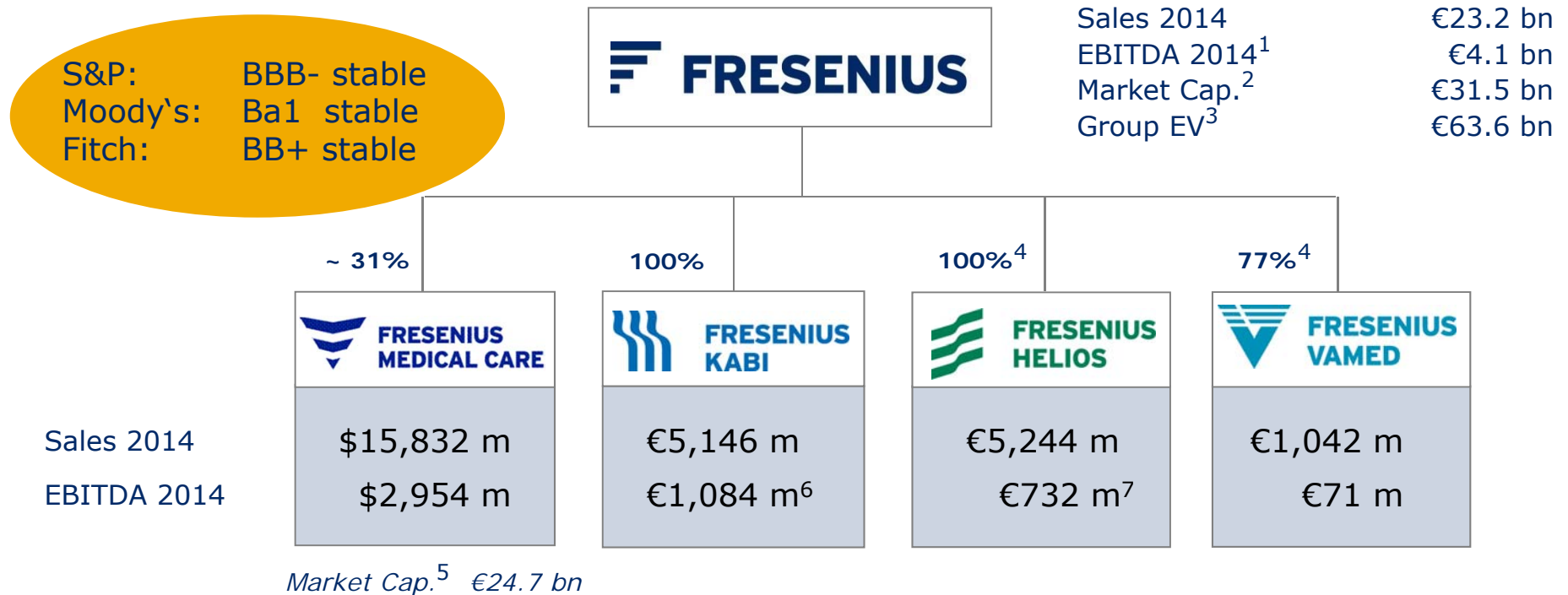
A Global Leader in Health Care Products and Services

- Sales €23.2bn, net income¹ €1.8bn for FY 2014
- Strong and well-diversified portfolio
- Global presence in approx. 100 countries
- Long-term opportunities in growing markets
- Leading market positions



1 – Net income incl. attributable to non-controlling interest, before one-time items

Fresenius Group: Strong and Balanced Health Care Portfolio



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

2 – market cap of FSE as of May 28, 2015

3 – Based on consolidated market capitalization of FSE and FMC as of as of May 28, 2015 and consolidated net debt as of March 31, 2015

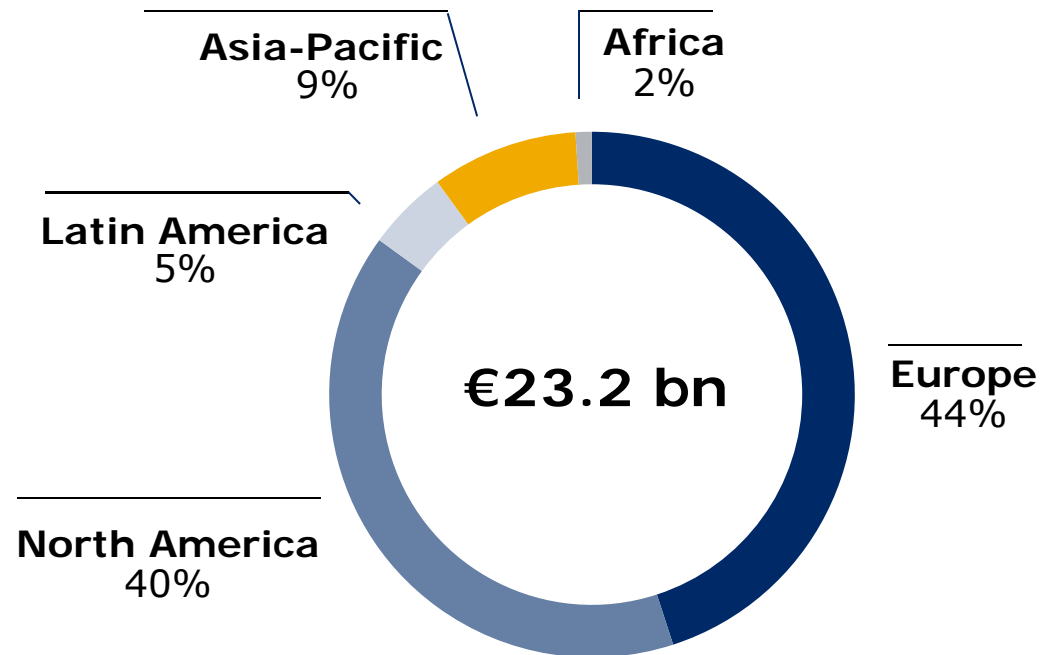
4 – Held by Fresenius ProServe GmbH, a wholly owned subsidiary of FSE

5 – market cap of FMC as of May 28, 2015

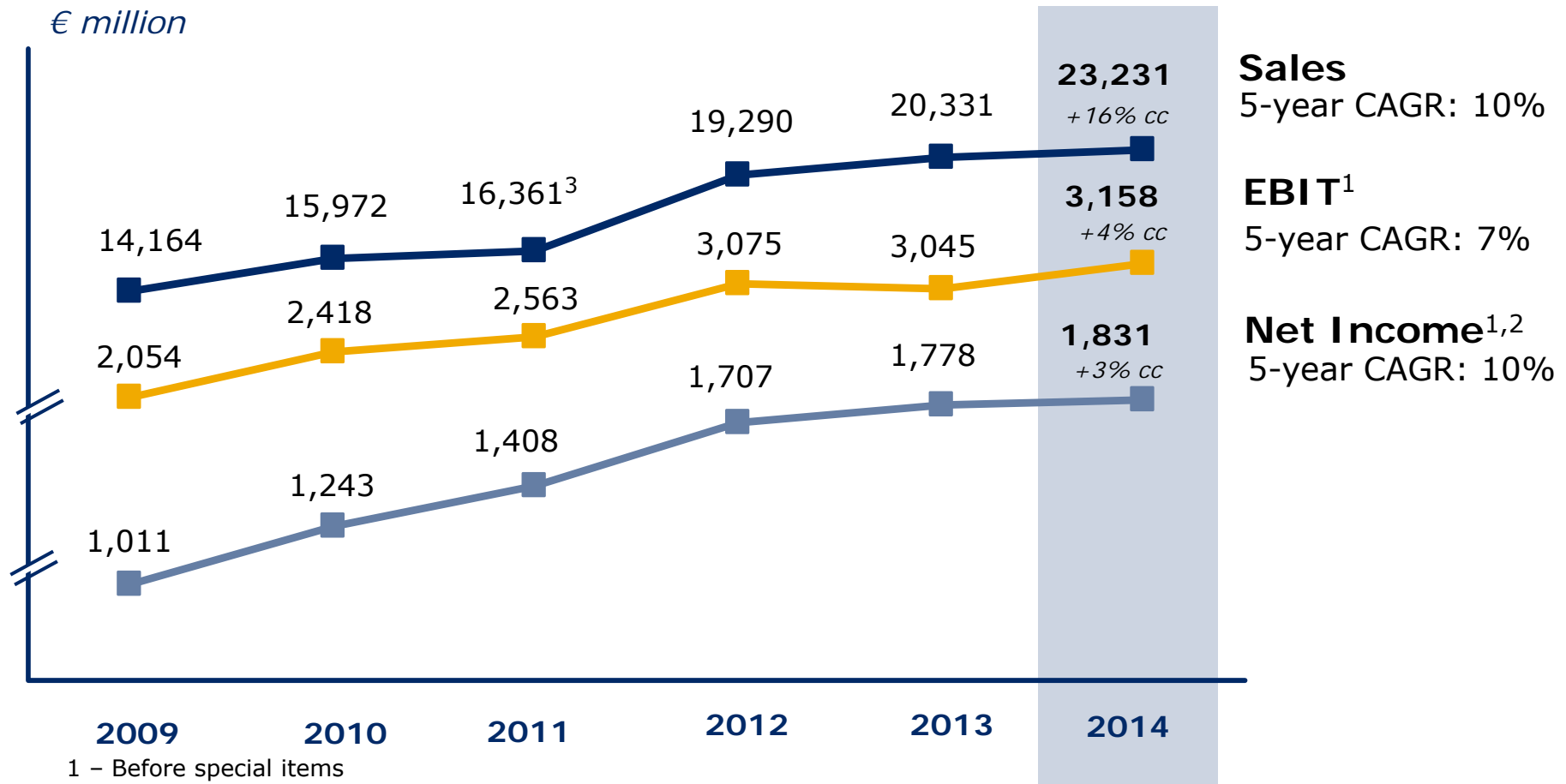
6 – Before integration costs (Fenwal)

7 – Before integration costs (acquired Rhön hospitals) and disposal gains (two HELIOS hospitals Rhön stake)

Fresenius Group: Sales Distribution by Region 2014



Fresenius Group: Financial Results



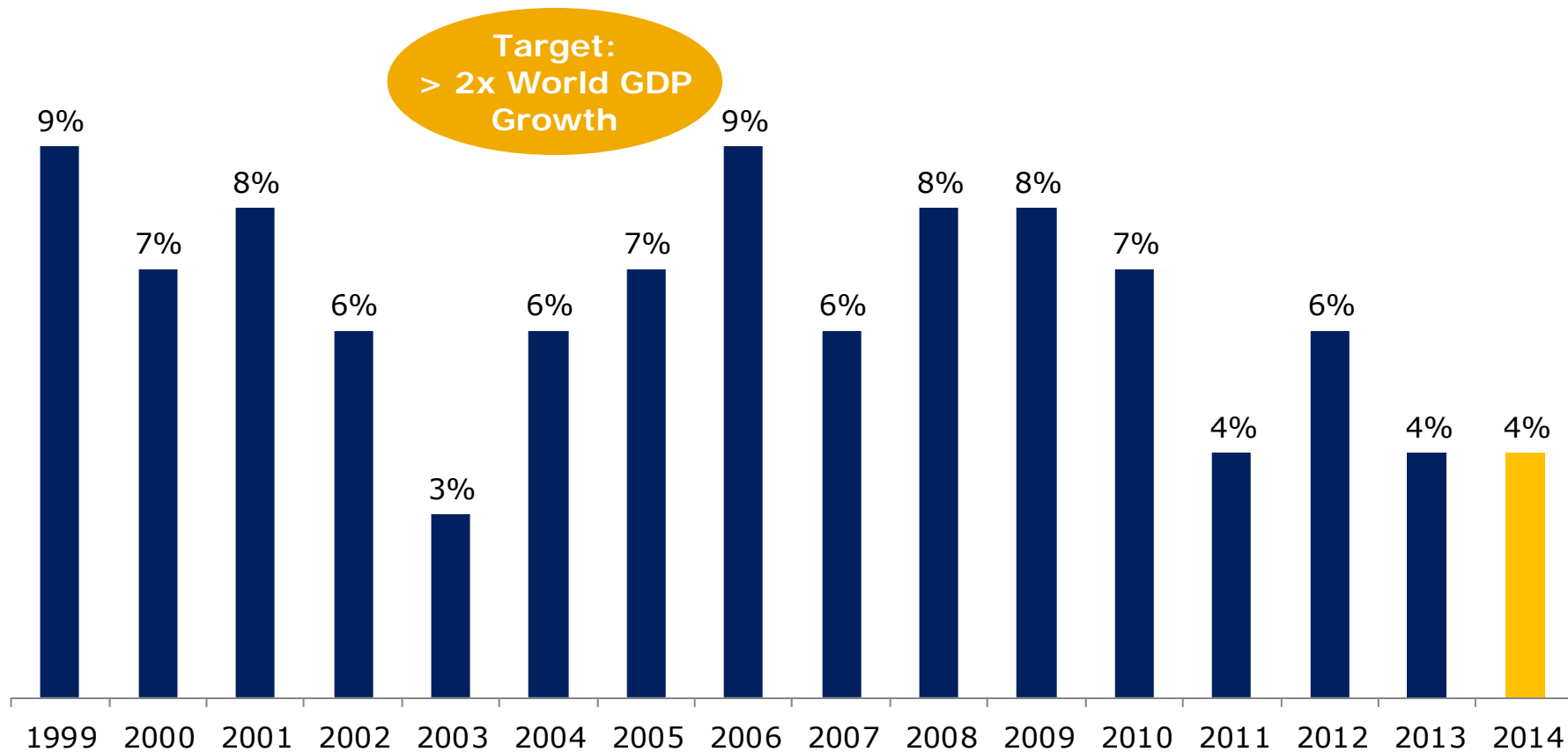
1 – Before special items

2 – Net Income incl. attributable to non-controlling interest

3 – 2011 sales were adjusted by -€161m according to a U.S. GAAP accounting change.

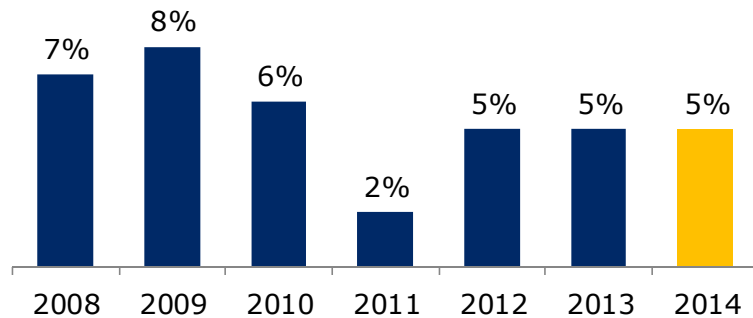
This solely relates to Fresenius Medical Care North America

Fresenius Group: Organic Growth 1999 – 2014

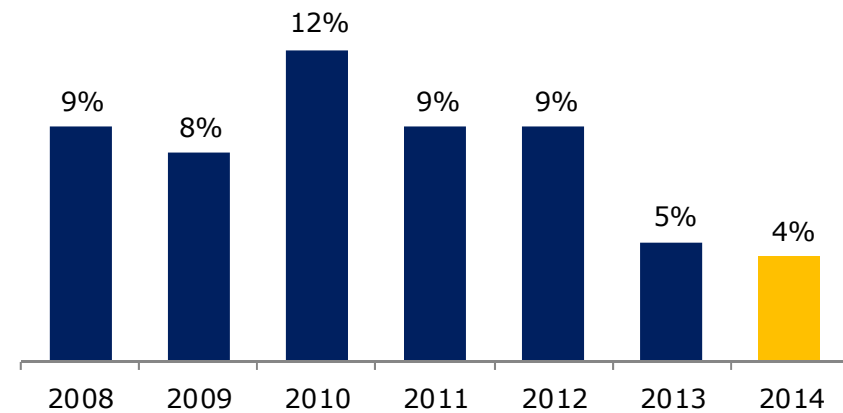


Fresenius Group: Sustainable Organic Sales Growth in all Business Segments

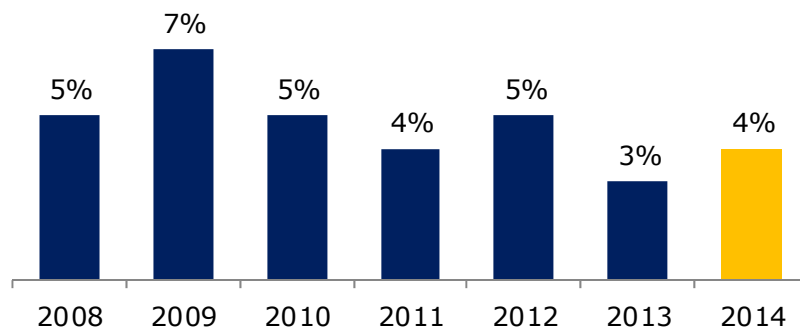
Fresenius Medical Care



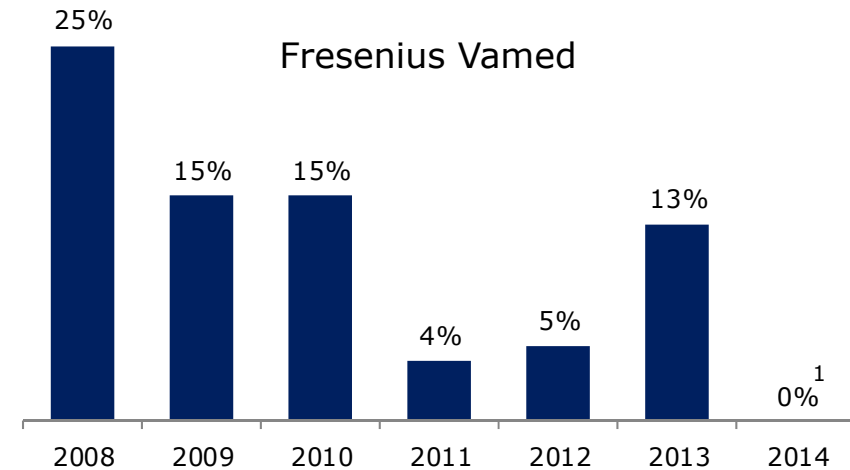
Fresenius Kabi



Fresenius Helios



Fresenius Vamed

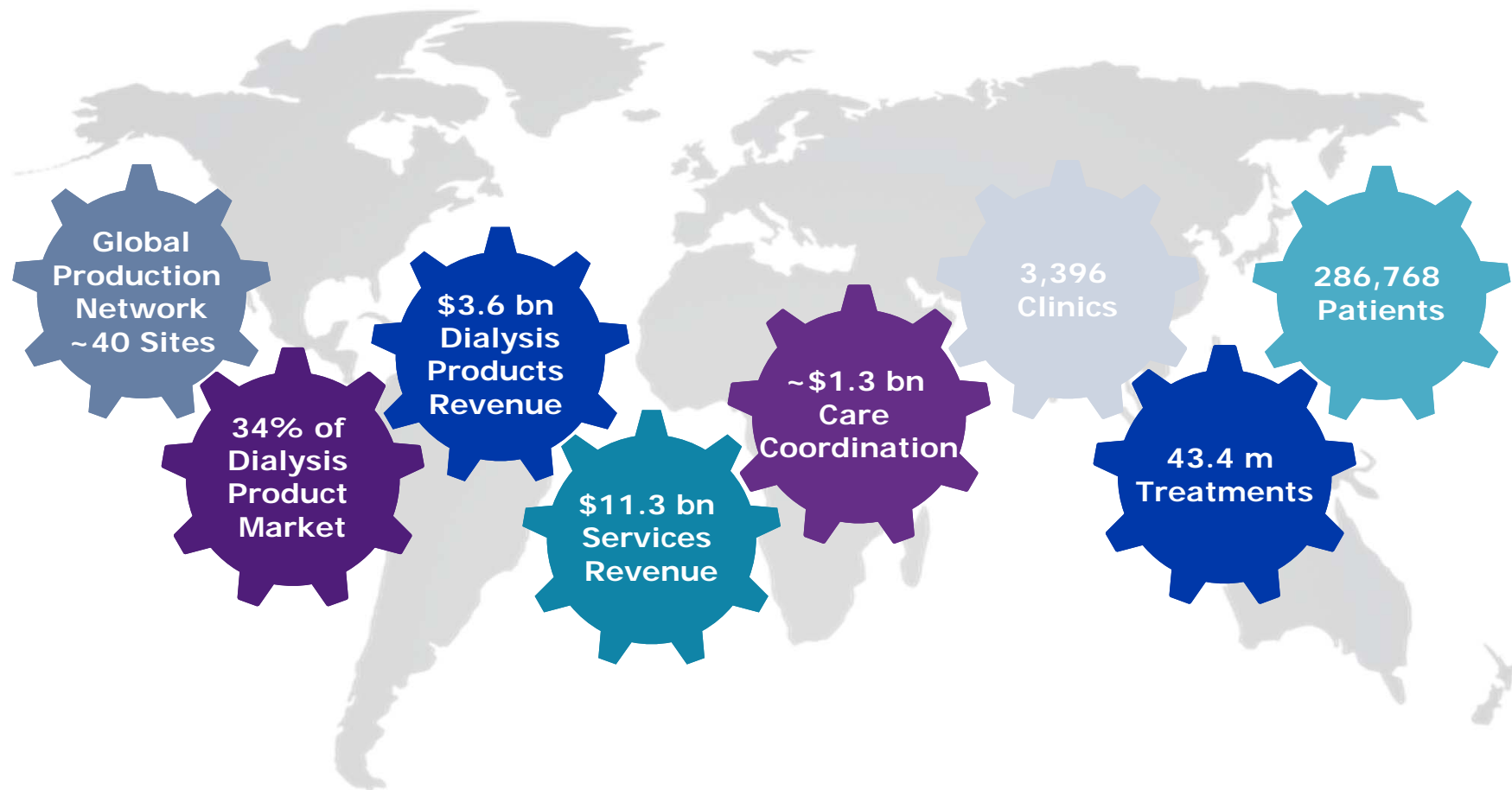


1 – Due to project delays in Russia and the Ukraine

Business Segments



Fresenius Medical Care: Key Facts



Fresenius Medical Care: Global Market Leader in Dialysis

- World leader in dialysis products and services treating 286,768 patients in 3,396 clinics worldwide¹

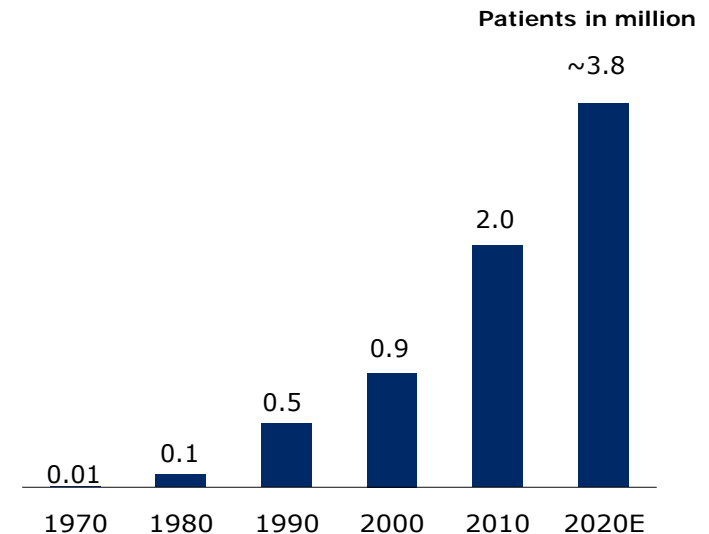
- Provide highest standard of patient care
 - Vertical integration
 - High quality products & services
 - Complete therapy offerings

- Leader in growing market
 - Dialysis market growing 4% cc and estimated to reach around \$100 bn by 2020
 - Patient growth driven by age, life style and mortality reduction

1 – as of Dec 31, 2014

Industry Dynamics

~6% global patient growth p.a.
~3.8 million patients by 2020 expected



Fresenius Medical Care: Market Leader in all Regions

North America

Provider	Patients	Countries
FRESENIUS MEDICAL CARE	176,300	2
Davyita.	172,800	1
DCi	15,000	1
U.S. RENAL CARE	14,400	1
AMERICAN RENAL ASSOCIATION	11,000	1
DSI	6,660	1

Latin America

Provider	Patients	Countries
FRESENIUS MEDICAL CARE	31,970	8
Baxter	8,990	2
DIAVERUM	4,500	3
Davyita.	2,370	1
B BRAUN	930	1

Europe, Middle East, Africa

Provider	Patients	Countries
FRESENIUS MEDICAL CARE	52,790	25
DIAVERUM	21,700	15
KFH	18,700	1
B BRAUN	13,700	18
PHV-Der Dialysepartner	6,900	1
Davyita.	3,020	4
Baxter	2,660	3

Asia Pacific

Provider	Patients	Countries
FRESENIUS MEDICAL CARE	25,680	12
医療法人社団 松和会 Medical Corporation SHOGAKU	5,100	1
徳洲会グループ TOKUSHUKAI GROUP	4,000	1
B BRAUN	3,880	5
Davyita.	1,830	5
DIAVERUM	340	1

Fresenius Medical Care: Key Figures 2014

<i>\$ million</i>	2014	2013	Growth
Total Sales	15,832	14,610	+8%¹
EBITDA	2,954	2,904	+2%
<i>EBITDA margin</i>	<i>18.7%</i>	<i>19.9%</i>	
EBIT	2,255	2,256	0%
<i>EBIT margin</i>	<i>14.2%</i>	<i>15.4%</i>	
Net income	1,045	1,110	-6%

1 – 5% organic growth, 5% acquisitions, -2% currency effect

Fresenius Medical Care: Key Figures Q1/2015

<i>\$ million</i>	Q1/2015	Q1/2014	Growth
Total Sales	3,960	3,564	+11%¹
EBITDA	680	612	+11%
<i>EBITDA margin</i>	<i>17.2%</i>	<i>17.2%</i>	
EBIT	504	445	+13%
<i>EBIT margin</i>	<i>12.7%</i>	<i>12.5%</i>	
Net income	210	205	+2%

1 – 7% organic growth, 10% acquisitions, -6% currency effect

Fresenius Medical Care: Cash Flow Q1/2015

\$ million

Q1/2015

Q1/2014

Operating Cash Flow

447

112

Operating Cash Flow Margin

11.3%

3.2%

Capex (net)

197

197

Free Cash Flow

(before acquisitions and dividends)

250

-85

Free Cash Flow

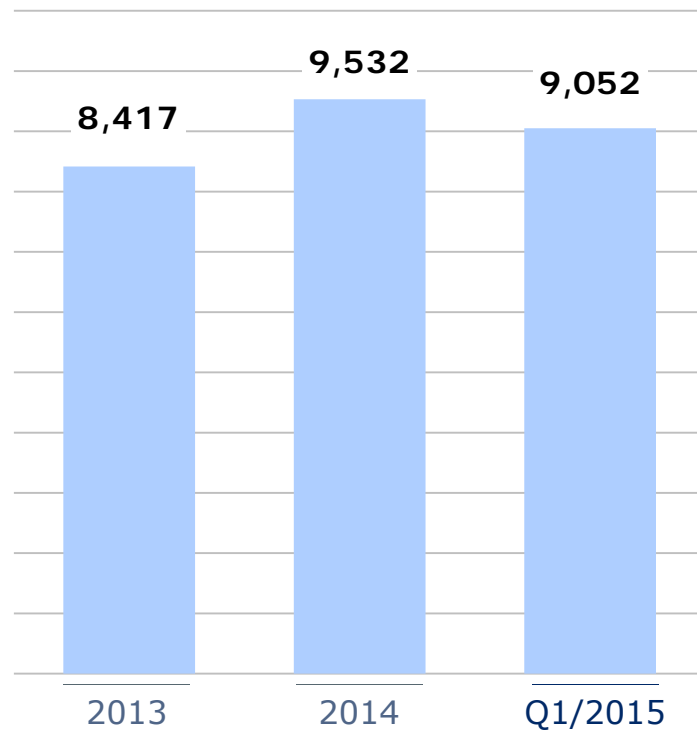
(after acquisitions and dividends)

239

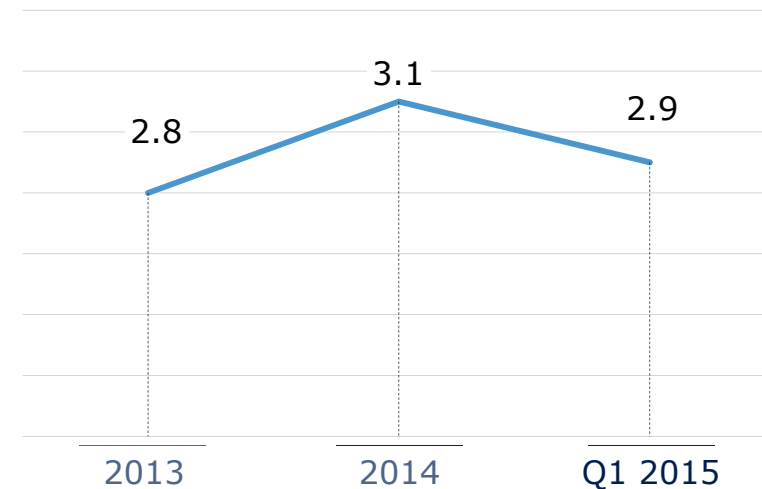
-220

Fresenius Medical Care: Leverage Ratio and Ratings

Total debt
\$ million



Debt/EBITDA

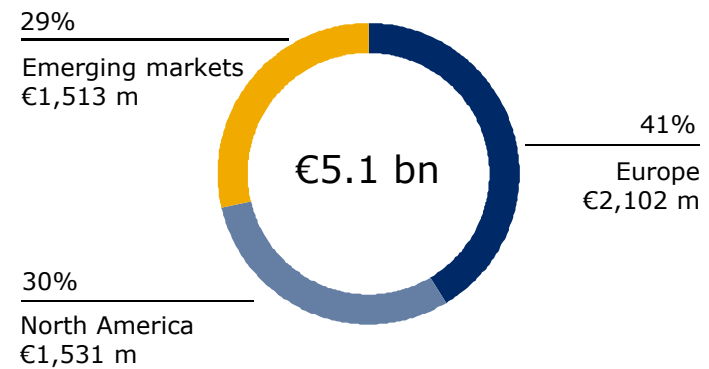


Current Ratings	S&P	Moody's	Fitch
Company	BBB-	Ba1	BB+
Outlook	stable	stable	stable

Fresenius Kabi: A Worldwide Leading Hospital Supplier

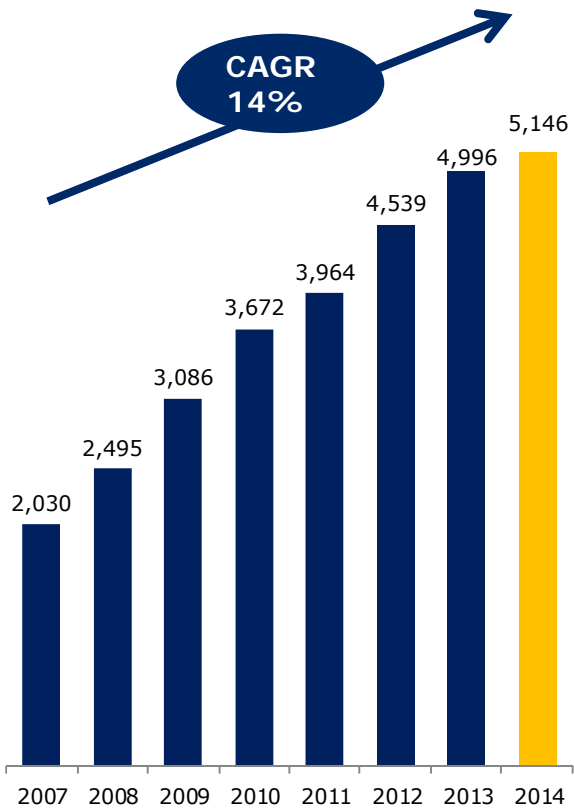
- Comprehensive product portfolio for critically and chronically ill patients
 - IV Drugs
 - Clinical Nutrition
 - Infusion Therapy
 - Medical Devices / Transfusion Technology
- Global addressable market: >€29 bn
- Leading market positions
- Focus on organic growth driven by geographic product rollout and robust product pipeline
- Aim to expand the business through selective acquisitions

2014 Sales by Region

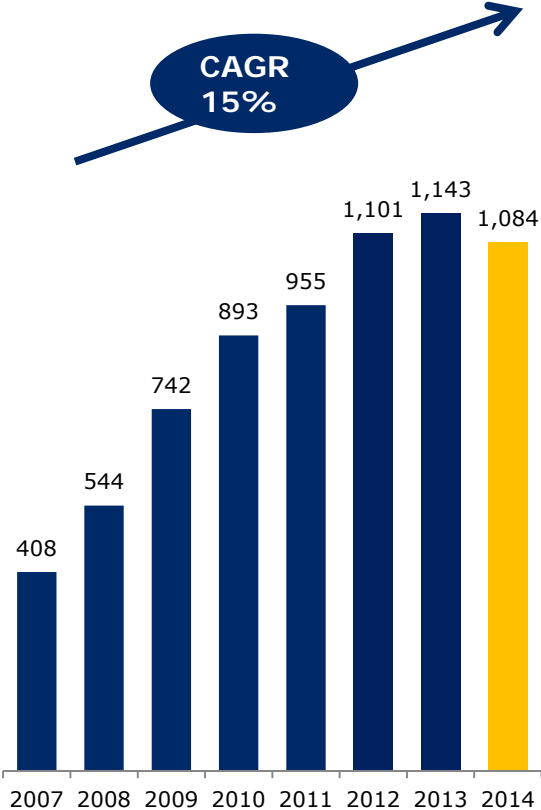


Fresenius Kabi: Strong Growth Track Record & High Profitability

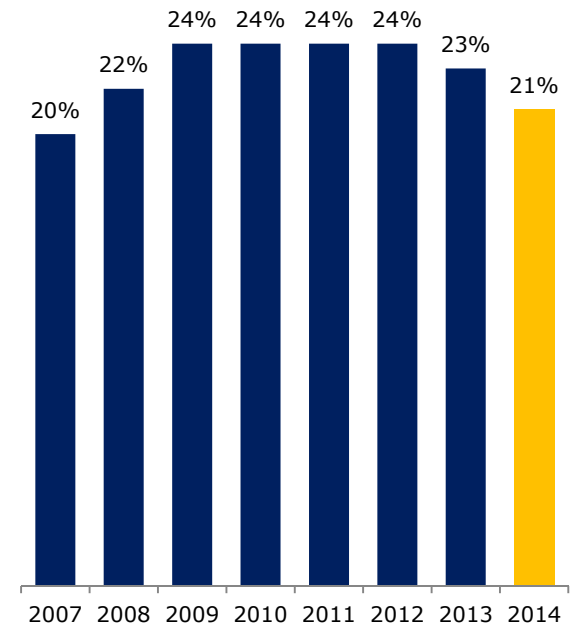
Sales in € m



EBITDA¹ in € m



EBITDA¹ Margin (in %)



1 – Before special items

Fresenius Kabi: Key Figures 2014

<i>€ million</i>	2014	2013	Growth
Sales	5,146	4,996	3% ¹
- IV Drugs	1,813	1,733	5%
- Clinical Nutrition	1,384	1,332	4%
- Infusion Therapy	977	980	0%
- Medical Devices/ Transfusion Technology	972	951	2%
EBITDA ²	1,084	1,143	-5%
<i>EBITDA margin</i>	<i>21.1%</i>	<i>22.9%</i>	
EBIT ²	873	926	-6%
<i>EBIT margin</i>	<i>17.0%</i>	<i>18.5%</i>	
Net income ²	468	487	-4%

1 – 4% organic growth, -2% currency effect, 1% acquisitions

2 – Before integration costs (Fenwal)

Fresenius Kabi: Key Figures Q1/2015

<i>€ million</i>	Q1/2015	Q1/2014	Growth
Sales	1,394	1,213	+15%²
- IV Drugs	545	441	+24%
- Clinical Nutrition	372	318	+17%
- Infusion Therapy	231	230	+0%
- Medical Devices/ Transfusion Technology	246	224	+10%
EBITDA¹	315	253	+25%
<i>EBITDA margin</i>	<i>22.6%</i>	<i>20.9%</i>	
EBIT¹	257	201	+28%
<i>EBIT margin</i>	<i>18.5%</i>	<i>16.6%</i>	
Net income¹	140	106	+32%

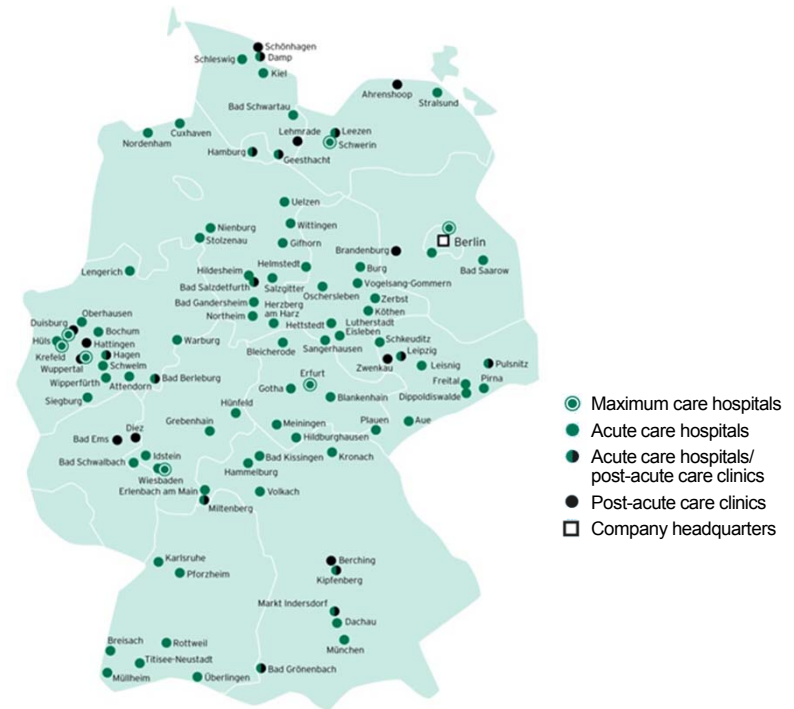
1 – 2015 before costs for the Kabi efficiency program, 2014 before Fenwal integration costs

2 – 5% organic growth, 10% currency effect, 1% acquisitions, -1% divestitures

Fresenius Helios: Leading Private Hospital Operator in Germany

- Acute and post-acute care in 111 proprietary hospitals¹
- High-quality medical care (e.g., mortality rate for heart failure and pneumonia >30% below German average)
- Strong track record in hospital operations and acquisitions: targeting 12 – 15% EBIT margin within 6 years per individual clinic location
- Landmark acquisition of 41 hospitals from Rhön-Klinikum provides excellent long-term growth opportunities

Majority of population has access to a HELIOS hospital within one hour's drive



2014 Sales: €5,244 m; EBIT: €553 m

1 – as of April 1, 2015

Fresenius Helios: Key Figures 2014

<i>€ million</i>	2014	2013	Growth
Sales	5,244	3,393	+55%¹
EBITDA²	732	508	+44%
<i>EBITDA margin</i>	<i>14.0%</i>	<i>15.0%</i>	
EBIT²	553	390	+42%
<i>EBIT margin</i>	<i>10.5%</i>	<i>11.5%</i>	
Net income³	400	275	+45%

1 – 4% organic growth, 53% acquisitions, -2% divestitures

2 – 2014 before integration costs (€51 m) and disposal gains (two HELIOS hospitals: €22 m; Rhön stake: €35 m)

3 – 2014 before integration costs (€41 m) and disposal gains (two HELIOS hospitals: €21 m; Rhön stake: €34 m)

Fresenius Helios: Key Figures Q1/2015

<i>€ million</i>	Q1/2015	Q1/2014	Growth
Sales	1,391	1,227	+13%²
EBITDA	192¹	158¹	+22%
<i>EBITDA margin</i>	<i>13.8%</i>	<i>12.9%</i>	
EBIT	147¹	114¹	+29%
<i>EBIT margin</i>	<i>10.6%</i>	<i>9.3%</i>	
Net income	107	77	+39%

1 – Q1/2015: Excluding disposal gains from the divestment of two HELIOS hospitals (€34 m) and integration costs for acquired Rhön hospitals (€2 m)

Q1/2014: Excluding disposal gains from the divestment of two HELIOS hospitals (€22 m)

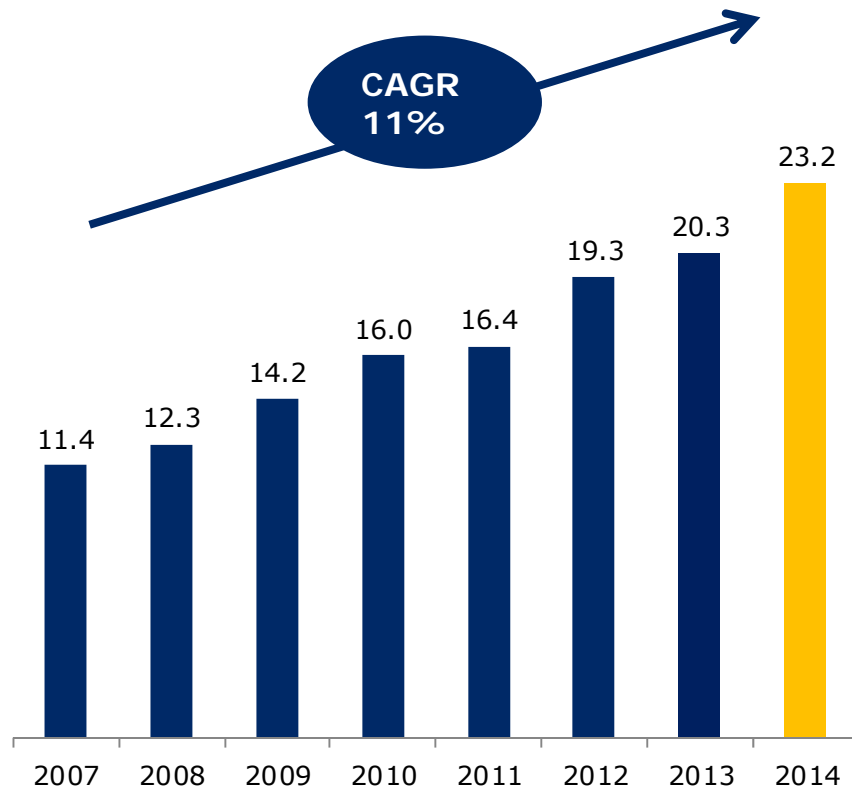
2 – 4% organic growth, 10% acquisitions, -1% divestitures

Financial Overview

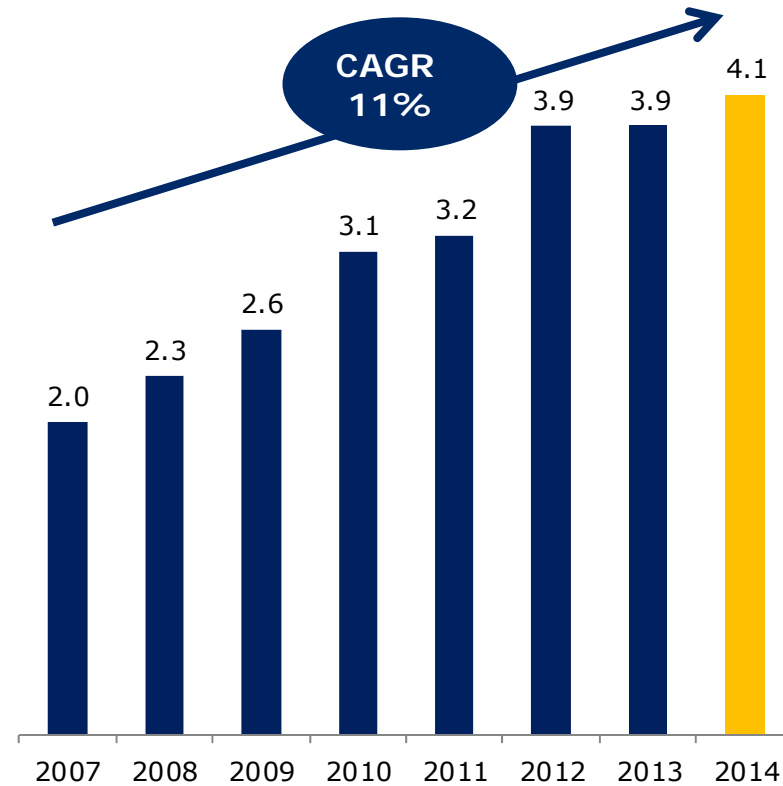


Fresenius Group: Demonstrated Strong Sales and EBITDA Growth

Sales in € bn



EBITDA¹ in € bn



1 - Before special items

Fresenius Group: Key Figures 2014

<i>€ million</i>	2014	2013	Change actual rates	Change constant rates
Sales	23,231	20,331	+14%	+16%¹
EBITDA²	4,095	3,888	+5%	+6%
EBIT²	3,158	3,045	+4%	+4%
Interest, net	-602	-584	-3%	-4%
EBT²	2,556	2,461	+4%	+4%
Taxes	-725	-683	-6%	-7%
Net income^{3,4}	1,831	1,778	3%	+3%
Employees	216,275	178,337		

1 – 4% organic growth, 12% acquisitions,

2 – 2014 before integration costs (Fenwal: €50 million; acquired Rhön hospitals: €51 million) and disposal gains (two HELIOS hospitals: €22 million; Rhön stake: €35 million); 2013 before integration costs (Fenwal: €54 million)

3 – 2014 before integration costs (Fenwal: €33 million; acquired Rhön hospitals: €41 million) and disposal gains (two HELIOS hospitals: €21 million; Rhön stake: €34 million); 2013 before integration costs (Fenwal: €40 million)

4 – incl. attributable to non-controlling interest

Fresenius Group: Key Figures Q1/2015

<i>€ million</i>	Q1/2015	Q1/2014	Change actual rates	Change constant rates
Sales	6,483	5,212	+24%¹	+13%
EBITDA²	1,115	867	+29%	+15%
EBIT²	851	643	+32%	+18%
Interest, net	- 165	- 138	-20%	-7%
EBT²	686	505	+36%	+21%
Taxes	- 207	-133	-56%	-38%
Net income^{3,4}	479	372⁵	+29%	+15%
Employees	217,836	216,275⁶		

1 - 6% organic growth, 11% currency effect, 8% acquisitions, -1 % divestitures






2 - 2015 before integration costs for acquired Rhön hospitals (€2 million), before costs for efficiency program at Fresenius Kabi (€10 million) and disposal gains from the divestment of two HELIOS hospitals (€34 million); 2014 before Fenwal integration costs (€1 million) and disposal gains from the divestment of two HELIOS hospitals (€22 million)

3 - 2015 before integration costs for acquired Rhön hospitals (€2 million), before costs for efficiency program at Fresenius Kabi (€7 million) and disposal gains from the divestment of two HELIOS hospitals (€34 million); 2014 before Fenwal integration costs (€1 million) and disposal gains from the divestment of two HELIOS hospitals (€21 million)

4 - incl. attributable to non-controlling interest
5 - €11 million one-time effect from dissolution of tax audit accrual

6 - as of December 31, 2014

Fresenius Group: Cash Flow Development Q1/2015

€ million	Operating CF		Capex (net)		Free Cash Flow ¹	
	Q1/15	LTM Margin	Q1/15	LTM Margin	Q1/15	LTM Margin
	83	12.8%	-65	-6.6%	18	6.2%
	114	11.0%	-30	-4.8%	84	6.2% ³
	-37	0.8%	-1	-0.9%	-38	-0.1%
Corporate/ Other	-26	n.a.	-2	n.a.	-28	n.a.
 FRESENIUS excl. FMC	134	11.4% ²	-98	-5.4%	36	6.0% ²
 FRESENIUS Group	531	12.1%	-273	-5.5%	258	6.6%

1 - Before acquisitions and dividends

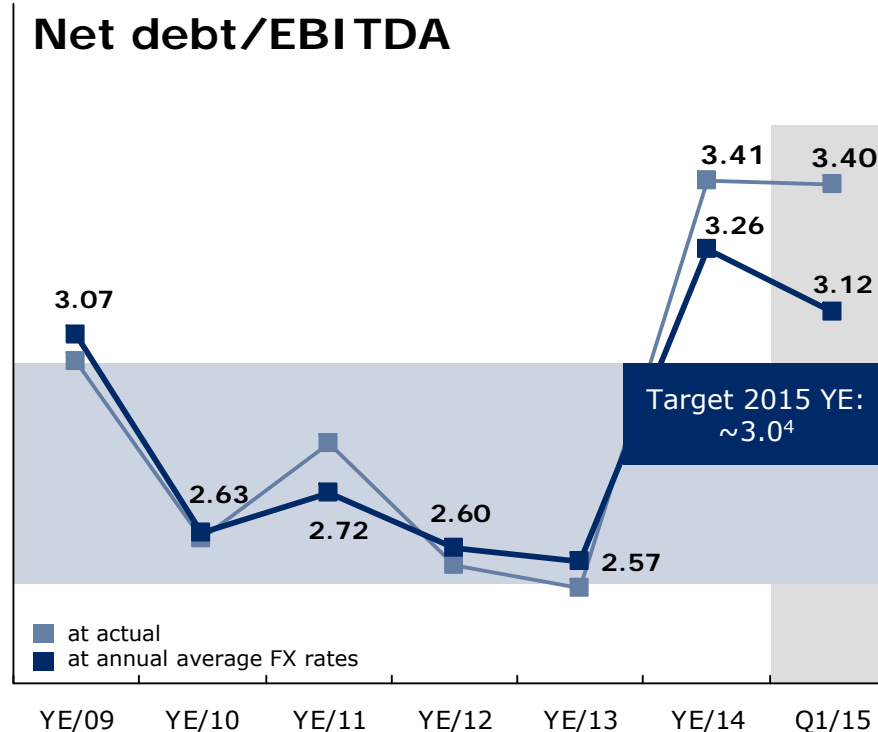
2 - Margin incl. FMC dividend

3 - Understated: 7.4% excluding €69 million of capex commitments from acquisitions

Margin = in % of sales

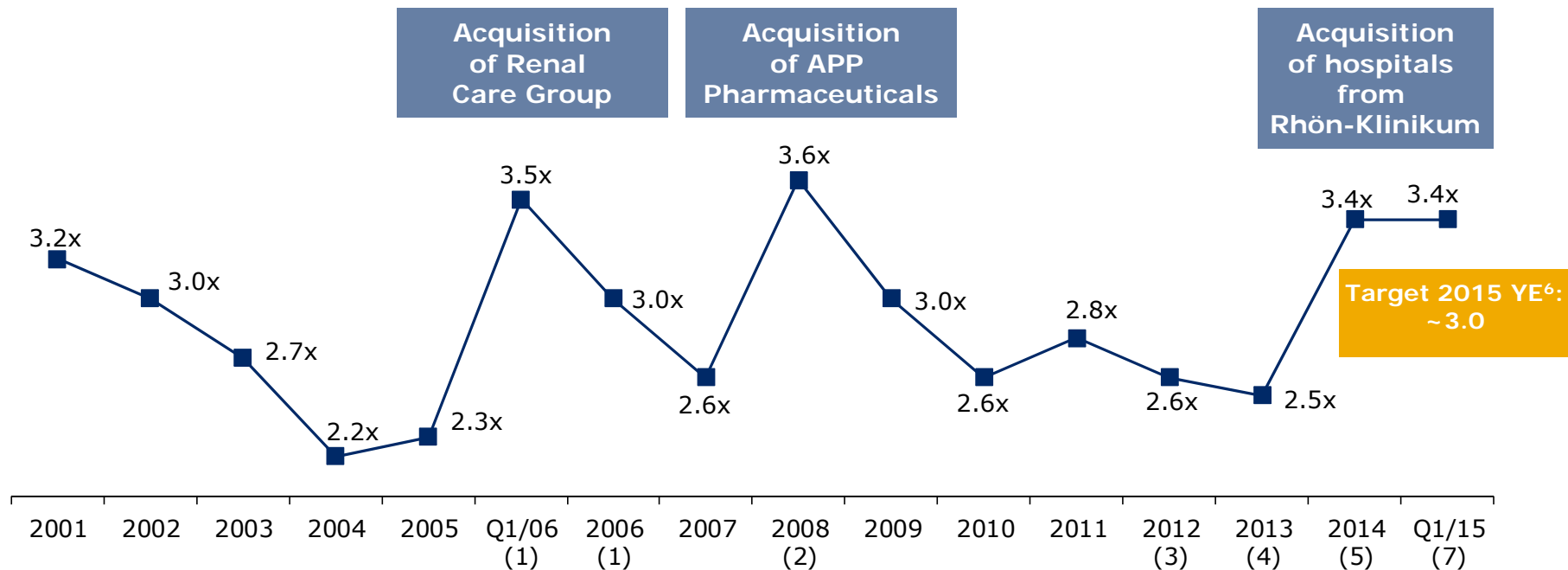
Fresenius Group: Debt and Interest Ratios

	Mar 31, 2015	Dec 31, 2014
Debt (€m) thereof 52% US\$ denominated	15,940	15,454
Net debt (€m)	14,948	14,279
Net debt/EBITDA	3.40 ^{1,2}	3.41 ^{2,3}
EBITDA/Interest	6.8 ⁵	6.8 ³



- 1 – Before integration costs, disposal gains (two HELIOS hospitals; Rhön stake) and costs for Fresenius Kabi efficiency program
- 2 – Pro forma including acquired Rhön hospitals and Fresenius Medical Care acquisitions; excluding two HELIOS hospitals
- 3 – Before integration costs and disposal gains (two HELIOS hospitals; Rhön stake)
- 4 – At annual average exchange rates for both net debt and EBITDA; without major acquisitions; before special items
- 5 – Before integration costs, disposal gains (two HELIOS hospitals) and costs for Fresenius Kabi efficiency program

Fresenius Group: Proven Track Record of Deleveraging



1 - Pro forma incl. Renal Care Group

2 - Pro forma incl. APP Pharmaceuticals Inc., before APP-transaction related special items

3 - Pro forma incl. Damp Group, Liberty Dialysis Holdings, Inc. and Fenwal, adjusted for €6 million one-time costs related to the 2012 takeover offer to Rhön-Klinikum AG shareholders as well as for €86 million other one-time costs at FMC

4 - Pro forma excluding advances made for the acquisition of hospitals and outpatient facilities of Rhön-Klinikum AG; Before integration costs (Fenwal)

5 - Pro forma acquired Rhön hospitals and FMC acquisitions; excluding two HELIOS hospitals; before integration costs (Fenwal; acquired Rhön hospitals) and disposal gains (two HELIOS hospitals; Rhön stake)

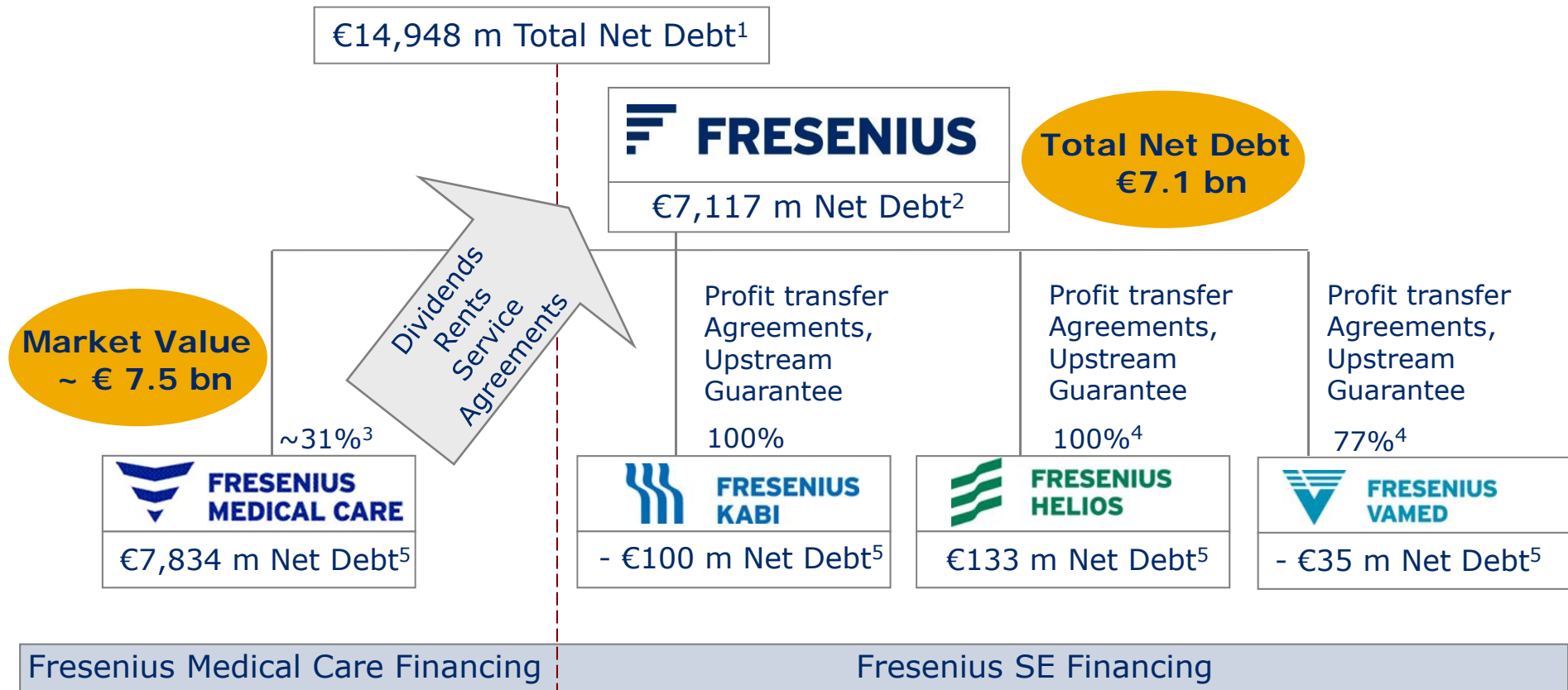
6 - At annual average exchange rates for both net debt and EBITDA, without major acquisitions and before special items

7 - Pro forma acquired Rhön hospitals and FMC acquisitions; excluding two HELIOS hospitals; before costs for the efficiency program and integration costs (Fenwal, acquired Rhön hospitals) and disposal gains (two HELIOS hospitals, Rhön stake)

Financing Facilities and Debt Structure



Fresenius Group: Current Debt and Cash Flow Structure March 31, 2015



1 – External debt as of March 31, 2015

2 – Incl. Fresenius Finance B.V. and other financing subsidiaries

3 – Controlling stake

4 – As held by Fresenius ProServe GmbH, a wholly owned subsidiary of Fresenius SE & Co. KGaA, which provides the guarantees

5 – Incl. subsidiaries

Fresenius Group: Capitalization March 31, 2015

	in € million	in \$ million	% of total cap	EBITDA LTM x
FSE 2013 Credit Agreement: Term Loan A (€, US-\$)	1,940	2,087	3.1%	
FSE 2013 Credit Agreement: Term Loan B (US-\$)	458	493	0.7%	
8.750% and 9.000% Senior Notes due 2015 (€, US-\$)	737	793	1.2%	
4.250% Senior Notes due 2019	500	538	0.8%	
2.375% Senior Notes due 2019	299	322	0.5%	
2.875% Senior Notes due 2020	500	538	0.8%	
3.000% Senior Notes due 2021	445	479	0.7%	
4.250% Senior Notes due 2021	279	300	0.4%	
4.000% Senior Notes due 2024	453	487	0.7%	
Convertible Bonds	462	497	0.7%	
Euro Notes	1,025	1,103	1.6%	
Other debt, gross	460	495	0.7%	
Total Debt (FSE excl. FMC), gross	7,558	8,132	11.9%	
Cash (excl. FMC)	413	444	0.7%	
Total debt (FSE excl. FMC), net	7,145	7,688	11.2%	
Total FMC debt, net ¹	7,803	8,395	12.3%	
Total consolidated debt, net	14,948	16,083	23.5%	3.4x ^{3,4}
Market capitalization ²	48,648	53,007	76.5%	11.1x
Total capitalization	63,596	69,090	100.0%	14.5x
FSE Group EBITDA³				4,397

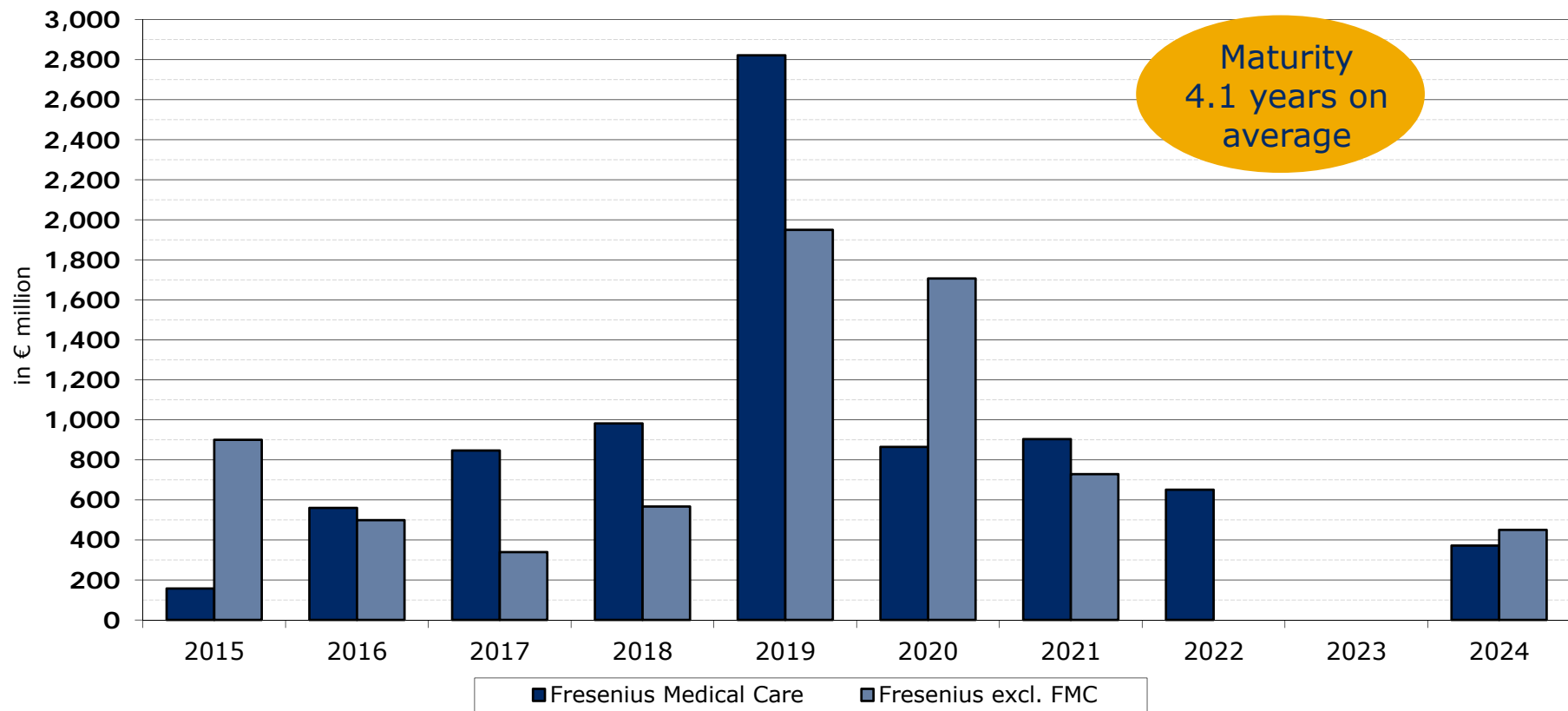
1 - Net of Cash and intercompany adjustments

2 - Based on market capitalization for FSE and FMC as of May 28, 2015

3 - Pro forma acquisitions (Rhön hospitals -€1 m, FMC acquisitions €55 m, excl. two HELIOS hospitals); before integration costs (Fenwal €49 m, acquired Rhön hospitals €53 m, disposal gains two HELIOS hospitals €34 m, Rhön stake €35 m and costs for efficiency program €10 m)

4 - Exchange rate as of March 31, 2015, except for market capitalization which uses exchange rate as of May 28, 2015

Fresenius Group: Debt Maturity Profile¹ March 31, 2015



1 - based on utilization of major financing instruments

Summary and Outlook



Fresenius Medical Care: Financial Outlook 2015 and beyond

	2015 E	2016 projection	Long term target 2020 CAGR 2015-2020
Sales	5-7% 10-12%cc	9-12% 9-12%cc	~10%
Net Income	0-5%	15-20%	High single digit

- The outlook is based on exchange rates prevailing at the beginning of 2015
- Information includes savings from the Global Efficiency Program
- Potential acquisitions are not included
- The outlook is based on the execution and the operating cost investments within the Care Coordination business – in line with FMC’s 2020 strategy

cc = constant currency
CAGR = Compound Annual Growth Rate

Fresenius Group: Increased Outlook for Fresenius Kabi

		Old	New
Fresenius Kabi	Sales growth organic	3% – 5%	4% – 7%
	EBIT growth constant currency	4% – 6%	11% – 14%
Fresenius Helios	Sales growth organic	3% – 5%	✓ ✓ ✓
	Sales growth reported	6% – 9%	
	EBIT	€630 – 650 m	
Fresenius Vamed	Sales growth organic	single-digit %	✓ ✓
	EBIT growth	5% – 10%	

Fresenius Group: Increased Earnings Guidance

	Old	New
Revenue growth at constant currency	7% – 10%	✓
Net income growth ¹ at constant currency	9% – 12%	13% – 16%

1 – Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before integration costs for hospitals of Rhön-Klinikum AG (~€10 m before tax), before costs for efficiency program at Fresenius Kabi (~€100 m before tax) and disposal gains from the divestment of two HELIOS hospitals (€34 m before tax); 2014 before special items

Fresenius Group: Ideal Strategic Posture to Benefit from Major Healthcare Trends



Aging population and higher incidence of chronic diseases

World population aged 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: \$157, China: \$480, vs. USA: \$8,895; WHO)



Continuing growth of generics

Approx. \$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: Attractive Mid-Term Growth Prospects

Mid-Term Target
~ €30 billion sales
€1.4 to €1.5 billion net income¹
by 2017



Strong and Balanced Health Care Portfolio

1 – excl. attributable to non-controlling interest

Investment Highlights

Leading market positions

Diversified revenue base with four strong business segments

Global presence in growing, non-cyclical markets

Proven ability to integrate acquisitions

Clear track record of and commitment to de-leveraging

Strong financial performance and cash flow generation

Health Care Worldwide

