



# Analyst Conference Call – Q1/10 Results

May 4, 2010



## 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   | Net income* |
|--------------------------------------|----------|--------|-------------|
| Q1/10                                | €3,643 m | €500 m | €119 m      |
| Growth at constant<br>currency rates | 10%      | 7%     | 8%          |
| Growth at actual<br>currency rates   | 8%       | 5%     | 8%          |

\* Net income attributable to Fresenius SE and before special items due to MEB and CVR accounting

## Fresenius Group: Financial Results by Business Segment

| Q1/10           | Fresenius<br>Medical Care | Fresenius<br>Kabi | Fresenius<br>Helios | Fresenius<br>Vamed |
|-----------------|---------------------------|-------------------|---------------------|--------------------|
| Sales<br>Growth | US\$2,882 m<br>13%        | €800 m<br>11%     | €608 m<br>5%        | €156 m<br>34%      |
| EBIT<br>Growth  | US\$423 m<br>7%           | €145 m<br>5%      | €52 m<br>18%        | €7 m<br>75%        |

## Fresenius Kabi: Update Q1/10

- Strong start into the year, organic sales growth at 9%
  - 12% organic growth in clinical nutrition
  - 11% organic growth in IV drugs
- EBIT margin of 18.1% fully in line with expectations
- No significant impact from US healthcare reform and current German reform plans expected
- APP Pharmaceuticals – update:
  - 14% sales growth in non-heparin portfolio
  - 1 product approval, 2 ANDA filings YTD, 34 ANDAs pending



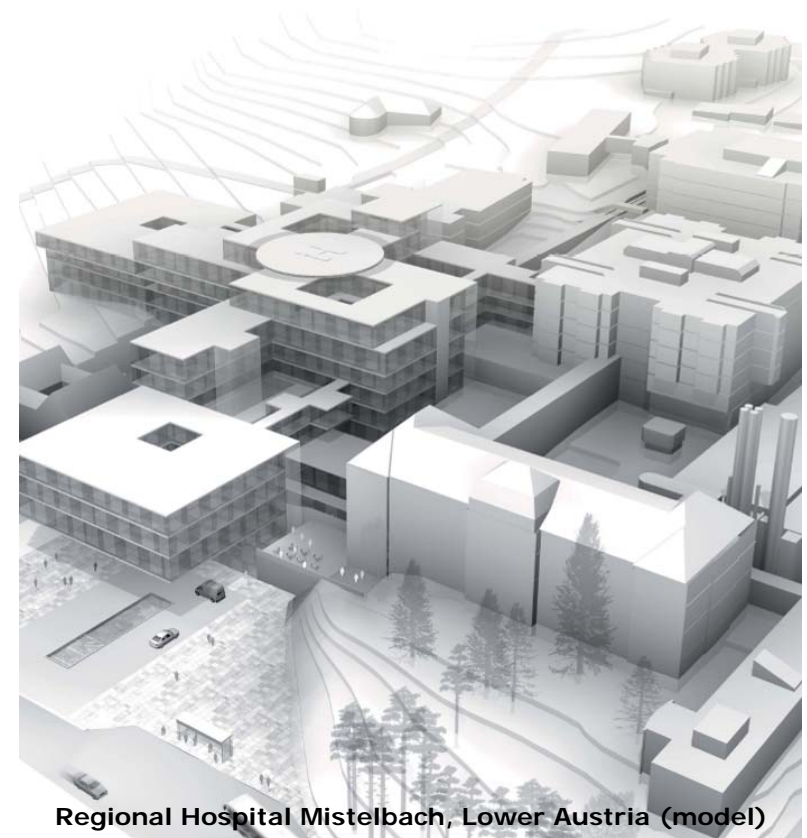
## Fresenius Helios: Update Q1/10

- Continued strong organic sales growth of 6%
- Improved key performance indicators
  - More than 152,000 in-patient hospital admissions in Q1, 4% organic growth
  - Average length of hospital stay at all-time low of 6.9 days
- Fully on track to achieve 2010 guidance
- Excellent progress at Krefeld hospital – reconstruction on plan – radiation clinic in operation
- Privatization activity expected to gain momentum in 2010/2011



## Fresenius Vamed: Update Q1/10

- Excellent 34 % sales growth, driven by Ukraine medical equipment contract
- Order entry nearly tripled to €260 million
  - €102 million turnkey contract for extension of a 500-bed hospital in Lower Austria
- Order backlog (€838 million) at all-time high – double the size of '09 project sales
  - Regional distribution:
    - 71 % Europe (PIIGS: 0%)
    - 29 % RoW



Regional Hospital Mistelbach, Lower Austria (model)

## Group Financials Q1/10 – Outlook 2010



## Fresenius Group: Profit and Loss Statement

| €m           | Q1/10 | Q1/09 | Growth YoY   |                |
|--------------|-------|-------|--------------|----------------|
|              |       |       | actual rates | constant rates |
| Sales        | 3,643 | 3,373 | 8%           | 10%            |
| EBIT         | 500   | 477   | 5%           | 7%             |
| Net interest | -143  | -145  | 1%           | -2%            |
| Income taxes | -119  | -107  | -11%         | -15%           |
| Net income*  | 119   | 110   | 8%           | 8%             |

\* Net income attributable to Fresenius SE and before special items due to MEB and CVR accounting

## Fresenius Kabi: EBIT Growth Fully in Line with Expectations

| €m  | Q1/10        | Q1/09        | Growth    |
|---|--------------|--------------|-----------|
| Europe<br>Margin                            | 86<br>21.0%  | 80<br>21.3%  | 8%        |
| North America<br>Margin                     | 47<br>26.3%  | 50<br>29.8%  | -6%       |
| Asia-Pacific/Latin America/Africa<br>Margin | 35<br>16.5%  | 27<br>15.2%  | 30%       |
| Corporate and Corporate R&D                 | -23          | -19          | -21%      |
| <b>Total EBIT</b>                           | <b>145</b>   | <b>138</b>   | <b>5%</b> |
| <b>Margin</b>                               | <b>18.1%</b> | <b>19.1%</b> |           |

## Fresenius Helios: Excellent Sales and EBIT Growth

| €m  | Q1/10       | Q1/09       | Growth     |
|---|-------------|-------------|------------|
| <b>Total sales</b>  | <b>608</b>  | <b>577</b>  | <b>5%</b>  |
| <b>EBIT</b>   |             |             |            |
| Established clinic portfolio  | 52          | 43*         | 21%        |
| Margin  | 8.6%        | 7.5%        |            |
| Acquisitions/Divestitures<br>(consolidation/deconsolidation < 1 yr) | 0           | 1*          |            |
| <b>Total EBIT</b>   | <b>52</b>   | <b>44</b>   | <b>18%</b> |
| <b>Margin</b>   | <b>8.6%</b> | <b>7.6%</b> |            |

\* Prior year EBIT split adjusted to current portfolio

## Fresenius Vamed: Excellent Sales and EBIT Growth





| €m                               | Q1/10      | Q1/09                  | Growth      |
|----------------------------------|------------|------------------------|-------------|
| Project business                 | 102        | 68                     | 50%         |
| Service business                 | 54         | 48                     | 13%         |
| <b>Total sales</b>               | <b>156</b> | <b>116</b>             | <b>34%</b>  |
| <b>Total EBIT</b>                | <b>7</b>   | <b>4</b>               | <b>75%</b>  |
| Margin                           | 4.5%       | 3.4%                   |             |
| <b>Order intake<sup>1</sup></b>  | <b>260</b> | <b>88</b>              | <b>195%</b> |
| <b>Order backlog<sup>1</sup></b> | <b>838</b> | <b>679<sup>2</sup></b> | <b>23%</b>  |

<sup>1</sup> Project business only

<sup>2</sup> Dec 31, 2009

## Cash Flow Development

€m

|  | Operating CF |                          | Capex (net) |               | Free Cash Flow <sup>1</sup> |                         |
|--|--------------|--------------------------|-------------|---------------|-----------------------------|-------------------------|
|  | Q1/10        | LTM Margin               | Q1/10       | LTM Margin    | Q1/10                       | LTM Margin              |
|                     | 74           | 13.6%                    | (32)        | (3.8%)        | 42                          | 9.8%                    |
|                     | 36           | 10.2%                    | (22)        | (5.0%)        | 14                          | 5.1%                    |
|                     | 89           | 11.9%                    | (1)         | (0.8%)        | 88                          | 11.1%                   |
| Corporate/<br>Other  | -13          | n/a                      | (4)         | n/a           | -17                         | n/a                     |
| <b> excl. FMC</b> | <b>186</b>   | <b>11.5%<sup>2</sup></b> | <b>(59)</b> | <b>(4.1%)</b> | <b>127</b>                  | <b>7.4%<sup>2</sup></b> |

Margin = in % of sales

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

<sup>2</sup> Incl. FMC dividend: CFFO LTM margin 12.5%, FCF LTM margin 8.1%

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Page 13

## Fresenius Group: 2010 Financial Outlook Fully Confirmed

|                              |                             |                                |
|------------------------------|-----------------------------|--------------------------------|
| <b>Fresenius<br/>Kabi</b>    | Sales growth<br>EBIT margin | 7 – 9% organic<br>18 – 19%     |
| <b>Fresenius<br/>Helios</b>  | Sales growth<br>EBIT        | 3 – 5% organic<br>€220 – 230 m |
| <b>Fresenius<br/>Vamed</b>   | Sales growth<br>EBIT growth | 5 – 10%<br>5 – 10%             |
| <b>Fresenius<br/>Biotech</b> | EBIT                        | -€35 – -40 m                   |

## Fresenius Group: 2010 Financial Outlook Fully Confirmed

Revenue growth  
at constant currency

7 – 9%

Net income growth\*  
at constant currency

8 – 10%

Capex

~ 5% of Group sales

\* Net income attributable to Fresenius SE and before special items due to MEB and CVR accounting

## Attachments



## Special items

- Other financial result:
  - CVR (Contingent Value Right): The trading price of the CVR on the B/S date is considered as fair redemption value. Changes of this value are recognized in the P&L. Valuation changes will lead to quarterly gains or expenses until maturity.

Calculation as of March 31, 2010:  $\Delta$  between trading price of US\$0.30 at December 31, 2009 and trading price at March 31, 2010 of US\$0.15 multiplied by 163.3 million CVRs = US\$24.5 million = €18 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 will lead to gains or expenses until maturity.

## 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 (~64%)

Noncontrolling interest holders in Fresenius Medical Care (FY/2009: US\$74 m, Q1/2010: US\$17 m according to Fresenius Medical Care's Financial Statements)

Noncontrolling interest holders in Fresenius Kabi (-€4 m), Fresenius Helios (-€3 m) and due to Fresenius Vamed's 23% external ownership (-€1 m)

Net income attributable to Fresenius SE

Q1/10

FY/09

306

1,443

-99

-452

-119

-497

-98

-411

-13

-53

-8

-33

88

494





## Fresenius Group: Cash Flow

| €m   | Q1/10      | LTM Margin   | Q1/09*     | LTM Margin    | Growth YoY  |
|--|------------|--------------|------------|---------------|-------------|
| <b>Operating Cash Flow</b>                                   | <b>438</b> | <b>12.5%</b> | <b>182</b> | <b>7.6%</b>   | <b>141%</b> |
| Capex (net)  | -130       | 4.5%         | -147       | 5.6%          | 12%         |
| <b>Free Cash Flow</b><br>(before acquisitions and dividends) | <b>308</b> | <b>8.1%</b>  | <b>35</b>  | <b>2.0%</b>   | <b>--</b>   |
| Acquisitions (net)   | -66        |              | -86        |               | 23%         |
| Dividends  | -24        |              | -11        |               | -118%       |
| <b>Free Cash Flow</b><br>(after acquisitions and dividends)  | <b>218</b> | <b>4.6%</b>  | <b>-62</b> | <b>-22.3%</b> | <b>--</b>   |

\* After FMC restatement of noncontrolling interest

## Cash Flow Development LTM

€m

|  | Operating CF |              | Capex (net)  |               | Free Cash Flow* |             |
|--|--------------|--------------|--------------|---------------|-----------------|-------------|
|  | LTM Q1/10    | LTM Margin   | LTM Q1/10    | LTM Margin    | LTM Q1/10       | LTM Margin  |
|                     | 431          | 13.6%        | (120)        | (3.8%)        | 311             | 9.8%        |
|                     | 249          | 10.2%        | (123)        | (5.0%)        | 126             | 5.1%        |
|                     | 78           | 11.9%        | (5)          | (0.8%)        | 73              | 11.1%       |
| Corporate/<br>Other  | -42          | n/a          | (8)          | n/a           | -50             | n/a         |
| <b> excl. FMC</b> | <b>716</b>   | <b>11.5%</b> | <b>(256)</b> | <b>(4.1%)</b> | <b>460</b>      | <b>7.4%</b> |

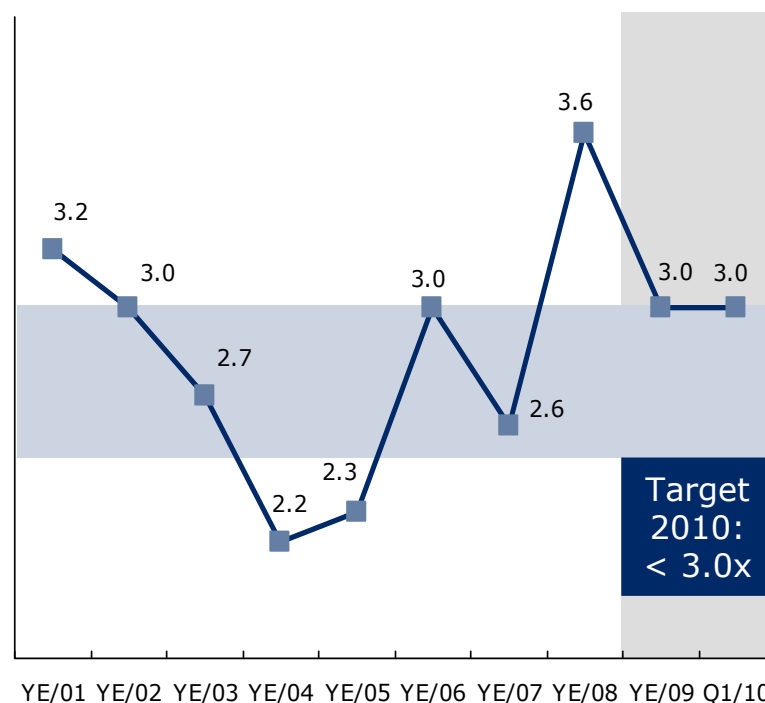
Margin = in % of sales

\* Before Acquisitions and Dividends

# Fresenius Group: Debt and Interest Ratios

|  | Mar 31,<br>2010 | Dec 31,<br>2009 |
|--|-----------------|-----------------|
| Debt (€m)<br>thereof 56% US\$<br>denominated | 8,500           | 8,299           |
| Net debt (€m)                                | 8,033           | 7,879           |
| Net debt/EBITDA                              | 3.0             | 3.0             |
| EBITDA/Interest                              | 4.5             | 4.5             |

## Net debt/EBITDA



Debt excludes Mandatory Exchangeable Bonds

## Fresenius Kabi: Strong Organic Sales Growth

| €m   | Q1/10      | Q1/09      | Organic Growth |
|--|------------|------------|----------------|
| Infusion Therapy                           | 196        | 168        | 6%             |
| IV Drugs                                   | 255        | 237        | 11%            |
| Clinical Nutrition                         | 245        | 216        | 12%            |
| Medical Devices/<br>Transfusion Technology | 104        | 101        | 1%             |
| <b>Total sales</b>                         | <b>800</b> | <b>722</b> | <b>9%</b>      |

## Fresenius Kabi: Strong Organic Sales Growth

| €m                   | Q1/10      | Q1/09      | Organic Growth |
|----------------------|------------|------------|----------------|
| Europe               | 409        | 376        | 6%             |
| North America        | 179        | 168        | 11%            |
| Asia-Pacific         | 128        | 111        | 14%            |
| Latin America/Africa | 84         | 67         | 7%             |
| <b>Total sales</b>   | <b>800</b> | <b>722</b> | <b>9%</b>      |

## Fresenius Helios: Strong Organic Sales Growth

| €m                                    | Q1/10      | Q1/09      | Growth    |
|---------------------------------------|------------|------------|-----------|
| Established clinic portfolio          | 608        | 574*       | 6%        |
| Acquisitions (consolidation < 1 yr)   | 0          |            |           |
| Divestitures (deconsolidation < 1 yr) |            | 3*         |           |
| <b>Total sales</b>                    | <b>608</b> | <b>577</b> | <b>5%</b> |

\* Prior year sales split adjusted to current portfolio

## Fresenius Helios: Performance Indicators

|  | Q1/10   | Q1/09   | Change |
|--|---------|---------|--------|
| <b>No. of hospitals*</b>               | 61      | 62      | -2%    |
| - Acute clinics                        | 42      | 43      | -2%    |
| - Post-acute care clinics              | 19      | 19      | 0%     |
| <b>No. of beds*</b>                    | 18,516  | 18,583  | 0%     |
| - Acute clinics                        | 15,049  | 15,116  | 0%     |
| - Post-acute care clinics              | 3,467   | 3,467   | 0%     |
| <b>Admissions**</b>                    |         |         |        |
| - Acute care (in-patient)              | 152,730 | 147,623 | 3%     |
| <b>Occupancy**</b>                     |         |         |        |
| - Post-acute care                      | 80%     | 79%     |        |
| <b>Average length of stay (days)**</b> |         |         |        |
| - Acute care                           | 6.9     | 7.0     |        |
| - Post-acute care                      | 30.1    | 30.5    |        |

\* Dec 31, 2009

\*\* Clinics in Germany

## Fresenius Helios: Sales Impact Hospital Acquisitions

### **Acquisitions**

none

### **Annualized sales**

### **Divestitures**

Hospital Dresden

~ €11 m

deconsolidated as of Jan 1, 2010

## Fresenius Group: Key Figures According to IFRS

| €m                     | Q1/10<br>US GAAP | Q1/10<br>IFRS |
|------------------------|------------------|---------------|
| Sales                  | 3,643            | <b>3,643</b>  |
| EBIT                   | 500              | <b>494</b>    |
| Net interest           | -143             | <b>-143</b>   |
| Net income*            | 88               | <b>84</b>     |
| Net income, adjusted** | 119              | <b>115</b>    |
| Operating Cash flow    | 438              | <b>439</b>    |
| Balance sheet total    | 22,048           | <b>22,315</b> |

\* Net income attributable to Fresenius SE

\*\* Net income attributable to Fresenius SE before special items due to MEB and CVR accounting

## Financial Calendar

|            |  |
|------------|--|
| 12.05.2010 | Annual General Meeting, Frankfurt/Main                   |
| 13.05.2010 | Payment of dividend*                                     |
| 03.08.2010 | Report on 1 <sup>st</sup> half 2010                      |
| 02.11.2010 | Report on 1 <sup>st</sup> -3 <sup>rd</sup> quarters 2010 |

### Contact

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\* Subject to the prior approval by the Annual General Meeting.